



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON12QW:

Over the last five financial years:

- a. What is the total budget for all costs associated with the fund?
- b. What were the total assets under management?
- c. What are the total number of employees?
- d. What are the total number of contractors?
- e. What are the total number of externally hired contracts, and their value?

Answer:

smartMonday - Budget, AUM and Employees		Financial Year				
		2015	2016	2017	2018	2019
a.	Total Budget for All Costs Associated with the Fund (\$ '000)	36,619	37,290	40,673	39,749	53,335
b.	Total Assets Under Management (\$ '000)	2,987,815	3,011,081	3,238,201	3,411,853	5,298,938
c.	Total Number of Employees	0	0	0	0	0
d.	Total Number of Contractors	0	0	0	0	0
e.	Total number of Externally Hired Contracts (and \$ Value)	0	0	0	0	0

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**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON13QW:

Over the last five financial years:

- a. What is the total number of member accounts?
- b. What is the total increase in the number of members as a result of the fund’s default status?
- c. What is the total increase in the number of members through voluntary adoption or switching?
- d. What was the average member balance?
- e. What was the average dollar amount deducted in insurance fees per member, across all fund products in dollar terms and as a share of a member account?
- f. What was the total number of inactive accounts? (Please use the APRA definition: no contributions for two years)

Answer:

smartMonday - Member Accounts		2015	2016	2017	2018	2019
AON13QW	a. What is the total number of member accounts?	48,379	45,674	43,528	40,510	72,966
	b. Increase in members as a result of Fund's default status	4,170	4,415	3,826	3,474	5,684
	c. Increase in members through voluntary adoption or switching	639	526	641	269	211
	d. Average member balance?	\$ 55,209	\$ 58,612	\$ 66,513	\$ 75,389	\$ 67,113
	e. (part1) What was the average insurance fees per member (dollar)	\$ 775.76	\$ 794.32	\$ 807.80	\$ 912.97	\$ 755.39
	e. (part2) What was the average insurance fees per member on share of member account (%)	1.30%	1.27%	1.15%	1.16%	1.08%
	**Note derived by the average insurance fee per member divided by the average members account balance (with insurance)					
f. Total Number of Inactive Accounts	12,507	12,013	10,705	10,406	9,940	

**(b & c) This is not tracked on a member by member basis, it is assumed that all PRIME new members are default and by definition all DIRECT and PENSION members are voluntary.*



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SUPERANNUATION SECTOR**

AON Hewitt

AON14QW:

Please provide the one, five, and ten year net return after fees, costs, and taxes for the primary default MySuper balanced product.

Answer:

smartMonday - Default MySuper Returns				
		Net Return (after fees, costs and taxes) as at 31st December 2019		
	Item	1 Year	5 Year	10 Year
a.	MySuper Age 50	18.16%	7.00%	N/A
	<i>*Returns as at 31 December 2019, sourced from APRA Quarterly Statistics Publication</i>			
	<i>** The default smartMonday MySuper option is a lifecycle product that de-risks members as they get older. For the purposes of this inquiry, the Age 50 cohort most appropriately fits the requested 'Balanced' return (70-30 growth to defensive allocation)</i>			
	<i>*** Inception of the MySuper product was 31/01/2014, therefore 10 year returns are not available.</i>			

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON15QW:

Over the last five financial years:

- What was the average dollar amount deducted for administration and asset management fees per member, across all fund products? (please do not include insurance fees)
- What was the cost (%) of fund administration expenses as a proportion of funds under management?
- What was the total cost of in-house administration expenses?
- What was the cost of in-house administration expenses as a proportion of funds under management?
- What was the total cost of any external administration expenses?
- What was the cost of any external administration expenses as a proportion of funds under management?
- What was the total cost of any external administration expenses to Related Parties?
- What was the cost of any external administration expenses to Related Parties as a proportion of funds under management?
- How many staff are employed in roles considered part of the administrative cost?

Answer:

smartMonday - Administration Costs		Financial Year				
Item	2015	2016	2017	2018	2019	
a. Average Dollar Amount of Admin and Asset Management Fees	\$ 387.83	\$ 417.41	\$ 489.46	\$ 479.54	\$ 373.78	
b. Proportional Cost of Fund Admin Expense over FUM (\$'000)	0.63%	0.63%	0.66%	0.57%	0.51%	
c. Total Cost of In-House Administration Expenses (\$'000)	-	-	-	-	-	
d. Proportional Cost of In-House Administration over FUM (\$'000)	0.00%	0.00%	0.00%	0.00%	0.00%	
e. Total Cost of External Administration Expenses (\$'000)	18,763	19,065	21,305	12,951	27,273	
f. Proportional Cost of External Admin Expenses of FUM (\$'000)	0.63%	0.63%	0.66%	0.38%	0.51%	
g. Total Cost of Related Party Admin Expenses (\$'000)	18,763	19,065	21,305	6,475	-	
h. Proportional Cost of Related Party Admin Expenses of FUM (\$'000)	0.63%	0.63%	0.66%	0.19%	0.00%	
i. How many staff are employed in roles considered part of the Administrative Cost	200+	200+	200+	200+	250+	
*a) Expenses inclusive of all member experience, product, communications & distribution, digital & technology and client servicing. In addition to administration.						
*Up to 3 November 2017, Aon was a related part of the Trustee						
*i) Includes staff covered across Aon, Mercer, ISAS and OneVue under Master Admin Agreement						



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON16QW:

What is the total number of statutory fines over the past five years?

Answer:

None



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON17QW:

Over the last five financial years:

- a. The number of rollover requests that the fund did not pay out to another fund for each year?
- b. The average dollar value of a rollover for each year?
- c. The value of any clawback accounts and/or funds held that is used to hold funds between financial years?

Answer:

a. All valid rollover requests have been paid during the period.

b.

	2015	2016	2017	2018	2019
The average dollar value of a rollover for each year?	\$ 35,506	\$ 32,802	\$ 30,720	\$ 29,611	\$ 34,879

c. n/a

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON18QW:

- a. Does the fund maintain a reserve at least partially funded through insurance premiums, rebates from an insurance company (such as profit share arrangements) or tax benefits that have arisen from insurance?
- b. The total value of that reserve?
- c. The total value of tax rebates received from the ATO on insurance premiums?

Answer:

a.	Yes, Trustee Expense Reserve	
b.	Balance of Trustee Expense Reserve as at 31 December 2019	4,820,585
c.	Total value of tax rebates received from ATO on Insurance Premiums	41,553,950

**Total tax rebates received from ATO on insurance premiums from 01.07.2018 – 30.06.2019*

**90% of tax rebates went directly to members, 10% credited to the TER.*



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON19QW:

The number of trusts or investment vehicles the fund controls in each of the low tax regions, including Andorra, the Bahamas, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, the Cook Islands, Hong Kong, the Isle of Man, Mauritius, Lichtenstein, Luxembourg, Monaco, Panama, St Kitts and Nevis?

Answer:

None

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON20QW:

- a. The number of accounts that have been transferred to the ATO as a result of 'Protecting your Super' legislation?
- b. The value of the money that will be paid to the ATO as a result of the 'Protecting your Super' legislation?
- c. The number of accounts that has been transferred into an eligible rollover fund in the 2019 financial year?
- d. The value of the money that has been transferred into an eligible rollover fund in the 2019 financial year?

Answer: [

a.	Number of accounts that have been transferred to the ATO as a result of 'Protecting your Super' legislation:	928
b.	Value of money to be paid to ATO as a result of the 'Protecting your Super' legislation:	3,836,000
c.	Number of accounts transferred to an ERF in FY18-19:	1,611
d.	Value of accounts transferred into an ERF in FY18-19:	2,226,000



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON21QW:

Have you ever made a donation and/or subscription fee to the ACTU Member Connect and/or ACTU Superannuation Partnerships program, and if so, to what value over the past five years?

Answer:

No.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON22QW:

Does the fund pay any external consultants for any advocacy and communication services, and if so can you please name them and the costs incurred over the past five years?

Answer:

A budget exists for external agencies to assist in targeted member communication campaigns using email, facebook and linkedin such as the appointment of Focus Creative Pty to help highlight our investment results this year to members for a cost of \$ 30,000 in 2019. This was the first use of an external creative agency by Aon for the smartMonday offerings. We have contributed to Rice Warner's advocacy work to the government on tax relief for partial transfers of about \$5K so far in 2020 which is the first joint industry advocacy we have participated in.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON23QW:

- a. How many staff are employed for the purpose of policy research or analysis?
- b. How much was spent on engaging external policy and data analysis consultants?
- c. How much was spent on membership of industry advocacy organisations that provide policy and data analysis service to member funds?

Answer:

- a. None
- b. None
- c. ASFA - \$38,100 per annum



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON24QW:

In the context of building investments:

- a. Have you completed assessments of the prevalence of flammable cladding across some properties?
- b. Have you completed assessments of the prevalence of flammable cladding across all properties?
- c. Have you taken any remediation to reduce your exposure to risk to identify flammable cladding, and if so, what?
- d. Have you taken any remediation to reduce your exposure to risk to remove flammable cladding, and if so, what?
- e. Do you hold any properties where insurance has been refused or are uninsured due to defective building construction such as cladding?

Answer:

Not applicable as no direct property.



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SUPERANNUATION SECTOR**

AON Hewitt

AON25QW:

- a. What external parties manage your investments, if any?
- b. What are the fee structures per member from external management?

Answer:

smartMonday - List of Investment Managers and Fees

Investment Managers (IM's)
Vanguard
Russell
Barings
Insight
EQT

Weighted Averaged IM Fee
0.17%

**As at 31 December 2019*

**Managers as at 31 December 2019*



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON26QW:

Governance:

- a. How many trustee board members did the fund have?
- b. What was the total salary of all trustee board members?
- c. What was the average salary of all trustee board members?
- d. Are there any performance-based assessments that determine trustee board remuneration, and if so what are they?
- e. What was the salary of the trustee board chair?
- f. What was the average length of service of all trustee board members?
- g. What is the length of service of the longest serving trustee board member?
- h. Are trustee board members asked whether they have conflicts of interest at each meeting, and if not, why not?
- i. What is the conflict of interest policy for trustee board members?
- j. Does your fund have a policy on gender diversity and/or balance for listed companies?
- k. Does your board have gender balance?

Answer:

Not applicable as not a Trustee Company. An independent Company, Equity Trustees Superannuation Limited is the current Trustee of the Aon Master Trust.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON27QW:

In the context of the ACCC's legal action and question for competition in monopoly infrastructure entities:

- a. What are the implications for infrastructure investment returns if the ACCC is successful in its legal action?
- b. Have you analysed your infrastructure investment portfolio to examine the risk of ACCC action to reduce anti-competitive monopoly of oligopoly pricing?
- c. If so, can you provide details of the likely impact, and what is the project impact on revenue and income?

Answer:

Not applicable as no direct infrastructure assets. Listed infrastructure assets are global passive not Australian.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON28QW:

In dollar terms, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- Investment fees
- Administration fees
- Indirect costs
- Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- An aggregate total of all fees mentioned above.

Answer:

smartMonday PRIME															
Account balance -->	6,000					50,000					150,000				
Dollar basis															
Year commencing	Investment fee	Administration fees			Total	Investment fee	Administration fees			Total	Investment fee	Administration fees			Total
		Member based	FUM based	Indirect costs			Member based	FUM based	Indirect costs			Member based	FUM based	Indirect costs	
1/07/2015	14.40	82.08	31.80	0.78	129.06	120.00	82.08	265.00	6.50	473.58	360.00	82.08	795.00	19.50	1,256.58
1/07/2016	14.40	85.68	31.80	0.78	132.66	120.00	85.68	265.00	6.50	477.18	360.00	85.68	795.00	19.50	1,260.18
1/07/2017	14.40	87.48	31.80	0.78	134.46	120.00	87.48	265.00	6.50	478.98	360.00	87.48	795.00	19.50	1,261.98
1/07/2018	14.40	89.52	31.80	0.78	136.50	120.00	89.52	265.00	6.50	481.02	360.00	89.52	795.00	19.50	1,264.02
1/07/2019	14.40	91.56	31.80	0.78	138.54	120.00	91.56	265.00	6.50	483.06	360.00	91.56	795.00	19.50	1,266.06
smartMonday DIRECT															
Account balance -->	6,000					50,000					150,000				
Dollar basis															
Year commencing	Investment fee	Administration fees			Total	Investment fee	Administration fees			Total	Investment fee	Administration fees			Total
		Member based	FUM based	Indirect costs			Member based	FUM based	Indirect costs			Member based	FUM based	Indirect costs	
1/07/2015	31.80	82.08	27.00	1.20	142.08	265.00	82.08	225.00	10.00	582.08	795.00	82.08	675.00	30.00	1,582.08
1/07/2016	31.80	85.68	27.00	1.20	145.68	265.00	85.68	225.00	10.00	585.68	795.00	85.68	675.00	30.00	1,585.68
1/07/2017	31.80	87.48	27.00	1.20	147.48	265.00	87.48	225.00	10.00	587.48	795.00	87.48	675.00	30.00	1,587.48
1/07/2018	31.80	89.52	27.00	1.20	149.52	265.00	89.52	225.00	10.00	589.52	795.00	89.52	675.00	30.00	1,589.52
1/07/2019	31.80	91.56	27.00	1.20	151.56	265.00	91.56	225.00	10.00	591.56	795.00	91.56	675.00	30.00	1,591.56



smartMonday PENSION																		
Account balance -->		6,000					50,000					150,000						
Dollar basis																		
Year commencing	Investment fee	Administration fees				Total	Investment fee	Administration fees				Total	Investment fee	Administration fees				Total
		Member based	FUM based	Indirect costs				Member based	FUM based	Indirect costs				Member based	FUM based	Indirect costs		
1/07/2015	28.80	82.08	21.00	1.20	133.08	240.00	82.08	175.00	10.00	507.08	720.00	82.08	525.00	30.00	1,357.08			
1/07/2016	28.80	85.68	21.00	1.20	136.68	240.00	85.68	175.00	10.00	510.68	720.00	85.68	525.00	30.00	1,360.68			
1/07/2017	28.80	87.48	21.00	1.20	138.48	240.00	87.48	175.00	10.00	512.48	720.00	87.48	525.00	30.00	1,362.48			
1/07/2018	28.80	89.52	21.00	1.20	140.52	240.00	89.52	175.00	10.00	514.52	720.00	89.52	525.00	30.00	1,364.52			
1/07/2019	28.80	91.56	21.00	1.20	142.56	240.00	91.56	175.00	10.00	516.56	720.00	91.56	525.00	30.00	1,366.56			

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON29QW:

As a percentage of the value of the member account, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- a. Investment fees
- b. Administration fees
- c. Indirect costs
- d. Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- e. An aggregate total of all fees mentioned above.

Answer:

smartMonday PRIME															
Account balance -->	6,000					50,000					150,000				
% Account basis															
Year commencing	Investment fee	Administration fees			Total	Investment fee	Administration fees			Total	Investment fee	Administration fees			Total
		Member based	FUM based	Indirect costs			Member based	FUM based	Indirect costs			Member based	FUM based	Indirect costs	
1/07/2015	0.24%	1.37%	0.53%	0.01%	2.15%	0.24%	0.16%	0.53%	0.01%	0.95%	0.24%	0.05%	0.53%	0.01%	0.84%
1/07/2016	0.24%	1.43%	0.53%	0.01%	2.21%	0.24%	0.17%	0.53%	0.01%	0.95%	0.24%	0.06%	0.53%	0.01%	0.84%
1/07/2017	0.24%	1.46%	0.53%	0.01%	2.24%	0.24%	0.17%	0.53%	0.01%	0.96%	0.24%	0.06%	0.53%	0.01%	0.84%
1/07/2018	0.24%	1.49%	0.53%	0.01%	2.28%	0.24%	0.18%	0.53%	0.01%	0.96%	0.24%	0.06%	0.53%	0.01%	0.84%
1/07/2019	0.24%	1.53%	0.53%	0.01%	2.31%	0.24%	0.18%	0.53%	0.01%	0.97%	0.24%	0.06%	0.53%	0.01%	0.84%
smartMonday DIRECT															
Account balance -->	6,000					50,000					150,000				
% Account basis															
Year commencing	Investment fee	Administration fees			Total	Investment fee	Administration fees			Total	Investment fee	Administration fees			Total
		Member based	FUM based	Indirect costs			Member based	FUM based	Indirect costs			Member based	FUM based	Indirect costs	
1/07/2015	0.53%	1.37%	0.45%	0.02%	2.37%	0.53%	0.16%	0.45%	0.02%	1.16%	0.53%	0.05%	0.45%	0.02%	1.05%
1/07/2016	0.53%	1.43%	0.45%	0.02%	2.43%	0.53%	0.17%	0.45%	0.02%	1.17%	0.53%	0.06%	0.45%	0.02%	1.06%
1/07/2017	0.53%	1.46%	0.45%	0.02%	2.46%	0.53%	0.17%	0.45%	0.02%	1.17%	0.53%	0.06%	0.45%	0.02%	1.06%
1/07/2018	0.53%	1.49%	0.45%	0.02%	2.49%	0.53%	0.18%	0.45%	0.02%	1.18%	0.53%	0.06%	0.45%	0.02%	1.06%
1/07/2019	0.53%	1.53%	0.45%	0.02%	2.53%	0.53%	0.18%	0.45%	0.02%	1.18%	0.53%	0.06%	0.45%	0.02%	1.06%



smartMonday PENSION																		
Account balance -->		6,000					50,000					150,000						
% Account basis																		
Year commencing	Investment fee	Administration fees				Total	Investment fee	Administration fees				Total	Investment fee	Administration fees				Total
		Member based	FUM based	Indirect costs				Member based	FUM based	Indirect costs				Member based	FUM based	Indirect costs		
1/07/2015	0.48%	1.37%	0.35%	0.02%	2.22%	0.48%	0.16%	0.35%	0.02%	1.01%	0.48%	0.05%	0.35%	0.02%	0.90%			
1/07/2016	0.48%	1.43%	0.35%	0.02%	2.28%	0.48%	0.17%	0.35%	0.02%	1.02%	0.48%	0.06%	0.35%	0.02%	0.91%			
1/07/2017	0.48%	1.46%	0.35%	0.02%	2.31%	0.48%	0.17%	0.35%	0.02%	1.02%	0.48%	0.06%	0.35%	0.02%	0.91%			
1/07/2018	0.48%	1.49%	0.35%	0.02%	2.34%	0.48%	0.18%	0.35%	0.02%	1.03%	0.48%	0.06%	0.35%	0.02%	0.91%			
1/07/2019	0.48%	1.53%	0.35%	0.02%	2.38%	0.48%	0.18%	0.35%	0.02%	1.03%	0.48%	0.06%	0.35%	0.02%	0.91%			



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON30QW:

To the extent that any of the fees and costs listed in the previous two questions are paid to a related entity or associate of the trustee, or any of their respective related entities or associates, please set out the function performed or service provided by that person, and the amount (total quantum) paid to that entity or person at a whole-of-fund level.

Answer:

smartMonday - Related Party Breakdown						
	Financial Year					
Related Party Transactions	2015	2016	2017	2018	2019	
Administration fees (\$'000)	11,085	14,023	11,977	4,141	-	
Indirect administration fees (\$'000)	7,678	7,282	7,088	2,334	-	
Intrafund advice fees (\$'000)	1,349	1,433	1,364	543	-	
Trustee Fees (\$'000)	3481	3,396	3,397	1,103	-	
Investment consulting fees (\$'000)	306	648	604	226	-	
Relating to Indirect Costs (\$'000)	-	-	-	-	-	

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON31QW:

For the past five years:

- a. What was the total cost of all advertising and/or marketing?
- b. What was the total cost of all advertising and/or marketing per member?
- c. What was the total cost of all advertising per new (FY19) member?
- d. What was the total cost of all television advertising and/or marketing?
- e. What was the total cost of all radio advertising and/or marketing?
- f. What was the total cost of all print advertising and/or marketing?
- g. What was the total cost of all online advertising and/or marketing?
- h. How many in-house staff are employed in advertising and marketing roles?
- i. How much was spent on engaging external advertising and marketing consultants?
- j. Do you advertise and/or directly financial contribute to the New Daily?

Answer:

smartMonday is the external brand of the Aon Master Trust. A budget exists for external agencies to assist in targeted member campaigns using email, facebook and linkedin such as the appointment of Focus Creative Pty to help highlight our investment results to members for a cost of \$ 30,000 in 2019. This was the first use of an external creative agency by Aon for the smartMonday offerings. The majority of the creative work for smartMonday is produced by Aon's MarComms team as part of the contracted administration services.

- a. \$30K in December 19
- b. less than \$1
- c. none
- d. none
- e. none
- f. none
- g. \$30K to Focus Creative Pty in December 2019
- h. Resources are shared across Aon in the MarComms team (marketing/communications) approx. 2.5 headcount are dedicated to smartMonday products with focus on current member communications and experience as part of administration services.
- i. \$30K to Focus Creative Pty in December 2019
- j. No



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON32QW:

How much money have you spent on advertising on the following platforms in the past decade:

- a. Google?
- b. Facebook?
- c. Twitter?
- d. Instagram?
- e. A non-Google search engine?
- f. Any social media platform that is not mentioned in (b) – (d)?

Answer:

A budget exists for external agencies to implement targeted member campaigns using email, Facebook and LinkedIn (100K in 2020) such as the appointment of Focus Communications to help highlight our investment results last year to members for a cost of \$ 30,000 in 2019. This was the first use of an external creative agency by Aon for the smartMonday offerings to run a social media campaign. The majority of the creative work for smartMonday is produced by Aon's internal marketing team and distributed directly to members. This creative is also published on the smartMonday instagram and LinkedIn sites managed with Aon's other digital assets



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON33QW:

Can you provide details if you have purchased the following over the past decade:

- a. Google advertisements
- b. Google search terms.

Answer:

No monies are directed from the [fund] for search engine marketing, advertising or social media for smartMonday. Aon uses SEM for its global brand and services as part of its shared marketing services.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON34QW:

- a. Do you use Google Ad Words, or any Google provided or supported service to advertise any of your funds or your brand in any way whatsoever?
- b. Please list what terms you have used in Google Ad Words in the last five years to generate an impression on particular search queries.

Answer:

No monies are directed from the fund for search engine marketing, advertising or social media for smartMonday. Aon uses SEM for its global brand and services as part of its shared marketing services but does not include ad words associated with superannuation.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON35QW:

That percentage of the return on investment from your unlisted assets can be attributed to revaluations due to falling interest rates, and capital asset pricing model market yields used as the discount rate in discounted cash flow based valuations?

Answer:

Not applicable



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON36QW:

How will the overall fund performance be affected if:

- a. The income return of unlisted assets declines?
- b. The fund can no longer purchase unlisted assets onshore?
- c. The fund can no longer purchase unlisted assets offshore?

Answer:

Not applicable



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON37QW:

How have you structured the fund to address the writing back of the increased investment capitalised future returns?

Answer:

No Direct Assets



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON38QW:

What are the projected changes in income in light of the writing back of the increased investment capitalised future returns?

Answer:

No Direct Assets



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON39QW:

Valuation methodologies:

- a. Have you compared your valuation methodologies and assumptions for unlisted assets with other superannuation funds, and if so, what are the differences?
- b. Are you confident that your valuation methodologies and assumptions for unlisted assets reflect their value to the fund, and how often are they reviewed?
- c. How do you compare your valuations to listed investments, including, but not limited to, whether there is a cross check to stock prices for similar assets?
- d. Have you ever calculated whether there would be a difference between valuations if unlisted assets were listed?

Answer:

Not Applicable



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON40QW:

What is the current annual average return for your unlisted assets?

Answer:

Not applicable



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON41QW:

Given the size of your large joint investments, why are they not listed for liquidity, valuation and public disclosure purposes?

Answer:

Not applicable



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON42QW:

- a. How many unlisted assets do you hold in the fund?
- b. What value share are unlisted assets of the fund's:
 - i. total value?
 - ii. total property value?

Answer:

None



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON43QW:

Discount rates:

- a. For unlisted assets, do you use a consistent discount rate for income across all unlisted assets, or an asset-specific discount rate?
- b. What is the discount rate you apply to the income from unlisted assets, and has it changed over the past decade, and if so, when and why?

Answer:

Not applicable



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON44QW:

Of the unlisted assets, how many have outperformed the average return on investments in superannuation over the past five years?

Answer:

Not applicable



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON45QW:

Have you completed any analysis about your capacity to continue to provide returns to fund members at the current, or past rate, into the future based on the valuations of your unlisted assets?

Answer:

Not applicable



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON46QW:

Over the past decade:

- a. Have you ever devalued an unlisted asset?
- b. Have you ever devalued an unlisted asset by more than \$10 million?
- c. Have you ever devalued an unlisted asset by more than \$50 million?
- d. Have you ever devalued an unlisted asset by more than \$100 million?
- e. Please advise the companies and/or individual valuers that have valued your unlisted assets.

Answer:

Not applicable

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON47QW:

Over the past decade:

- a. How many superannuation customers do you have?
- b. How many financial planners do you have in total numbers, and as a superannuation customer to financial planner ratio?
- c. How many financial advisers do you have in total numbers, and as a superannuation customer to financial planner ratio?

Answer: –

total superannuation customer per annum over the past decade

Year	Member Count	Adviser Count	Ratio
2010	51,836	0	N/A
2011	58,640	0	N/A
2012	55,673	0	N/A
2013	55,133	0	N/A
2014	52,542	1	52,542:1
2015	48,379	3	16,126:1
2016	45,674	4	11,668:1
2017	43,528	4	10,882:1
2018	40,510	4	10,127:1
2019	72,966	6	12,161:1

C / D – For 2020 there are approx 70,000 superannuation members to 6 financial advisers register on the FAR. Ratio therefore 11,666: 1



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON48QW:

Over the past decade:

- a. How much is charged for financial planning annually to fund members, and what is the average per superannuation customer?
- b. How much is charged for financial planning annually to funds, and what is the average per superannuation customer?
- c. How much is charged for financial advice annually to fund members, and what is the average per superannuation customer?
- d. How much is charged for financial advice annually to funds, and what is the average per superannuation customer?

Answer:

We note that a,b,c,d seem to ask the same question. The below numbers are a combination of all advice fees paid out of the fund regardless of who provided the advice.

smartMonday - Financial Planning Fees											
	Financial Year										
Financial Planning Fees	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
Total (\$'000)	1,559	2,818	2,405	2,370	2,875	4,350	4,446	4,494	4,631	3,369	
Average Per Customer	30.07	47.60	42.72	42.48	53.95	88.35	95.33	101.03	111.73	45.50	
<i>*Financial Planning Fees a combination of member driven advice fees and smartCoach general & intrafund services</i>											

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON49QW:

Over the past decade:

- What is the cost of general advice annually, and what is the average per superannuation customer?
- What are the aggregate value of bonuses provided for general advice, and what is the average per adviser?

Answer:

Aon Hewitt Ltd provides the smartCoach service which incorporates factual, general and personal Intra-fund advice and services to all smartMonday accumulation members via live chat, digital or face to face engagement. We are unable to distinguish the costs between the three so have provide the same answer for 49, 50, and 52. Total cost to the fund for the smartCoach service is 5bp and has been consistent year on year since Jan 2014.

a.

General Advice Fees	Financial Year					
	2014	2015	2016	2017	2018	2019
Total Fees (\$'000)	436	1,349	1,364	1,433	1,629	1,742
Customers	50,717	46,450	43,643	41,379	38,391	71,033
Fee per Customer	\$ 8.60	\$ 29.04	\$ 31.25	\$ 34.63	\$ 42.43	\$ 24.52

b.

	2014	2015	2016	2017	2018	2019
Aggregate value for bonuses for 2019 was \$	-	-	-	-	-	18,265
Average bonus per adviser was \$	-	-	-	-	-	3,650

**No bonuses had been provided prior to 2019*

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON50QW:

Over the past decade:

- a. What is the cost of scaled advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for scaled advice, and what is the average per adviser?

Answer:

Aon Hewitt Ltd provides the smartCoach service which incorporates factual, general and personal Intra-fund advice and services to all smartMonday accumulation members via live chat, digital or face to face engagement. We are unable to distinguish the costs between the three so have provide the same answer for 49, 50, and 52. Total cost to the fund for the smartCoach service is 5bp and has been consistent year on year since Jan 2014.

a.

General Advice Fees	Financial Year					
	2014	2015	2016	2017	2018	2019
Total Fees (\$'000)	436	1,349	1,364	1,433	1,629	1,742
Customers	50,717	46,450	43,643	41,379	38,391	71,033
Fee per Customer	\$ 8.60	\$ 29.04	\$ 31.25	\$ 34.63	\$ 42.43	\$ 24.52

b.

	2014	2015	2016	2017	2018	2019
Aggregate value for bonuses for 2019 was \$	-	-	-	-	-	18,265
Average bonus per adviser was \$	-	-	-	-	-	3,650

**No bonuses had been provided prior to 2019*



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON51QW:

Over the past decade:

- a. What is the cost of comprehensive advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for comprehensive advice, and what is the average per adviser?

Answer:

a.

smartMonday - Comprehensive Advice										
	Financial Year									
Comprehensive Advice Fees	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Fees (\$'000)	1,559.00	2,818.00	2,405.00	2,370.00	2,439.00	3,001.00	3,082.00	3,061.00	3,002.00	1,627.00
Customers	51,844.00	59,197.00	56,291.00	55,792.00	53,292.00	49,238.00	46,639.00	44,484.00	41,449.00	74,045.00
Fee per Customer	30.07	47.60	42.72	42.48	45.77	60.95	66.08	68.81	72.43	21.97

b. No financial advisers are employed to provide comprehensive advice. The amounts above are paid to external dealer groups on direction from each individual member.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON52QW:

Over the past decade:

- a. What is the cost of intra-fund advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for intra-fund advice, and what is the average per adviser?

Answer:

Aon Hewitt Ltd provides the smartCoach service which incorporates factual, general and personal Intra-fund advice and services to all smartMonday accumulation members via live chat, digital or face to face engagement. We are unable to distinguish the costs between the three so have provide the same answer for 49, 50, and 52. Total cost to the fund for the smartCoach service is 5bp and has been consistent year on year since Jan 2014.

a.

General Advice Fees	Financial Year					
	2014	2015	2016	2017	2018	2019
Total Fees (\$'000)	436	1,349	1,364	1,433	1,629	1,742
Customers	50,717	46,450	43,643	41,379	38,391	71,033
Fee per Customer	\$ 8.60	\$ 29.04	\$ 31.25	\$ 34.63	\$ 42.43	\$ 24.52

b.

	2014	2015	2016	2017	2018	2019
Aggregate value for bonuses for 2019 was \$	-	-	-	-	-	18,265
Average bonus per adviser was \$	-	-	-	-	-	3,650

**No bonuses had been provided prior to 2019*



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON53QW:

How many employees does the fund have?

Answer:

The fund does not have any employees.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON54QW:

How do you define employee misconduct?

Answer:

A breach of our Code of Business Conduct. All employees globally are required to read and certify they agree to the code on an annual basis.

“Our Code of Business Conduct represents Aon’s principles and shared values, setting standards for how we work with each other, our clients, and our business partners. We are united in these values and standards, which transcend our geographic locations and job functions.

Integrity is Aon’s core value and the guiding principle for our decisions and actions in the workplace.

Aon’s commitment to uphold high ethical standards is an important part of our history and culture. In today’s competitive and rapidly changing business climate, doing the right thing has never been more important.

Each of us is responsible for our behavior. This accountability reinforces our commitment to one another, our shareholders, our clients, our business partners, and our communities. If you are a manager, you are responsible for ensuring that those who report to you understand and act in compliance with the Code.

The Code provides a broad and clear statement of the conduct expected of every colleague around the world, but it is not intended to be a summary of all Aon policies, procedures or laws that apply to our business, nor does it address every situation we might encounter. There can be no substitute for our good judgment and common sense. We must avoid conflicts of interest, and always ensure we are protecting information and following data privacy laws and regulations.”



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON55QW:

Over the past five years:

- a. How many employees have been cautioned for misconduct?
- b. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct?
- c. How many employees have been terminated for misconduct?
- d. How many employees have been cautioned for misconduct, as a share of all employees over that timeframe?
- e. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct, as a share of all employees over that timeframe?
- f. How many employees have been terminated for misconduct, as a share of all employees over that timeframe?

Answer:

In relation to the employees working for Aon in the Retirement and Investment practice:

- a. None
- b. None
- c. None
- d. 0%
- e. 0%
- f. 0%



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON56QW:

Of the twenty highest remunerated employees over the past decade, please provide the number whose total remuneration in a financial year (including all forms of remuneration, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	20
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON57QW:

Of the twenty highest incentive bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

Total incentive bonuses value	Number (ie 1 employee)
<\$1,000,000	20
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON58QW:

Of the twenty highest performance bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

Total performance bonuses value	Number (ie 1 employee)
<\$1,000,000	20
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON59QW:

Of the twenty highest severance packages over the past decade, please provide the number whose total package (including all forms of accumulated severance package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Total severance package value	Number (ie 1 employee)
<\$1,000,000	19
\$1,000,001 - \$2,000,000	1
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON60QW:

Of the twenty highest termination payments over the past decade, please provide the number whose total package (including all forms of accumulated termination package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Total termination package value	Number (ie 1 employee)
<\$1,000,000	19
\$1,000,001 - \$2,000,000	1
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON61QW:

Of the twenty highest redundancy payments over the past decade, please provide the number whose total package (including all forms of accumulated redundancy package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Total redundancy package value	Number (ie 1 employee)
<\$1,000,000	20
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON62QW: On 1 January 2020 what was your percentage share and nominal value of your listed and unlisted assets?

Answer:

99.3% or \$5.372billion of fund assets are listed, or are liquid with a readily observable market set price.

The remaining 0.7% or \$35million of fund assets are not liquid or have a readily observable market price.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON63QW: On 1 January 2020 did your fund have liquidity issues resulting from honouring obligations to members?

Answer: No



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON64QW: What write down, if any, has been made to the value of unlisted assets?

Answer: None.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON65QW: Listed companies holding infrastructure assets have had write downs of around 40 per cent:

- a. How does this compare to your write down of unlisted assets?
- b. If there is a difference, why is there a difference?

Answer: The fund does not directly hold any unlisted infrastructure assets.

99.3% of fund assets are listed, or are liquid with a readily observable market set price.

The 0.7% of fund assets we view as not being liquid or having a readily observable market price, are private mortgages on Australian commercial properties with conservative LVRs. These mortgages are accessed via a 3rd party Managed Investment Scheme. The manager of the Scheme has not written down the value of the mortgages the Scheme invests in.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

AON Hewitt

AON66QW: Have you had any liquidity issues in honouring your obligations to members as a result of the:

- a. recent decline in the share market?
- b. permission by the Federal government to allow members to remove up to \$10,000 per financial year if they lose their job?

Answer: No, the fund has not had any liquidity issues related to either a. or b.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON67QW: What has been the current reduction of the value of your fund, and the unlisted and listed components since 1 January 2020?

Answer:

The reduction of the value of the Fund from 1 January 2020 to 31 March 2020 is - 15%. 99.3% of assets are listed assets, or are liquid with a readily observable market set price. The value of the remaining 0.7%, are private mortgages on Australian commercial properties with conservative LVRs, has not being written down..



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON68QW: How many members, affected by COVID-19, have **requested the early release** of their superannuation since 12 March 2020, and to what value?

Please also provide monthly updates on the first of the month for the remainder of 2020 to the secretariat.

Answer: As the COVID-19 early release won't be open to applications via the ATO until 20 April, we have not been requested to release any payments yet. A note outlining this process is available on our public website. As requested, we will provide our first update on 1 May for any approvals received from the ATO.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON69QW: How many members, affected by COVID-19, have **had approved the early release** of their superannuation since 12 March 2020, and to what value?

Please also provide monthly updates on the first of the month for the remainder of 2020 to the secretariat.

Answer: As the COVID-19 early release won't be open to applications via the ATO until 20 April, we have not been requested to release any payments yet. A note outlining this process is available on our public website. As requested, we will provide our first update on 1 May for any approvals received from the ATO.



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON70QW: If some members, affected by COVID-19, have required the early release of their superannuation since 12 March 2020 and not been approved, please provide details of the grounds on which they have not been approved.

Answer: As the COVID-19 early release won't be open to applications via the ATO until 20 April, we have not been requested to release any payments yet. We do not anticipate not releasing any money which is approved through the ATO process once the scheme is open. A note outlining this process is available on our public website.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AON Hewitt

AON71QW: Liquidity management:

- a. What is your fund's process for complying with APRA's prudential framework which requires trustees to have a liquidity management plan?
- b. How is the plan being reported to the trustee directors?
- c. Who is responsible for the day-to-day liquidity management for the fund?

Answer: Aon is the appointed master administrator and investment consultant to the Fund and such follows the policies of, and reports to the Trustee, Equity Trustees Superannuation Limited, in respect of the prudential framework. In relation to liquidity:

- a. We advise on and follow the Trustee's documented Liquidity Policy. It is a multi-layered plan looking at
 1. asset level liquidity – the ability to buy and sell underlying assets at fair valuations
 2. portfolio and option level liquidity – ability to process the sale of units and investment switching at the member option level without impacting fair value of the unit prices.
 3. operational liquidity – ability of the fund to pay its current obligations when they fall due.

Each of the above are assessed under business as usual and stress tested under extreme conditions (such as similar to GFC etc).

- b. Aon in its role as investment consultant assesses and reports to the Investment Officer of the Trustee in respect of 1. and 2. based on market conditions. In its role as administrator, Aon also provide regular reporting to the Trustee Office on 2 and 3 in respect of member activity and the fund budget. In recent times, this has included a re-assessment and modelling of the fund in respect of current market conditions and the upcoming change in member activity relating to early release.
- c. Aon in its role as master administrator as outlined above as part of its investment operations and fund accounting functions.