

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP158QW

Please advise the total remuneration package of your:

- a. company secretary, and
- b. Chief Executive Officer, including:
 - i. total remuneration
 - ii. base salary
 - iii. annual bonuses
 - iv. deferred bonuses
 - v. equity or other options
 - vi. additional compensation not covered in the above.

Answer

Please advise the total remuneration package of your:

- a. company secretary,**

NM Superannuation Proprietary Limited does not have any employees.

The AMP Limited Company Secretary is not a disclosed individual. Specific remuneration information is considered sensitive for a non-disclosed individual. AMP cannot share sensitive personal information.

- b. Chief Executive Officer, including:**
 - i. total remuneration**
 - ii. base salary**
 - iii. annual bonuses**
 - iv. deferred bonuses**
 - v. equity or other options**
 - vi. additional compensation not covered in the above.**

Please refer to AMP126QW for CEO remuneration information.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP159QW

For each year of the past decade, please advise the:

- a. annual remuneration of the average worker who contributes to your fund
- b. average annual superannuation contribution from an employee to your fund
- c. multiple your CEO is remunerated compared to the annual remuneration of the average worker who contributes to your fund.

Answer

For each year of the past decade, please advise the:

- a. annual remuneration of the average worker who contributes to your fund**

AMP only collects income information for its members where it is appropriate to do so for insurance purposes; for a significant portion of members we do not have income information. Further, our members are drawn from a wide range of industries, as diverse as retail, white-collar professionals, entertainment, sports and self-employed.

Therefore, it is not possible to provide any meaningful average income information of our superannuation members.

- b. average annual superannuation contribution from an employee to your fund**

From a broad analysis of total contributions received over the total members within AMP's various superannuation products, a crude average contribution of \$4,510 per member was calculated for the 2019/2020 financial year.

- c. multiple your CEO is remunerated compared to the annual remuneration of the average worker who contributes to your fund.**

As discussed in part (a) of this question, a meaningful average income of our membership base is not possible to provide. Therefore, it is also not possible to calculate the multiple.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP160QW

In the context of marketing and advertising campaigns:

- a. How many is your fund currently running individually, or in collaboration with others?
- b. How many have run, or are currently running since the beginning of calendar year 2020?
- c. What is the actual cost for each campaign (including development, production, broadcasting, and distribution) to 30 June 2020?
- d. What is the actual cost for each campaign (including development, production, broadcasting, and distribution) budgeted?
- e. What is the budgeted cost for each campaign (including development, production, broadcasting, and distribution) from 1 July 2020 – 31 December 2020?
- f. What is the budgeted cost for any existing or proposed campaigns (including development, production, broadcasting, and distribution) for the period 1 January 2021 – 30 June 2021?
- g. What is the budgeted cost for any existing or proposed campaigns (including development, production, broadcasting, and distribution) for the period 1 July 2021 – 31 December 2021?

Answer

In the context of marketing and advertising campaigns:

- a. How many is your fund currently running individually, or in collaboration with others?**
- b. How many have run, or are currently running since the beginning of calendar year 2020?**

NM Superannuation Proprietary Limited does not undertake any advertising or marketing itself. However, AMP Limited has undertaken some marketing and advertising campaigns to acquire new clients in 2020.

- c. What is the actual cost for each campaign (including development, production, broadcasting, and distribution) to 30 June 2020?**
- d. What is the actual cost for each campaign (including development, production, broadcasting, and distribution) budgeted?**
- e. What is the budgeted cost for each campaign (including development, production, broadcasting, and distribution) from 1 July 2020 – 31 December 2020?**

In 2020, AMP undertook a search engine marketing campaign for the month of January only. At a cost of approx. \$50,000 this campaign advertised the AMP Flexible Super product to potential new members. AMP has not run any further superannuation advertising during the year and currently does not have any planned for the remainder of 2020 or into 2021.

- f. What is the budgeted cost for any existing or proposed campaigns (including development, production, broadcasting, and distribution) for the period 1 January 2021 – 30 June 2021?**
- g. What is the budgeted cost for any existing or proposed campaigns (including development, production, broadcasting, and distribution) for the period 1 July 2021 – 31 December 2021?**

At this stage we do not anticipate a significant change in acquisition marketing expenditure from the current year.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP161QW

For each of the following categories, please provide the percentages of employees that are women, men, or who identify otherwise:

- a. all employees
- b. non-executive employees
- c. executive employees
- d. senior executive employees.

Answer

The *Workplace Gender Equality Act 2012* requires non-public sector employers with 100 or more employees to submit a report annually to the Workplace Gender Equality Agency (WGEA).

AMP Limited's data, as reported in the 2019 WGEA report was:

- a. all employees
 - Female: 56.6%
 - Male: 43.4%
- b. non-executive employees
 - Female: 62.6%
 - Male: 37.4%
- c. executive employees
 - Female: 32.8%
 - Male: 67.2%
- d. senior executive employees.
 - Female: 28.6%
 - Male: 71.4%

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP162QW

Do you have a target for the employment of:

- a. women as a share of:
 - i. all employees?
 - ii. executive employees?
 - iii. senior executive employees?

- b. people who are gender non-binary as a share of:
 - i. all employees?
 - ii. executive employees?
 - iii. senior executive employees?

Answer

AMP Limited's Sustainability Report for 2019 (most recent report) published the following targets for employment of women as a share of:

- All employees – n/a
- Middle Management – 50%
- Senior Executives – 47%

No targets are currently set for gender non-binary.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP163QW

Since the introduction of Superstream, which has standardised the transfer of funds, has there been:

- a. A reduction in the cost to the fund for transferring funds, and if so, by how much?
- b. A reduction in the fees charged to members reflecting any saving, and if so, by how much?

Answer

Since the introduction of Superstream, which has standardised the transfer of funds, has there been:

- a. A reduction in the cost to the fund for transferring funds, and if so, by how much?**

AMP has not measured a quantifiable saving directly attributable to the introduction of SuperStream functionality in 2013. However, there have been some clear cost-savings to AMP's superannuation funds as a result of Superstream such as a reduction of the number of administrators processing non-STP (straight-through processing) payments by approx. 22 FTE.

- b. A reduction in the fees charged to members reflecting any saving, and if so, by how much?**

In September 2018, AMP Australia passed the following fee savings onto members as parts of its ongoing journey to simplify its portfolio to create efficiencies and share cost savings with members:

- Headline MySuper Fee reduction in the AMP Superannuation Savings Trust from 1.04% pa to 0.61% pa
- Headline MySuper Fee reduction in the AMP Super Directions Fund from 1.13% pa to 0.61% pa

These fee changes amounted to an aggregate ~\$50m pa fee savings across the MySuper membership.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP164QW

Greenhouse gas emissions

- a. Does your fund have an internal target for your own greenhouse gas emissions footprint by:
 - i. 2030?
 - ii. 2035?
 - iii. 2040?
 - iv. 2045?
 - v. 2050?
- b. Does your fund have a target for reducing greenhouse gas emissions from investments by:
 - i. 2030?
 - ii. 2035?
 - iii. 2040?
 - iv. 2045?
 - v. 2050?
- c. Does your fund intend to divest from investments if they do not reach their greenhouse gas emissions reduction targets by:
 - i. 2030?
 - ii. 2035?
 - iii. 2040?
 - iv. 2045?
 - v. 2050?

Answer

AMP does not currently have targets in place for greenhouse gas emissions, either internally or in relation to investments.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP165QW

The New Daily

- a. Have you ever completed a cost benefit analysis of The New Daily to your fund?
 - i. If so, when did you complete this cost benefit analysis?
 - ii. Please provide a copy of the cost benefit analysis.

- b. Have you ever completed a cost benefit analysis of The New Daily to your members?
 - i. If so, when did you complete your cost benefit analysis of the New Daily to your members?
 - ii. Please provide a copy of the cost benefit analysis.

Answer

No.

No AMP entities are currently, or have previously been, a financial contributor to or investor in The New Daily.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP166QW

Financial advisers remuneration

- a) Are your financial advisers paid:
 - i. a base salary?
 - ii. non-salaried remuneration, including bonuses?
- b) Are your financial advisers, who are only remunerated with a base salary, eligible to provide:
 - i. personal advice?
 - ii. general advice?

Answer

N.M. Superannuation Proprietary Limited (the AMP Trustee) does not employ any financial advisers, nor does it authorise any persons to provide general or personal advice through its AFSL.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP167QW

Have any technology innovations within the fund reduced the cost of operating the fund over the past decade?

If so, please outline:

- a. the technological innovations
- b. the cost saving
- c. the cost saving passed through to fees charged to members.

Answer

AMP continues to evolve its technology platform to deliver efficiencies and costs savings throughout the business. This includes the ongoing digitisation of features and services, as well as partnerships with technology providers both in Australia and overseas to help drive better member outcomes.

AMP does not measure a quantifiable saving directly attributable to the introduction of a specific technological innovation.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
 REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
 SUPERANNUATION SECTOR

AMP

AMP168QW

Valuations

- a. What data is provided to valuation teams to assess the value of unlisted assets?
- b. When the fund provides data to valuation teams to assess the value of unlisted assets, does this include internal modelling of asset valuations?
- c. What assumptions are provided to valuation teams when assessing the value of unlisted assets?
- d. When valuation teams assess the value of unlisted assets, do they solely take account of past performance?
- e. When valuation teams assess the value of unlisted assets, what weighting do they take on the projected value of the market for such unlisted assets to inform their valuations?
- f. For the past decade can you please complete the below table for each unlisted asset valued under your valuation policy.

Answer

NM Superannuation Proprietary Limited outsources its investment management to AMP Capital. Valuations of unlisted assets are therefore undertaken/overseen by AMP Capital for those unlisted assets held in their investment management funds.

Valuations	Responses
a. What data is provided to valuation teams to assess the value of unlisted assets?	<p><u>Real estate assets:</u></p> <p>The external valuers are provided with factual data in respect of each property including:</p> <ul style="list-style-type: none"> • Leases • Tenancy schedules • Outgoings and capital expenditure budgets • Details of current leasing deals/Heads of Agreement • Turnover data for retail assets • Environment, technical and building condition reports (where available) <p><u>Infrastructure equity assets:</u></p> <ul style="list-style-type: none"> • Business plan, • budgets and • forecasts including long-term free cash flow forecast

	<p><u>Private Equity & other alternative strategies</u></p> <p>Private Equity assets sizes are typically small and investments are not directly held. AMP Capital has interests in approximately 140 externally managed funds and 65 co-investments which are managed and valued by the co-investment partner. Therefore, AMP Capital provides no input to the valuation of these underlying assets.</p>
<p>b. When the fund provides data to valuation teams to assess the value of unlisted assets, does this include internal modelling of asset valuations?</p>	<p><u>Real estate assets:</u></p> <p>Internal valuation modelling is not provided to the external valuers</p> <p><u>Infrastructure equity assets:</u></p> <p>Depends on the valuation. Note certain infrastructure assets are unique and valuation models are bespoke.</p> <p><u>Private Equity & other alternative strategies</u></p> <p>AMP Capital provides no input to the valuation of these underlying assets.</p>
<p>c. What assumptions are provided to valuation teams when assessing the value of unlisted assets?</p>	<p><u>Real estate assets:</u></p> <p>Factual data is provided to the external valuers. The external valuers are responsible for making the market-based assumptions including items such as market rentals, growth rates, incentives and investment metrics. These assumptions are reviewed for reasonableness by the Investment Management team and the Valuation Manager and any queries are addressed to the external valuer.</p> <p><u>Infrastructure equity assets:</u></p> <p>The independent valuer determines the appropriate valuation basis taking into consideration the nature of the asset and any applicable regulatory considerations. Unlisted infrastructure equity assets are generally valued using a discounted cash flow (DCF) methodology.</p> <p>Please note discount rates are independently determined by the external valuers.</p> <p><u>Private Equity & other alternative strategies</u></p> <p>AMP Capital provides no input to the valuation of these underlying assets.</p>
<p>d. When valuation teams assess the value of unlisted assets, do they solely take account of past performance?</p>	<p>Valuations of underlying assets are based on forward-looking factors as follows:</p> <p><u>Real estate assets</u></p> <p>The valuations are not based on past performance. The focus of the valuations is on the outlook for the market in which the asset is located with valuers preparing 10 year cash flow forecasts based</p>

	<p>on the outlook for supply and demand, vacancy rates, growth, capital expenditure and other factors that impact the property.</p> <p><u>Infrastructure equity assets</u></p> <p>Valuations apply DCF models using future cashflows – typically 10 year cash flow forecasts.</p> <p><u>Private Equity & other alternative strategies</u></p> <p>AMP Capital provides no input to the valuation of these underlying assets.</p>
<p>e. When valuation teams assess the value of unlisted assets, what weighting do they take on the projected value of the market for such unlisted assets to inform their valuations?</p>	<p><u>Real estate assets</u></p> <p>The valuations are as at the current date, they are not projected future valuations. Key inputs to the valuations, such as discount rates and capitalisation rates, are selected based upon comparison to analysis of recent sales of similar assets in the same market. Other key inputs, such as market rentals, are also based upon analysis of recent lettings within comparable assets and the subject property.</p> <p><u>Infrastructure equity assets</u></p> <p>An appropriate weighting will be decided and attributed by the external valuer to the valuations as the valuer deems appropriate for the particular asset.</p> <p><u>Private Equity & other alternative strategies</u></p> <p>AMP Capital provides no input to the valuation of these underlying assets.</p>
<p>f. For the past decade can you please complete the below table for each unlisted asset valued under your valuation policy.</p>	<p>Over the past decade, the following valuation processes (including valuer rotation) have been followed. Generally, valuation frequencies are semi-annual or more frequent. All valuations, both internal and external/independent are reviewed on an in-house basis by AMP Capital valuation committees.</p> <p><u>Real estate assets:</u></p> <p>AMP Capital maintains a panel of external valuers. The panel is reviewed annually by the Valuation Manager to ensure there are a reasonable number of qualified valuers available in each geographic market and each asset class (e.g. Retail, Office and Industrial). Furthermore, the review confirms that no market, or class of asset, is dominated by one valuation firm, ensuring that a diversity of opinion is maintained across the portfolio. An asset may be valued by the same valuer for a period not exceeding two years. For assets in development, the real estate valuation committee can give approval for a second term of two years, however in no circumstance can a valuer be appointed for a period</p>

longer than four years. The current valuation panel comprises the following independent valuers:

- CBRE
- Jones Lang Lasalle
- Knight Frank
- Colliers International
- Cushman & Wakefield
- Savills
- M3 property
- Urbis

Infrastructure equity assets:

AMP Capital uses reputable independent valuers such as PwC, KPMG and Deloitte to value unlisted infrastructure equity assets. In some circumstances, AMP Capital may use other valuers who have particular expertise having regard to the nature of the asset being valued.

External valuers are considered for rotation on a regular basis unless there are specific circumstances that would make rotation inappropriate or impractical.

Private Equity & other alternative strategies

The Valuation Policies of the underlying managers are monitored in-house by the relevant AMP Capital valuation committee to ensure they comply with the Valuation Policies of AMP Capital.

The relevant AMP Capital valuation committee considers the age of an asset's valuation and during volatile market conditions (e.g. GFC, COVID-19) and/or periods of heightened valuation uncertainty, the relevant AMP Capital valuation committee may approve valuation adjustments.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP169QW

In the Financial Services Royal Commission documentation an 'Audit and Risk Management Committee' paper was compiled for CBUS ('Review of payments made to sponsoring organisations' —<https://financialservices.royalcommission.gov.au/public-hearings/Documents/Additional-exhibits-round-5/EXHIBIT-5.368.pdf>).

Please advise how many times, over the last decade, such a paper, or equivalent, has been prepared for:

- a) your Board?
- b) a Board subcommittee?
- c) executive management?

Answer

N.M. Superannuation Proprietary Limited does not have any sponsoring organisation relationships of the kind described in the CBUS paper referred to above. Therefore, no papers or their equivalent have been produced in relation to those types of payments.