

Executive Officer Remuneration

The remuneration of our executive officers is determined to ensure that we can recruit and retain staff with the right skills and knowledge to lead our fund. We need the appropriate level of expertise and experience in our executive officers to protect members' interests.

We set our remuneration levels based on appropriate benchmarks and we engage with external remuneration consultants to ensure that our remuneration levels reflect our Remuneration Policy. Our Remuneration and Human Resources Committee provides oversight over the remuneration of our Executive Officers. These consultants do this by job-sizing and market matching each of our senior roles and by recommending the appropriate benchmarks for our fund.

Executive	Date commenced	Financial year ended 30 June	Salary	Performance Award ⁶	Non-monetary benefits ¹	Superannuation	Short-term incentive ⁵	Deferred incentive ⁵	Incentive achieved	Total remuneration
			\$	\$	\$	\$	\$	\$	%	\$
Mr M Dwyer AM ⁸	1-Dec-04	2018	774,800	110,000 ²	18,866	25,000	-	-	N/A	928,666
Chief Executive Officer		2017	740,000	10,000	17,048	35,000	-	-	N/A	802,048
Mr T Elliott	1-Apr-17	2018	435,401	-	-	24,049	91,895	71,895	89%	623,240
Chief Financial Officer		2017	107,596	-	-	4,904	46,250 ³	63,385 ³	N/A	222,135
Mr D Graham	5-Dec-16	2018	700,951	-	-	20,049	232,525	212,525	88%	1,166,050
Chief Investment Officer		2017	391,657	-	-	11,442	210,000	290,423 ⁴	100%	903,522
Mr G McAlicee	11-May-15	2018	511,401	-	-	20,049	97,919	77,919	83%	707,288
Chief Operating Officer		2017	480,000	5,000	-	35,000	-	-	N/A	520,000
Ms S Thurman	3-July-06	2018	326,907	-	-	20,049	71,843	51,843	89%	470,642
Chief Risk Officer		2017	306,576	8,000	-	19,564	-	-	N/A	334,140
Mr G Arnott		2018	-	-	-	-	-	-	-	-
Deputy Chief Executive Officer until 30 September 2016, when Mr Arnott was appointed the Chief Executive Officer of State Super Financial Services Australia Limited, a related party.		2017	129,295	-	-	8,750	-	-	N/A	138,045
Mr R Brandweiner		2018	-	-	-	-	-	-	-	-
Chief Investment Officer resigned 16 December 2016		2017	299,881	-	-	9,757	-	-	0%	309,638

1. Car parking and associated fringe benefits tax
2. As noted in prior year's disclosure, following the achievement of certain conditions during the financial year, Mr Dwyer received an individual recognition payment of \$100,000 as at 30 November 2017. This followed the most recent extension of his employment contract with effect from 1 December 2016. Mr Dwyer also received a discretionary payment for achieving certain business goals during the year as per Note 6.
3. Incentives relate to transfer of employment from State Super Financial Services Australia Limited and were paid on 15 July 2017
4. Includes deferred incentive \$80,423 paid on 15 July 2017 which relates to transfer of employment from State Super Financial Services Australia Limited
5. Effective 1 July 2017, Mr Elliott, Mr McAliece and Ms Thurman were invited to participate in a Senior Management Bonus Scheme for the full year. The scheme was designed based on appropriate benchmarks and external remuneration consultants were engaged to ensure that bonus scheme reflects the stated objectives in our Remuneration Policy. The scheme awards incentive payments based on the achievement of Fund performance (investment) goals and for the achievement of individual goals relevant to the executive's role. The maximum amount that an executive can earn cannot exceed a determined percentage of the executive's total employment cost. Fund performance targets are aligned to members' interests and are set based on the required investment performance of the fund and the investment performance of the Growth and Balanced Growth accumulation investment options. The STI is paid in cash and the deferred Incentive is payable in cash after two years pursuant to the Senior Management Bonus Scheme Policy.
Mr Graham continues to participate in a bonus scheme and, from 1 July 2017, was invited to participate in the Investment Team Bonus Scheme rather than a separate scheme for the role of Chief Investment Officer. The Investment Team Bonus Scheme Policy operates under the same principal conditions as the Senior Management Bonus Scheme with a bonus paid based on the achievement of Fund performance (investment) goals and for the achievement of individual goals relevant to the Chief Investment Officer. The maximum amount that the Chief Investment Officer can earn cannot exceed a determined percentage of their total employment cost.
6. Discretionary payment for achieving certain business goals in the year
7. The movement in the long service entitlements accrued but not taken during the year as required to be recognised under legislation were:

	2018 \$	2017 \$
M Dwyer	27,794	30,919
T Elliott	12,169	-
D Graham	19,838	-
G Arnott	-	9,877
S Thurman	10,779	-

8. Mr Dwyer will retire upon the expiration of his current contract on 30 November 2018

Directors' Remuneration

Our Directors are remunerated with regard to the skills, experience and responsibilities required for our fund. Director remuneration is determined on the basis of an appropriate benchmarking review conducted by an independent remuneration consultant.

Director	Date appointed	Financial year ended 30 June	Committee memberships	Fees	Superannuation	Total	Fees paid to
				\$	\$	\$	
Mr N Cochrane	1-Mar-14	2018	2	209,306	6,087	215,393	Director
		2017	2	176,198	12,706	188,904	Director
Mr T Carr*	3-Dec-07	2018	3	132,572	12,594	145,166	Director
		2017	3	118,245	11,233	129,478	Director
Ms S Carter	10-Apr-13	2018	2	97,117	9,226	106,343	Director
		2017	2	95,942	9,115	105,057	Director
Ms L Fitzpatrick*	1-Mar-13	2018	2	78,694	7,476	86,170	Australian Nursing and Midwifery Federation (VIC branch)
		2017	2	79,317	7,535	86,852	Australian Nursing and Midwifery Federation (VIC branch)
Ms J Furlan	10-Apr-15	2018	3	93,716	8,903	102,619	Director
		2017	3	88,635	8,420	97,055	Director
Mr R Harty	10-Apr-15	2018	3	103,062	9,791	112,853	Director
		2017	3	102,600	9,747	112,347	Director
Dr R Kelly	30-Aug-12	2018	4	122,734	11,660	134,394	Medical Scientists Association of Victoria
		2017	4	107,381	10,201	117,582	Medical Scientists Association of Victoria
Mr R Kelly	1-Mar-11	2018	3	118,822	25,000	143,822	Director
		2017	3	147,833	10,796	158,629	Director
Mr M Lennon	16-Feb-10	2018	1	87,254	8,289	95,543	Director
		2017	1	83,208	7,905	91,113	Director
Mr B Lipscombe	10-Apr-11	2018	4	120,773	11,473	132,246	Director
		2017	4	122,381	11,626	134,007	Director
Ms P Smith AM	1-Oct-07	2018	3	98,671	9,374	108,045	Director
		2017	3	124,023	11,782	135,805	Director
Ms N Steer	11-Jul-12	2018	3	92,344	8,773	101,117	Director
		2017	3	89,397	8,493	97,890	Director

Mr G Thomas*	1-Jul-15	2018	4	104,626	9,939	114,565	Director
		2017	4	93,491	8,882	102,373	Director

The table shows the total remuneration provided to Directors for acting as a Director and as a member of a committee.

*: Resigned 30 June 2018