

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Tasplan

TAS91QW: Please provide the titles of all externally commissioned reports over the past five years that have reviewed any of the following:

- a. Performance of funds.
- b. Investment strategies for funds.
- c. Conflicts of interest for funds.

Answer: Mercer, Tasplan's asset consultant provides quarterly report on the performance of the fund as well as an annual review of the fund's investment strategy. They also assist with the annual asset class reviews.

It is a requirement of SPS 521 (Conflicts of Interest) that we ensure a comprehensive review of the Conflicts Management Framework is completed by operationally independent, appropriately trained and competent persons at least every three years. The last triennial review of the Conflicts Management Policy was completed by KPMG in June 2018.

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TAS92QW:

For each fund where more than 30 per cent of capital is managed by another entity, please complete the below table including:

- a. The name of the fund.
- b. The allocation of capital as a percentage of the total capital held by the fund.
- c. The allocation of capital of the total capital held by the fund.
- d. The entity managing the capital.
- e. Whether you are a shareholder in that entity.

Fund	Allocation of fund capital		Managing entity	Shareholder
	%	\$		
i.e. Hostplus infrastructure options	i.e. 70%	i.e. \$10 billion	i.e. IFM Investors	i.e. Yes

Answer:

Tasplan doesn't have more than 30 per cent capital managed by another entity.

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TAS93QW: If you do have capital managed by another entity that you are also a shareholder in, please identify how you manage conflicts of interest.

Answer:	AMP	\$5.3M
	Magellan	\$1.9M
	Pendal	\$6.8M
	Lend Lease	\$13.6M
	Janus Henderson	\$4.7M
	Charter Hall	\$10.5M
	Goodman	\$13.3M
	Industry Super Holdings	\$4.9M

Apart from Industry Super Holdings, these investments are managed by external mandate managers who manage these on Tasplan's behalf.

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TAS94QW: Please provide details of the following reduction to remuneration packages since 11 March 2020:

- a. Board members.
- b. The chief executive.
- c. Executive management.

Answer:

- a. There has been no reduction to remuneration packages of Board Members since 11 March 2020.
- b. There has been no reduction to remuneration package of the Chief Executive Officer since 11 March 2020.
- c. There has been no reduction to remuneration packages of Executive Management since 11 March 2020.

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TAS95QW:

Is the fund considering divestment from pure play fossil fuel producers in order to mitigate climate-related financial risks and to increase the cost of capital for those producers?

If not, how has the fund arrived at the conclusion that this approach would not be in members' best interests?

Answer:

Tasplan takes account of ESG issues in our investment activities including climate related risk within our investments. Tasplan has not adopted a formal policy to divest from fossil fuels producers but we are committed to gaining a greater understanding of sources of climate related risk within our portfolios. This includes monitoring how our investment managers take account of ESG risk including climate risk in our investment holdings and monitoring how companies are responding to the challenges of climate change to ensure their ongoing viability. This is viewed as a prevalent ESG risk for all companies and not isolated to fossil fuel producers. Certainly, the move towards lower emission targets in line with individual country and global emission agreements will place an increasing regulatory burden on traditional fossil fuel operators and it will be important for oil and gas companies to address and evolve business practices to mitigate this risk where appropriate. As part of our ESG activities and in line with our fiduciary responsibilities, Tasplan will continue to review our approach to climate risk in light of changing economic fundamentals and regulatory developments.