

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### MARITIME SUPER

- MAR96QW:** 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?
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- i. 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:**

- a - g. The unit prices for each of the Fund's investment options are available on the Fund's public website. Peaks and troughs in unit prices (option values) vary for each investment option and the Fund value is simply an aggregate of all of these Options.
- h. The Fund reports member switching data to APRA. It is our understanding that APRA will be releasing this data as part of its Pandemic Data Collection (PDC) process and that it is expected to form part of the APRA statistical reporting which can be found here <https://www.apra.gov.au/annual-fund-level-superannuation-statistics>
- i. Trustee directors must follow the Fund's governance framework, including the Conflict Management Policy, and also the general director responsibilities under corporations law. Notably, at each Board and Committee meeting directors are required to disclose of any conflict.

The HR Policy and Code of Conduct sets out requirements and obligations for staff in using any information obtained through their employment.

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#### MARITIME SUPER

- MAR97QW:** 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 has previously provided the Committee with responses to questions relating to financial advice. We refer to those responses to your letter dated 12 February 2020, questions 47-52.

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 arrangement. 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.

Not all members avail themselves of the opportunity to receive intra fund advice in a given year, however super is a long-term investment and it is expected that over time a significant number/rising portion of individual members will seek intra fund advice services during the life of their investment.

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- MAR98QW:** 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 fund has previously provided the Committee with responses to questions relating to financial advice. We refer to those responses to your letter dated 12 February 2020, questions 47-52.

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 arrangement. 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.

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- MAR99QW:** Do you allow members to use their funds to pay for:
- a. Financial advice?
  - b. Internal financial advisers?
  - c. External financial advisers?

**Answer:** No.

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**MAR100QW:** Do you allow external financial advisers access to online facilities to charge for external financial advisers consented by members using their funds?

**Answer:** No