

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Tasplan

- TAS96QW:** Since 1 January 2020, for each fund, please outline:
- a. The date and value at the highest valuation of the fund?
 - b. The date and value at the lowest valuation of the fund?
 - c. The number of business days between the highest and lowest valuation for the fund?
 - d. The nominal value between the highest and lowest valuation for the fund?
 - e. The percentage value between the highest and lowest valuation for the fund?
 - 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?
 - 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?
 - h. What volume of switching of investments occurred between funds between the highest and lowest valuations?
 - 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?
 - 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?
 - 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?
 - l. 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?

- Answer:**
- a. 21 February 2020 \$10,720,947,093
 - b. 23 March 2020 \$8,942,560,528
 - c. 20 business days
 - d. \$1,778,386,564
 - e. 16.6%
 - f. 0 days
 - g. 68 days
 - h. \$505,125,502
 - i. There were no switches by the Trustees during the time period
 - j. There were no switches by the executives of the fund during the time period

- k. 17 Switches totalling \$2.7M
- l. Tasplan's Conflicts Management Policy imposes investment switching restrictions on directors, executives and certain employees including requiring approval to be sought prior to undertaking any such transactions. This measure is in place at all times and is monitored, with exceptions reported and investigated. An additional restriction was implemented between 26 March 2020 to 31 May 2020 where certain types of investment switches were prohibited altogether. This additional restriction is still in place for transactions relating to the Property Investment Option.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Tasplan

TAS97QW:

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:

- a. How many do you employ (or are you paying for through outsourced arrangements)?
- b. What is the revenue generated from these non-intrafund advisers?
- c. How many financial advisers within the fund also provide intrafund advice?
- d. If you have non-intrafund financial advisers within the fund also providing intrafund advice, how is their remuneration determined from different sources?
- e. Is there any cross-subsidisation for non-intrafund financial advisers within the fund from activities funded through intrafund advice?
- f. Is there any cross-subsidisation for financial advisers from intrafund advice to non-intrafund financial advisers within the fund?

Answer:

It is to be noted that Tasplan has undergone a number of mergers between the years in question. As a result, business models for providing advice has evolved over time. Tasplan uses the Quadrant First AFSL which also licences other advisors from another fund. Therefore, cost estimates below are allocated based on a split of the total advisors during the periods as these costs are incurred in aggregate.

- a. Number of advisors at the end of the financial year reporting period. Noting during the year numbers can fluctuate due to staff movement.

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	2	2	2	2

- b. Revenue generated from comprehensive advice.

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	40k	84k	159k	210k

- c. Financial advisers are required to undertake all forms of advice including intrafund advice. Answer as per question a. above.
- d. Advisor remuneration not driven by source of income and is set based on an external assessment of market remuneration. We do not pay bonuses.

- e. Tasplan operates a small comprehensive advice operation which started in 2016FY. This is based on emerging member needs balanced with financial considerations. Due to the slow growth nature of this revenue stream, these advisors are licenced to provide all levels of advice as demand for the comprehensive advice service is not consistent. Therefore, their workload will consist of a mix of different levels of advice and education. Comprehensive advice is provided on a fee for services basis, a fee set by the fund driven by the hourly rate it incurs to prepare the advice.
- f. As per above in e.
- g. The costs below are actual salary + on cost estimate only for the comprehensive financial advisors, noting the response in part e. Budget does not break down to this level.

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	198k	339k	256k	268k

- h. The comprehensive financial advisors are employed by the fund in conjunction with all other employees. Due to the small nature of the comprehensive advice operation naturally a balance needs to be struck between resources and time spent in fully attributed cost allocation and administrative time spent doing so. The numbers provided below are best estimates of the prior year operations using the current cost allocation method.

As per section e, it is to be noted that the comprehensive advisors will also provide lower level advice to members such as general and intra - fund when business needs arise. i.e. times of high demand, excess capacity etc. For the years in question no time allocation was recorded due to the small nature of the operation.

- i. The numbers below are salary costs only.

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	171k	293k	221k	225k

- ii. Refer to g
- iii. Numbers are salary cost and an estimate of on costs including super, workers comp insurance and payroll tax.

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	27k	46k	35k	43k

- iv. Marketing costs are not directly attributed to advice offering.
- v. The support staff costs are a total across the fund, however the support staff do not solely support the comprehensive financial advisors only, they also support intrafund advisers. Again, support staff are mobilised based on business requirements.

2014-15	2015-16	2016-17	2017-18	2018-19
---------	---------	---------	---------	---------

Nil	69k	71k	120k	153k
-----	-----	-----	------	------

vi. The aggregated cost for professional insurance and indemnity.

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	5.5k	5.5K	7k	4k

vii. The costs include tax and external audit. For 2015-16 FY no external audit costs was directly attributed to comprehensive advice, 2018-19 also includes allocation to internal audit.

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	222	2k	3k	6k

viii. Costs include allocation to ad hoc legal services

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	Nil	780	2k	Nil

ix. Costs include allocation to statutory fees i.e. ASIC

2014-15	2015-16	2016-17	2017-18	2018-19
Nil	144	252	565	1k

x. Information is not available at this level for the years in question due to the method of budgeting and reporting at the time.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Tasplan

- TAS98QW:** 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:
- a. How many do you employ (or are you paying for through outsourced arrangements)?
 - 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?
 - ii. What is the aggregated cost for their employment?
 - iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?
 - iv. What is the aggregated cost for marketing their services?
 - v. What is the aggregated cost for administrative support services?
 - vi. What is the aggregated cost for professional insurance and indemnity?
 - vii. What is the aggregated cost for compliance oversight?
 - viii. What is the aggregated cost for legal oversight?
 - ix. What is the aggregated cost for other regulatory oversight?
 - x. What is the aggregated cost for the unit, including overheads, that provides intrafund advice?
 - c. What is the revenue that intrafund advisers have generated?
 - d. How many financial advisers providing intrafund advice also provide it within the fund?
 - e. If you have financial advisers providing intrafund advice also providing it within the fund, how is their remuneration determined from different sources?
 - f. Is there any cross-subsidisation for financial advisers providing intrafund advice from revenue funded through activities within the fund?
 - g. What is the total budgeted cost and actuals for the intrafund advice unit?
 - h. What is the revenue generated from these financial advisers?
 - i. Within your fund, is there any cross-subsidisation for intrafund advice services?

Answer:

Tasplan does not operate an intra fund advice team. Intra fund advice is provided via the member services teams which only commenced providing Intra Fund advice in 18/19 financial year. Prior to this time only one employee was authorised but provide minimal or no advice. Prior to that date members accessed general advice and comprehensive advice (fee for service) only. The member services team undertakes a range of functions for the fund and Tasplan does not allocate or apportion remuneration or other direct or indirect costs of intra

fund advice at the unit level therefore some of the questions above are not applicable. We have answered the questions where some estimates can be provided.

The numbers below are best indicative estimates based on averages for the periods in question.

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

2014-15	2015-16	2016-17	2017-18	2018-19
0	1	1	1	10

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?

This is unable to be accurately determined as advisers are not solely employed to provide intrafund advice and undertake a range of functions for the fund. Costs are currently not separately allocated to the range of activities.

- ii. What is the aggregated cost for their employment?** As above
- iii. What is the aggregated cost for their on-costs, including but not limited to, superannuation, leave, training support and office space?** Not applicable
- iv. What is the aggregated cost for marketing their services?** Not applicable
- v. What is the aggregated cost for administrative support services?** Not applicable
- vi. What is the aggregated cost for professional insurance and indemnity?** Not applicable
- vii. What is the aggregated cost for compliance oversight?** Not applicable
- viii. What is the aggregated cost for legal oversight?** Not applicable
- ix. What is the aggregated cost for other regulatory oversight?** Not applicable
- x. What is the aggregated cost for the unit, including overheads, that provides intrafund advice?** Not applicable

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

No revenue is generated from intra fund advice. Members have access to this service as part of their standard administration fee.

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

See response to question a.

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

Remuneration is not determined based on source of revenue.

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

No revenue generated from intra fund advice, it is part of the fund offering to members paid via the administration fee.

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

There is no unit for intra fund nor is there a cost allocation between intra fund advise and other services provided by employees to members as part of their broader member service roles. For this reason we are unable to answer this question

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

Nil

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

This service is paid via the administration fee applicable to all members.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Tasplan

TAS99QW: Do you allow members to use their funds to pay for:

- a. Financial advice?
- b. Internal financial advisers?
- c. External financial advisers?

Answer:

- a. Yes, members can use their funds to pay for comprehensive financial advice only where that advice relates to the members holding within the fund. Payment for advice fees can only be done on the provision of a suitable invoice and a signed member authorisation. Only initial advice fees relating to a Statement of Advice can be paid for from the members account and no ongoing regular payment of fees are permitted.
- b. Yes, as above.
- c. Yes, as above.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Tasplan

TAS100QW: Do you allow external financial advisers access to online facilities to charge for external financial advisers consented by members using their funds?

Answer: Tasplan does provided access to online facilities (view only) for a small number of financial advisers where those advisers and their AFSL holder have accepted and signed a terms of use agreement. No functionality is provided in this system and there is no ability to charge members using this online access.