

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**NGS Super**

**NGS96QW:**

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

**a. The date and value at the highest valuation of the fund?**

NGS Super operates on a weekly unit pricing methodology. Valuations are determined every Friday. Below outlines the date and value of the Fund's highest valuation in the period from 1 January 2020 to 30 June 2020:

Date	Valuation
Friday, 21 February 2020	\$12,238,990,520.96

**b. The date and value at the lowest valuation of the fund?**

NGS Super operates on a weekly unit pricing methodology. Valuations are determined every Friday. Below outlines the date and value of the Fund's lowest valuation in the period from 1 January 2020 to 30 June 2020:

Date	Valuation
Friday, 20 March 2020	\$10,609,495,429.80

**c. The number of business days between the highest and lowest valuation for the fund?**

20.

**d. The nominal value between the highest and lowest valuation for the fund?**

The nominal value between the highest and lowest valuation of the Fund was -\$1,629,495,091.

**e. The percentage value between the highest and lowest valuation for the fund?**

The percentage value between the highest and lowest valuation of the Fund was -13.31%

- 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?**

There was one business day between the date of the ASX's lowest valuation (Monday, 23 March 2020) and the Fund's lowest valuation (Friday, 20 March 2020).

- 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?**

There were 31 business days between the date of the ASX's lowest valuation (Monday, 23 March 2020) and the Fund's lowest valuation of unlisted assets in the Fund (Friday, 8 May 2020), however 80% of the Fund's unlisted assets' downward movement had been captured in unit pricing by 4 April 2020. The additional time to 8 May 2020 was to factor in the last of the valuations received from underlying asset managers.

- h. What volume of switching of investments occurred between funds between the highest and lowest valuations?**

1341 switches were made between Monday 24 February and Monday 23 March.

- 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?**

3.

- 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?**

0.

- 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?**

15.

**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?**

The Fund's personal trading policy prohibits any form of insider trading by Directors, Executives and staff. During the period of enhanced market volatility as a result of the onset of COVID-19, additional measures were taken to:

- promote awareness of the requirements of the personal trading policy
- increase monitoring of switching activity by Directors, Executives and staff.



**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**NGS Super**

**NGS97QW:**

**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:**

NGS Financial Planning is the primary provider of comprehensive advice to members, via face to face, telephone, and video meetings with members. In addition to providing comprehensive advice, the team provides general advice, intra-fund advice, and conducts seminars for members. Remuneration and other costs are not specifically identifiable by type of service provided, and hence our responses below relate the team and their services in their entirety.

**a. How many do you employ (or are you paying for through outsourced arrangements)?**

The Fund employs 8 financial planners.

**b. What is the revenue generated from these non-intrafund advisers?**

Financial planners charge fees only in relation to non-intrafund advice.

<b>Financial Year</b>	<b>Non-Intrafund Advice Revenue</b>
2020	\$359,318
2019	\$404,773
2018	\$352,974
2017	\$442,272
2016	\$275,417

**c. How many financial advisers within the fund also provide intrafund advice?**

The Fund employs 8 financial planners who can also provide intrafund advice where required.

**d. If you have non-intrafund financial advisers within the fund also providing intrafund advice, how is their remuneration determined from different sources?**

The remuneration of financial planners is determined with reference to a range of factors including responsibilities, experience and market rates of remuneration. Remuneration is not linked to the sources of advice provided.

e. **Is there any cross-subsidisation for non-intrafund financial advisers within the fund from activities funded through intrafund advice?**

No.

f. **Is there any cross-subsidisation for financial advisers from intrafund advice to non-intrafund financial advisers within the fund?**

No.

g. **What is the total budgeted cost and actuals for financial advisers?**

The table below sets out the budgeted and actual costs for the NGS Financial Planning business unit. This business unit includes administrative support, and also provides licensing, compliance and other services to other NGS Super staff members who are licensed to provide general and intra-fund advice. It is not possible to detail costs specifically related to financial planners.

<b>Financial Year</b>	<b>Budgeted Costs</b>	<b>Actual Costs</b>
2020	\$2,365,500	\$2,563,545
2019	\$2,150,493	\$2,156,565
2018	\$2,497,091	\$1,915,942
2017	\$2,100,340	\$1,450,194
2016	\$2,121,731	\$1,652,609

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?**

Remuneration includes base salary and superannuation as defined above.

<b>Financial Year</b>	<b>Aggregated cost of remuneration</b>
2016	\$830,948
2017	\$814,565
2018	\$820,125
2019	\$1,008,110
2020	\$1,154,370

Aggregate cost = total remuneration for all advisors as per definition provided under NGS97QW:  
h

**ii. What is the aggregated cost for their employment?**

Aggregated cost of employment includes base salary only.

<b>Financial Year</b>	<b>Aggregated cost for employment</b>
2016	\$830,948
2017	\$814,565
2018	\$820,125
2019	\$1,008,110
2020	\$1,154,370

**iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?**

The aggregated cost for their on-costs includes superannuation and leave entitlements paid out on termination.

<b>Financial Year</b>	<b>Aggregated on-costs</b>
2016	\$89,030
2017	\$115,619
2018	\$92,654
2019	\$108,012
2020	\$123,830

**iv. What is the aggregated cost for marketing their services?**

NGS Financial Planning does not pay for traditional advertising. NGS Super’s internal marketing team provides support in terms of services such as branded documentation, banners, seminar organisation, etc. The costs of these services are not specifically identifiable, and mainly relate to time spent by staff.

**v. What is the aggregated cost for administrative support services?**

NGS Financial Planning has its own administrative support staff, the costs of which are included in the aggregated costs for the unit in response to h(x) below.

**vi. What is the aggregated cost for professional insurance and indemnity?**

NGS Financial Planning holds professional indemnity insurance which covers all advice services (i.e. including both comprehensive and intra-fund).

<b>Financial Year</b>	<b>Professional Indemnity Insurance Premiums</b>
2020	\$24,227
2019	\$21,067
2018	\$15,917
2017	\$14,870
2016	\$14,553

**vii. What is the aggregated cost for compliance oversight?**

NGS Financial Planning provides advice services under the AFSL of Guideway Financial Services (GFS). Included within the services provided by GFS are paraplanning, software, adviser training and compliance support including compliance review of comprehensive advice provided. The costs of individual services are not itemised, however the total costs are included in the aggregated costs for the unit in response to h(x) below.

**viii. What is the aggregated cost for legal oversight?**

NGS Financial Planning has only occasional need for legal advice, which is generally provided by NGS Super’s in-house legal and compliance team. The costs of these services are not specifically identifiable.

**ix. What is the aggregated cost for other regulatory oversight**

NGS Financial Planning has only occasional need for regulatory advice, which is generally provided by NGS Super’s in-house legal and compliance team. The costs of these services are not specifically identifiable.

- x. What is the aggregated cost for the unit, including overheads, that provides financial advice within the fund?

Financial Year	Aggregated Business Unit Costs
2020	\$2,563,545
2019	\$2,156,565
2018	\$1,915,942
2017	\$1,450,194
2016	\$1,652,609





**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**NGS Super**

**NGS98QW:**

**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:**

NGS Super’s Client Relationship Management (CRM) team is the primary provider of intra-fund advice to members, via face to face, telephone, and video meetings with members. In addition to providing intra-fund advice, the CRM team provides general advice, conducts seminars for members, and assists employers in the provision of superannuation for their staff. Remuneration and other costs are not specifically identifiable by type of service provided, and hence our responses below relate the CRM team and their services in their entirety.

The CRM team was first licensed to provided intra-fund advice in Financial Year 2017, and hence our responses include information only from FY2017 to FY2020.

**a. How many do you employ (or are you paying for through outsourced arrangements)?**

The Fund employs 10 advisors who provide intrafund advice.

The Fund also has outsourced arrangements in place for the provision of intrafund advice via its telephone helpdesk.

**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?**

<b>Financial Year</b>	<b>Aggregated cost of remuneration</b>
2017	\$1,393,329
2018	\$1,568,157
2019	\$1,634,986
2020	\$1,635,351

**ii. What is the aggregated cost for their employment?**

Aggregated cost for employment includes base salary.

Financial Year	Aggregated cost for employment
2017	\$1,244,044
2018	\$1,400,140
2019	\$1,459,809
2020	\$1,460,135

**iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?**

The aggregated cost for their on-costs includes superannuation, leave entitlements paid out on termination, and costs associated with motor vehicles.

Financial Year	Aggregated on-costs
2017	\$250,877
2018	\$336,041
2019	\$322,921
2020	\$295,511

**iv. What is the aggregated cost for marketing their services?**

The CRM team does not pay for traditional advertising. NGS Super's internal marketing team provides support in terms of services such as branded documentation, banners, seminar organisation, etc. The costs of these services are not specifically identifiable, and mainly relate to time spent by staff.

**v. What is the aggregated cost for administrative support services?**

The CRM team conduct their own administrative tasks, the costs of which are included in the aggregated costs for the unit.

**vi. What is the aggregated cost for professional insurance and indemnity?**

NGS Financial Planning holds professional indemnity insurance which covers all advice services including intra-fund advice provided by the CRM team.

Financial Year	Professional Indemnity Insurance Premiums
2020	\$24,227
2019	\$21,067
2018	\$15,917
2017	N/A

**vii. What is the aggregated cost for compliance oversight?**

The CRM team provides advice services under the AFSL of Guideway Financial Services (GFS). Included within the services provided by GFS are paraplanning, software, adviser training and compliance support. The costs of individual services are not itemised, however the total costs are included in the aggregated costs for the financial planning unit.

**viii. What is the aggregated cost for legal oversight?**

The CRM team has only occasional need for legal advice, which is generally provided by NGS Super's in-house legal and compliance team. The costs of these services are not specifically identifiable.

**ix. What is the aggregated cost for other regulatory oversight?**

The CRM team has only occasional need for regulatory advice, which is generally provided by NGS Super's in-house legal and compliance team. The costs of these services are not specifically identifiable.

**x. What is the aggregated cost for the unit, including overheads, that provides intrafund advice?**

Due to a change in accounting system, business unit costs are not available for Financial Year 2017.

Financial Year	Aggregated Business Unit Costs
2020	\$2,708,983
2019	\$2,013,398
2018	\$1,682,833
2017	Not available

**c. What is the revenue that intrafund advisers have generated?**

Intra-fund advice services are provided to members as part of general administration fees, and hence no specific revenue is generated from intra-fund advice.

**d. How many financial advisers providing intrafund advice also provide it within the fund?**

There are 10 CRMs who only provide intrafund advice and 8 financial planners who are able to provide intrafund advice, if required.

**e. If you have financial advisers providing intrafund advice also providing it within the fund, how is their remuneration determined from different sources?**

The remuneration of CRMs is determined with reference to a range of factors including responsibilities, experience and market rates of remuneration. Remuneration is not linked to the sources of advice provided.

**f. Is there any cross-subsidisation for financial advisers providing intrafund advice from revenue funded through activities within the fund?**

All intra-fund advice services are provided to members as part of general administration fees.

**g. What is the total budgeted cost and actuals for the intrafund advice unit?**

The table below sets out the budgeted and actual costs for the CRM business unit. In addition to providing intra-fund advice, this business unit provides general advice, conducts seminars for members, and assists employers in the provision of superannuation for their staff. Costs are not specifically identifiable by type of service provided, and hence the table below relates the business unit and their services in their entirety.

Due to a change in accounting system, business unit costs are not available for Financial Year 2017.

Financial Year	Budgeted Costs	Actual Costs
2020	\$2,926,771	\$2,708,983
2019	\$2,006,818	\$2,013,398
2018	\$1,926,442	\$1,682,833
2017	Not available	Not available

**h. What is the revenue generated from these financial advisers?**

Intra-fund advice services are provided to members as part of general administration fees, and hence no specific revenue is generated from intra-fund advice.

**i. Within your fund, is there any cross-subsidisation for intrafund advice services?**

All intra-fund advice services are provided to members as part of general administration fees.



**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**NGS Super**

**NGS99QW:**

**Do you allow members to use their funds to pay for:**

**a. Financial advice?**

Yes.

**b. Internal financial advisers?**

Yes.

**c. External financial advisers?**

Yes.



**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**NGS Super**

**NGS100QW:**

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

No.