

ES95QW

Question: 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: We assume that the reference to 'fund' in these questions actually refers to each investment option in the fund, and have answered on that basis.

- (a) 20/02/20: \$8,461,418,017
- (b) 23/03/20: \$6,760,021,448
- (c) 21 business days.
- (d) \$1,701,396,569
- (e) 20.1%
- (f) Zero
- (g) Two
- (h) There was approximately \$190,000,000 of switching activity by members between Energy Super's investment options in the relevant period.

- (i) None
- (j) None
- (k) 2 staff members made switches between the lowest and highest valuation dates. The total value of the two switches was \$18,240.16. Neither employee had any access to unit pricing, asset valuation or investment management activity and were not executives or managers.
- (l) The Fund's Insider Information Policy requires any director, executive and member of the Risk & Compliance, Finance and Investment teams to advise the Senior Manager, Risk & Compliance before making an investment switch.

The Policy prohibits investment switches where a director or employee has non-public information that may affect unit prices. The Trustee also may reject an investment switch by any director or employee where that person may have breached the policy, and can retrospectively reverse an investment switch if an employee is found to have breached the policy.

ES96QW

- Question: 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: The fund recognises the importance of non-conflicted advice to members, and intrafund advice is a service that must be available to all members of the fund on the same terms and may be collectively charged. Advice can be provided directly by an employee of the fund or by another person under arrangements. Section 99F of the SIS Act outlines the circumstances where trustees cannot collectively charge for personal advice. The fund does not collectively charge for personal advice services.

- (a) This information was previously provided in our response to ES47QW.*
- (b) This information was previously provided in our response to ES48QW.*

- (c) All financial advisers are able to provide both comprehensive and intrafund advice to members
- (d) Remuneration is not determined by the type of financial advice provided by Comprehensive financial advisers and has no bearing on remuneration.
- (e) This question has previously been answered February 2020 ES50QW.
- (f) This question has previously been answered February 2020 ES50QW a.
- (g) Actuals are provided below, they are consistent with the budgetary position for each relevant year.
- (h) (i) ESI FS remuneration levels are determined by the industry median for Financial Advisers within QLD and are reviewed annually using McGuirk Management Consultants Survey data. Remuneration has been taken to mean salary.

Year	Remuneration
2016	551,535.19
2017	689,333.88
2018	727,648.57
2019	923,068.88
2020	924,714.71

- (ii) Cost of employment has been taken to mean salary, super and group life contributions.

Year	Cost of Employment
2016	611,507.31
2017	754,137.14
2018	815,216.73
2019	1,036,992.37
2020	1,043,217.28

- (iii) On-costs have been taken to mean payroll tax and WorkCover premiums, annual leave and long service leave accruals per person are unavailable. Office space is not considered an on-cost.

Year	On-costs
2016	30,563.78
2017	38,267.88
2018	41,083.53
2019	53,104.87
2020	53,664.49

- (iv) The fund does not market its financial planning services.
- (v) Cost of administrative support services is taken to mean the salary, superannuation, group life contributions, payroll tax and WorkCover premiums for Advice Support staff.

Year	Administrative Support
2016	274,495.57

2017	277,245.35
2018	219,986.23
2019	255,522.50
2020	248,178.11

(vi) It is not possible to disaggregate those costs.

(vii)

Year	Cost of Compliance Oversight
2016	11,550.00
2017	17,050.00
2018	17,325.00
2019	21,798.22
2020	23,924.86

(viii) Nil.

(ix) Nil.

(x) Disaggregated data unavailable.

ES97QW

Question: *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?*

Answers:

- (a) 2016: 3
2017: 3
2018: 3
2019: 3.8
2020: 3.8
- (b) (i) 2016: \$194,580.51

2017: \$185,749.54
2018: \$258,286.94
2019: \$295,948.47
2020: \$324,631.14

(ii) 2016: \$215,441.58
2017: \$205,253.61
2018: \$288,599.56
2019: \$333,216.79
2020: \$366,997.04

(iii) 2016: \$10,992.07
2017: \$10,483.46
2018: \$14,652.77
2019: \$17,381.11
2020: \$19,066.46

(iv) Intrafund advice services are not marketed.

(v) It is not possible to disaggregate those costs.

(vi) It is not possible to disaggregate those costs.

(vii) Nil.

(viii) Nil.

(ix) Nil.

(x) It is not possible to disaggregate those costs.

(c) There is no revenue generated from this service.

(d) See (a) above.

(e) We cannot make sense of this question.

(f) The fund recognises the importance of non-conflicted advice to members. Intrafund advice is a service that must be available to all members of the fund on the same terms and may be collectively charged. Advice can be provided directly by an employee of the fund or by another person under arrangements. Section 99F of the SIS Act outlines the circumstances where trustees cannot collectively charge for personal advice. The fund does not collectively charge for personal advice services.

(g) Disaggregated data is not available.

(h) See answer at (a)

(i) See answer at (f)

ES98QW:

Question: 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

(b) Yes

(c) No

ES99QW:

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

Answer: Not at this time.