

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

UniSuper

UNI136QW:

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:

2019/2020

	Base Salary (excl Super)	Bonus
Chief Executive Officer	512,820	235,200
Chief Investment Officer	589,744	1,022,580

2020/21

	Base Salary (excl Super)	Bonus
Chief Executive Officer	575,690	273,375
Chief Investment Officer	601,312	950,130

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UniSuper

UNI137QW:

Do you support superannuation funds delisting public companies?

Answer:

UniSuper assesses each proposal for a superannuation fund being involved in the delisting of a public company on a case-by-case basis. If UniSuper has an interest in the company, and the delisting is in the best interests of fund members, we would support it. UniSuper is also very supportive of companies that want to list. UniSuper currently has holdings in companies on the basis that they expect to list over the next few years.

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UniSuper

UNI138QW:

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.

We own 4 debt instruments of the National Housing and Investment Corporation with a valuation (including accrued interest) as at 30 June 2021 of AUD \$73.4 million.

b.

UniSuper does not hold any specific investments in residential property other than via two investments which primarily comprises large shopping centre assets, but which do include a small incidental residential component. The returns from the residential component of the asset are not attributed separately and one of the residential developments is still under construction. Therefore, we are not able to provide relevant details of rental income.

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UniSuper

UNI139QW:

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.
 - i. No
 - ii. No

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UniSuper

UNI140QW:

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:

In answering this question, we have taken 'research organisations' to mean research organisations that are similar in nature or purpose to 'think tanks' such as policy forums, research centres or similar institutions whose objective is to provide advice and ideas on political or economic problems.

- a. UniSuper does not engage 'think tanks' or similar research agencies. We note, however, that in 2020 UniSuper, in collaboration with Curtin University, sponsored a piece of research conducted by the Curtin Bankwest Economic Centre at the university into the superannuation system and the challenges that many Aboriginal and Torres Strait Islander people face (e.g. life expectancy being lower, verifying identity, lower pay, etc.).
- b. No payments have been made to 'think tanks' or similar research agencies. UniSuper's cost to sponsor a piece of research conducted by the Curtin Bankwest Economic Centre at the university into the superannuation system and the challenges that many Aboriginal and Torres Strait Islander people face (life expectancy being lower, verifying identity, lower pay etc.) was \$40,000.

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UniSuper

UNI141QW:

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. Not applicable - We do not invest in any of IFM's Australian private equity investment vehicles and have no direct economic exposure to Tandem Networks.
- b. Not applicable - We have no direct economic exposure to Tandem Networks so inquiries have not been made on this matter.
- c. Not applicable - We have no direct economic exposure to Tandem Networks so we are not in a position to comment on this matter.
- d. Not applicable - We have no economic exposure to Tandem Networks so UniSuper does not have an interest to divest.

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UniSuper

UNI142QW:

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. UniSuper invests in over 2,900 companies. The combined value of our investment in approximately 1,900 of these companies represents less than 2% of the investment assets of the Fund. For this reason, it is not possible for UniSuper to actively engage with each and every company it invests in. UniSuper focuses on those companies in which it has a material investment.

UniSuper retains a small holding in Industry Super Holdings Pty Ltd (ISH), the owner of IFM Investors. As at 30 June 2021 UniSuper's holding was immaterial, representing 0.02% of the UniSuper fund therefore UniSuper has not actively engaged with IFM Investors on this matter.

- b. UniSuper invests in over 2,900 companies. The combined value of our investment in approximately 1,900 of these companies represents less than 2% of the investment assets of the Fund. For this reason, it is not possible for UniSuper to actively engage with each and every company it invests in. UniSuper focuses on those companies in which it has a material investment.

UniSuper's indirect investment in IFM Investors is immaterial, representing approximately 0.02 % of the UniSuper fund, and therefore UniSuper has not actively engaged with IFM Investors on this matter.