

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

QSuper

QS140QW: Please provide as separated data, what the base salary and bonuses were, or are set to be, paid in the 2019/2020 and 2020/21 financial year for your:

- Chief Executive Officer or equivalent?
- Chief Investment Officer or equivalent?

Answer:

Details of the remuneration of the QSuper CEO, CIO and all Executive Committee members (and Board members) are published annually in the QSuper Annual Report. As noted in the final dot point in the notes below, the actual remuneration received may differ to that disclosed due to disclosure and accounting requirements.

FY2019/2020

Role	Salary inclusive of superannuation	Bonus
Chief Executive Officer	650,513	282,729
Chief Investment Officer	500,000	322,785

FY2020/2021

Role	Salary inclusive of superannuation	Bonus
Chief Executive Officer	650,513	Not yet determined
Chief Investment Officer	500,000	Not yet determined

- *Chief Executive Officer refers to QSuper Group CEO.*
- *'Base salary' means the annual fixed remuneration before tax and superannuation contributions are deducted, as at 30 June each respective year.*
- *QSuper's does not pay 'bonuses' but has Board approved incentive schemes aligned to performance. The Board retains the absolute discretion to reduce all variable incentive payments downwards to zero.*
- *FY2020/2021 incentives have not yet been determined.*
- *The FY2019/2020 'bonus' amounts refer to the total incentive amount related to the Financial Year 2019/2020.*
- *25% of the Chief Executive Officer's total incentive payment is deferred for 2 years. The payment is held at risk until the end of the 2 year deferral period. The Deferral Amount will be converted into a notional number of units whose performance over the Short Term Incentive Deferral period will reflect the performance of the QSuper Fund.*

- *It is noted that the salary figures in the table above differ in some respects to the disclosures in the QSuper Annual Report as a result of the different accounting and disclosure obligations that apply. For example, cash fixed remuneration in the Annual Report is disclosed including annual leave, allowances, and any salary sacrificed benefits (excluding superannuation, which is reported separately). In line with accounting standards, this may not agree with cash physically paid in the financial year.*

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QSuper

QS141QW: Do you support superannuation funds delisting public companies?

Answer:

Yes, in certain circumstances where we believe that this is in our members' best financial interest. Some companies are better suited to private ownership by long-term investors, with the capacity to reinvest, drive growth and maintain financial security for companies without being constrained by public share market expectation such as short-term dividend yield requirements. Where QSuper believes that our members' financial interests are best served by privatising a company this will be considered. However, this is not an immaterial undertaking nor the first consideration and requires a robust business case as is the case for all investments.

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QSuper

QS142QW: Property investments

- a) Do you have any current investments in the National Housing Finance and Investment Corporation? If so, what is the size of your investments?
- b) Please provide information on the rental income for any residential property investments held for each year for the last five financial years.

Answer:

- a) Not applicable. QSuper does not have any current National Housing Finance and Investment Corporation investments
- b) QSuper’s residential property investments are located in the United States. The rental income from these properties for the last five financial years in US dollars is as follows:

Financial Year	2015 / 2016	2016 / 2017	2017 / 2018	2018 / 2019	2019 / 2020
Rental Income (\$US)	N/A	N/A	39,114	3,982,573	23,243,129

Assumptions: Residential Property is defined as a property that can be occupied, is occupied, or is intended to be occupied as a residence, or for residential accommodation, regardless of the length of occupation. This definition incorporates all forms of residential property including Build-to-rent housing (Multi-family assets) and social housing.

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QSuper

QS143QW: Subscriptions to The New Daily

- a. Has your fund ever considered subscribing your members to The New Daily through an opt-out model? If so:
- i. Was this proposed initially internally, or externally?
 - ii. Who proposed it?
 - iii. Who approved it?
 - iv. What was the approval process?
 - v. What legal advice was sought?
 - vi. On what date did it proceed, or is it proposed to proceed?
- b. Have the following groups ever enquired or requested your fund to subscribe your members to The New Daily:
- i. Industry Super Holdings?
 - ii. The New Daily?

Answer:

- a. No
- b. No. The Trustees have not been approached to subscribe QSuper members to The New Daily.

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QSuper

QS144QW: What arrangements, including donations, commissions, marketing expenditure or partnerships, do you have that lead to payments to research organisations or ‘think tanks’?

Please provide:

- a. Names of the think tanks.
- b. Payments made over the last five years.

Answer:

QSuper has, and continues to, from time to time, utilise research organisations to conduct research focussed on the design and delivery of products and services to members.

Over the past 5 years, at various times QSuper has been a member of AIST, ACSI and ASFA. As part of this membership, QSuper has participated on policy development, including submissions to, and meetings with, Government officials on policy matters.

We have defined a “think tank” to mean an organisation, institute, group or corporation established for the principal purpose of conducting primary research and engaging in advocacy on specific policy issues of government and business.

Other than mentioned above, QSuper does not have any arrangements to make payments to think tanks for advocacy nor have we engaged any research organisations for the purpose of advocating on areas of government policy.

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QS145QW : According to the Australian Financial Review (IFM's Tandem leaves workers in the lurch, 7 July 2021), IFM Investors have invested in a business that has left them wholly owning a subsidiary, Tandem Networks, that avoids them paying out the full entitlements of subcontractor. Therefore, if you are an owner of IFM Investors:

- a. Do you think it is acceptable that an investment made by your investment vehicle dishonours contractual arrangements with subcontractors?
- b. What inquiries have been made to ensure that subcontractors are being paid?
- c. What steps do you expect IFM Investors to go through should they not honour entitlements to subcontractors?
- d. Would you divest from IFM Investors should they not honour entitlements to subcontractors?

Answer:

The QSuper Board as trustee for QSuper is not an owner of IFM Investors.

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QSuper

QS146QW : At the House Economics superannuation hearing on 8 July 2021 representatives of Australian Super and CBUS outlined they were not aware that IFM Investors (a company wholly owned by industry funds) had paid a bonus of \$12m, and were asked whether they had asked questions about the bonus and the bonus structures within IFM Investors.

According to the Australian Financial Review (IFM Investors gives \$12.7m bonus to UK Director, 14 February 2020) a bonus of \$12.7 million bonus was paid.

According to the Sydney Morning Herald (A lot of bling: Industry shocked at \$36 million bonus allegation, 22 March 2019) bonus structures existed to allow for bonuses of up to \$36m to be paid.

Therefore, if you are an owner of IFM Investors, please advise:

- a. What inquiries have been made, or will be made, about bonuses of that size with IFM Investors?
- b. What information you have sought, or will seek, from IFM investors about bonus structures within IFM Investors?

Answer:

The QSuper Board as trustee for QSuper is not an owner of IFM Investors.