

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

REST

REST156QW:

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:

- a. Chief Executive Officer or equivalent?
- b. Chief Investment Officer or equivalent?

Answer:

Chief Executive Officer:

- In 2019/20 base salary was \$641,397 and an incentive payment of \$158,976 was paid.
- In 2020/21 base salary was \$641,397, no decision has yet been made about any incentive payment.

Chief Investment Officer:

- Rest did not have a CIO, or equivalent role in 2019/20.
- In 2020/21 base salary was \$598,305, no decision has yet been made about any incentive payment.

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REST157QW:

Do you support superannuation funds delisting public companies?

Answer:

Rest has not been involved in any 'take private' proposals to date.

As consistent with Rest's approach to investment decisions, future decisions will be made according to the best financial interests of members and may include consideration of such options.

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REST158QW:

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) Rest does not have any current investments in the National Housing Finance and Investment Corporation.
- b) Rest has investments in overseas residential property, valuations of which have been provided previously in our response to REST148QW and REST149QW.

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REST159QW:

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

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REST160QW:

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:

Rest does not make any payments to political think tanks.

Rest does have contractual arrangements with Rice Warner to provide consulting services that may also include research for the purposes of product development and fund and member insights.

Rest conducts market research for the purposes of providing insights to inform product development and improvements to member services.

Rest has arrangements with The McKell Institute that conducts research and engages with business and government on a range of policy issues.

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REST161QW:

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:

Rest is not an owner of IFM Investors.

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REST

REST162QW:

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:

Rest is not an owner of IFM Investors.