

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### CBUS

CBUS98QW:

Since 1 January 2020, for each fund, please outline:

- a. The date and value at the highest valuation of the fund?
- b. The date and value at the lowest valuation of the fund?
- c. The number of business days between the highest and lowest valuation for the fund?
- d. The nominal value between the highest and lowest valuation for the fund?
- e. The percentage value between the highest and lowest valuation for the fund?
- f. The number of business days between the date of the ASX's lowest valuation, and the lowest day for the valuation of the fund?
- g. The number of business days between the date of the ASX's lowest valuation, and the lowest valuation of unlisted assets in the fund?
- h. What volume of switching of investments occurred between funds between the highest and lowest valuations?
- i. What volume of switching between funds occurred in that time by trustees of the fund that are also members of the fund, between the highest and lowest valuations?
- j. What volume of switching between funds occurred in that time by executives of the fund that are also members of the fund, between the highest and lowest valuations?
- k. What volume of switching between funds occurred in that time by other employees of the fund that are also members of the fund, between the highest and lowest valuations?
- l. What integrity measures were taken to prohibit trustees, executives and employees switching between funds from taking advantage of arbitrage of any gap between the lowest valuation date of the ASX and any revaluation of the fund?

Answer:

Cbus' daily crediting rates can be accessed at: <https://www.cbussuper.com.au/super/my-investment-options/super-crediting-rates>.

ASX values can be accessed at: <https://www.asx.com.au/about/historical-market-statistics.htm>.

Each fund contains different proportions of unlisted asset classes. Different unlisted asset classes reached their lowest valuation at different times.

Some directors, executives and staff of Cbus have switched their superannuation between funds. Cbus has a robust conflicts management culture, underpinned by specific induction training on conflicts of interest, as well as ongoing training and awareness, a Conflicts Management Policy and an Investments Switching Policy. These policies were adhered to by Cbus' directors, executives and staff.

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#### CBUS

- CBUS99QW:** On financial advisers providing non-intrafund advice (i.e. comprehensive advice - beyond the scope of intrafund advice) within the fund over the past five financial years:
- a. How many do you employ (or are you paying for through outsourced arrangements)?
  - b. What is the revenue generated from these non-intrafund advisers?
  - c. How many financial advisers within the fund also provide intrafund advice?
  - d. If you have non-intrafund financial advisers within the fund also providing intrafund advice, how is their remuneration determined from different sources?
  - e. Is there any cross-subsidisation for non-intrafund financial advisers within the fund from activities funded through intrafund advice?
  - f. Is there any cross-subsidisation for financial advisers from intrafund advice to non-intrafund financial advisers within the fund?
  - g. What is the total budgeted cost and actuals for financial advisers?
  - h. What is the remuneration level/range for the financial advisers employed to provide non-intrafund advice to your members?
    - i. What is the aggregated cost of their remuneration?
    - ii. What is the aggregated cost for their employment?
    - iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?
    - iv. What is the aggregated cost for marketing their services?
    - v. What is the aggregated cost for administrative support services?
    - vi. What is the aggregated cost for professional insurance and indemnity?
    - vii. What is the aggregated cost for compliance oversight?
    - viii. What is the aggregated cost for legal oversight?
    - ix. What is the aggregated cost for other regulatory oversight?
    - x. What is the aggregated cost for the unit, including overheads, that provides financial advice within the fund?

**Answer:** Cbus hasn't employed any financial advisers to provide non-intrafund advice to members during the last 5 years or had any outsourced arrangements (paid by the fund) for non-intrafund advice during the last 5 years.

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#### CBUS

- CBUS100QW:** On financial advisers providing intrafund advice (i.e. strictly limited to advice on your super fund for the member only - not spouse) within your fund over the last five financial years:
- a. How many do you employ (or are you paying for through outsourced arrangements)?
  - b. What is the remuneration level/range for the financial advisers employed to provide intrafund advice to your members?
    - i. What is the aggregated cost of their remuneration?
    - ii. What is the aggregated cost for their employment?
    - iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?
    - iv. What is the aggregated cost for marketing their services?
    - v. What is the aggregated cost for administrative support services?
    - vi. What is the aggregated cost for professional insurance and indemnity?
    - vii. What is the aggregated cost for compliance oversight?
    - viii. What is the aggregated cost for legal oversight?
    - ix. What is the aggregated cost for other regulatory oversight?
    - x. What is the aggregated cost for the unit, including overheads, that provides intrafund advice?
  - c. What is the revenue that intrafund advisers have generated?
  - d. How many financial advisers providing intrafund advice also provide it within the fund?
  - e. If you have financial advisers providing intrafund advice also providing it within the fund, how is their remuneration determined from different sources?
  - f. Is there any cross-subsidisation for financial advisers providing intrafund advice from revenue funded through activities within the fund?
  - g. What is the total budgeted cost and actuals for the intrafund advice unit?
  - h. What is the revenue generated from these financial advisers?
  - i. Within your fund, is there any cross-subsidisation for intrafund advice services?

**Answer:** The number of advisers providing intra-fund advice over the last 5 years are as follows:

2015	N/A
2016	N/A
2017	20
2018	24
2019	24

Intra-fund advice services were outsourced prior to 2017.

The financial information sought in this question is commercial in confidence. It is unclear what information is sought by questions (d) – (f) and (i).

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**CBUS101QW: Do you allow members to use their funds to pay for:**  
**a. Financial advice?**  
**b. Internal financial advisers?**  
**c. External financial advisers?**

**Answer:**

a. Yes. Information about Cbus' Advice Services, including the Financial Planner Payment Program, can be viewed here: <https://www.cbussuper.com.au/tools-resources/advice-services>.

b. No

c. Yes, but only financial advisers that are part of the Cbus & FPA Member Referral Program.

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**CBUS102QW: Do you allow external financial advisers access to online facilities to charge for external financial advisers consented by members using their funds?**

**Answer: No.**

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**CBUS**

- CBUS103QW:**           **In relation to the early superannuation withdrawal provision for members affected by Covid-19:**
- a. Has CBUS given any advice to any members to seek payments from CFMEU controlled redundancy funds before electing to withdraw up to \$10,000 in FY 2019/2020 from CBUS?**
  - b. Have CBUS financial advisers given any advice to any members to seek payments from CFMEU controlled redundancy funds before electing to withdraw up to \$10,000 in FY 2019/2020 from CBUS?**

**Answer:**                   Cbus has provided factual information to members regarding redundancy funds by way of a fact sheet, which is available on Cbus' website. This information directs members to the relevant schemes in each state and territory.