

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**Sunsuper**

**SS140QW:** 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:**

a. - b.

2019 / 2020	Base Salary p.a.	Bonus
CEO Jul – Oct 2019	\$ 598,030.10	\$0
CEO Oct – June 2020	\$ 682,819.38	\$0
CIO	\$ 495,045.00	\$0

*Change of CEO in October 2019, salary for each has been provided (not pro-rated)  
In response to COVID, there was no bonus paid or accrued in 2019/2020*

2020 / 2021	Base Salary p.a.	Bonus
CEO	\$ 682,819.38	Not yet determined
CIO	\$ 495,045.00	Not yet determined

*In response to COVID, there was no salary increase for 2020/2021 year  
The bonus outcome for 2020/2021 is in the normal course of business determined and decided in September.*

**Notes:**

*Information provided is annualised base salary amount for the relevant financial year  
Deferred bonus payments from prior year entitlements have not been included - figures provided are entitlement amounts and not paid amounts.*

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**Sunsuper**

**SS141QW:** Do you support superannuation funds delisting public companies?

**Answer:** Sunsuper, like many superannuation funds, are involved in (and if in the best financial interests of members, will support), many equity market investments including initial public offering of companies and capital raisings as well as the delisting of public companies.

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Sunsuper

SS142QW: 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. No
- b.

Domicile	2016/ 2017 (AU \$M)	2017/ 2018 (AU \$M)	2018/ 2019 (AU \$M)	2019/ 2020 (AU \$M)	2020/2021 (AU \$M)
Australia	0.0	0.0	0.8	3.2	5.6
International	19.5	22.6	31.6	33.0	30.1
<b>Aggregate</b>	<b>19.5</b>	<b>22.6</b>	<b>32.4</b>	<b>36.3</b>	<b>35.6</b>

*Residential property is defined as any residential property that is available for rent and covers sub-sectors such as single-family homes, multifamily, build to rent, student accommodation, retirement villages, and aged care.*

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**Sunsuper**

**SS143QW:** 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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**Sunsuper**

**SS144QW:** 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:** Sunsuper has not engaged any think tank organisations.

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

#### Sunsuper

**SS145QW:** 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:

- a. Sunsuper is a 1.87% owner of IFM Investors via our investment in ISH.  
We are not invested in the private equity fund which was an investor in Tandem Networks.
  - b – d. We have made enquiries of IFM and are satisfied they understand their obligations in relation to subcontractors.
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#### Sunsuper

**SS146QW:** 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:**

a - b. Sunsuper is a 1.87% owner of IFM Investors via our investment in ISH however has less than \$50m invested with IFM Investors.

Sunsuper is also an owner of other organisations which own fund management businesses such as Macquarie (~1.09% owner) and AMP (~0.63% owner) where we have much larger amounts invested.

In all cases we make enquiries of these fund managers to ensure they have remuneration structures in place to attract and retain key staff and align them to the generation of long-term investment returns for members.

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