

# Remuneration Information

December 2024



## Introduction

BUSS (Queensland) Pty Ltd ('Trustee' and 'our') is the trustee of the Building Unions Superannuation Scheme (Queensland) ('Fund' or 'BUSSQ') and the BUSS (Queensland) Pooled Superannuation Trust ('PST'). The Fund and PST are registrable superannuation entities (RSEs) and the Trustee is an RSE Licensee.

As an industry fund, BUSSQ exists only for its members (in this summary, 'members' refers to all Fund beneficiaries). The Trustee's decisions and actions, including on remuneration, are guided by the principle of always putting members first.

The Trustee's remuneration arrangements are based on attracting and retaining skilled, experienced people to develop and deliver the Trustee's strategic objectives for BUSSQ members while always acting in the best financial interests of Fund members.

## Framework

The Trustee's remuneration framework comprises:

- Board and Board Committee decisions and oversight
- Board and Committee Charters
- The Remuneration Policy
- Other policies relevant to remuneration, including the Risk Management Strategy, Conflicts Management Policy, delegation and human resource policies
- Performance management processes including annual performance development plans and regular reviews
- Disclosure to members and other stakeholders, including the remuneration report in the Trustee, Fund and PST Financial Reports for the year ended 30 June 2024 (available at <https://www.bussq.com.au/about-us/governance/disclosure>) and this summary of its remuneration policy and arrangements

# Remuneration Information

December 2024



## Governance

### Oversight

The Board and its People, Culture, Remuneration and Nominations ('PCRN') Committee and the Audit and Risk Committee are responsible for oversight of the Trustee's remuneration framework.

The Board is responsible for:

- Oversight and approval of remuneration arrangements, including the Remuneration Policy and its application
- Annual performance and remuneration reviews of the Chief Executive Officer ('CEO') and Company Secretary
- Annual review and determination of the remuneration of Directors and Committee Attendee Members
- Deciding on the remuneration of those in roles considered to be Responsible Persons, Responsible Managers of the Trustee's Australian Financial Services Licence, employees involved in risk and compliance and financial control, and any person nominated to the Trustee as recommended by the PCRN Committee and accepted by the Board

The PCRN Committee is responsible for:

- Reviewing and recommending to the Board the remuneration of those in roles considered to be Responsible Persons, Responsible Managers of the Trustee's Australian Financial Services Licence, and employees involved in risk and compliance and financial control, and any person nominated by the Committee and accepted by the Board
- Consulting the Audit and Risk Committee and Executive Manager, Governance, Risk and Compliance, to enable risk outcomes to be appropriately reflected in remuneration outcomes for persons in specified roles
- Engaging any external consultants to assist in the performance and remuneration review process
- The initial review of the Remuneration Policy, including assessing the Policy's effectiveness

# Remuneration Information

December 2024



The Audit and Risk Committee is responsible for:

- Reviewing and recommending to the Board the annual financial statements, including remuneration report
- Oversight of the implementation of the risk management framework, including risk culture
- Approving auditor remuneration

During the financial year to 30 June 2024:

- The Board met eight times
- The PCRN Committee met four times
- The Audit and Risk Committee met five times

Meeting dates and attendance details can be found in the latest Annual Report (available at <https://www.bussq.com.au/about-us/governance/disclosure>).

## Board discretion

The Board is ultimately responsible for the Trustee's remuneration arrangements and has absolute discretion in determining remuneration outcomes.

The Board directly sets the remuneration for Directors, Committee Attendee Members, CEO and Company Secretary.

The Board has delegated authority for the CEO to set remuneration for other employees, subject to the Board approving the bands for Executive Managers and employees involved in risk management, compliance and financial control. The Board also considers the range and overall level of annual remuneration changes across all employees and the rationale for changes.

## Board oversight process

The Board generally considers remuneration on an annual basis. The Board bases its decision on a recommendation from the PCRN Committee and a submission from the CEO. The Board – directly or through the PCRN Committee – will also consider any industry benchmarks and relevant labour market and economic measures (e.g. Consumer Price Index, changes in Average Weekly Earnings, etc). The Board and its committees may also make enquiries of its External and Internal Auditors or seek further independent information and advice.

The Board's remuneration decisions are in large part based on the consideration of management, service provider and industry information as it measures the

# Remuneration Information

December 2024



performance of the organisation and the roles for which it sets remuneration, including incidents and breaches during the course of the year.

Members common to the Audit and Risk and PCRN Committees, the Board Chair and CEO provide risk management input into the PCRN Committee's remuneration recommendations. The Chair of the Audit and Risk Committee and other Directors add further risk management input to the Board's remuneration considerations. The Board also factors in reporting from, and discussions with, the Executive Manager, Governance, Risk and Compliance.

The Board may consider any significant remuneration changes recommended by the CEO during the year.

## Remuneration Framework Design and Structure

The Business Plan, set every financial year for the upcoming three years, includes the Trustee's strategic objectives. The objectives include the need to always act with honesty, integrity, and put members needs ahead of the needs of all others together with a focus on appropriate risk management and governance.

Each Director signs a letter of appointment which sets out responsibilities and duties. Performance against Board key performance indicators, which complement the Trustee's strategic objectives, is considered at every meeting. Board performance is evaluated annually with an independent review being conducted every three years. Performance is considered against the Business Plan, Risk Management Strategy, the Board's key performance indicators and other expectations as described in the Trustee's policies.

There is a position description for each role which details responsibilities. An employment agreement is in place for each employee. The agreement specifies duties and the conditions of employment. Compliance with the trustee's behavioural expectations and its policies and procedures is a requirement of employment. Risk management responsibilities are specified in position descriptions.

Each employee has an annual performance development plan, based around personal goals or key performance indicators (KPIs). Personal objectives stem from the Business Plan objectives. Included in each employee's KPIs are measures to evaluate their understanding of, and compliance with, the risk management framework and their role in managing financial and non-financial risks. KPIs will

# Remuneration Information

December 2024



be deemed as 'not met' if the employee acts outside the risk management framework, including risk appetite statement.

Performance is considered against the performance as a whole and the employee's position description and personal objectives. Performance includes appropriate behaviour, consistent with the members' first ethos of the Trustee.

Remuneration is reviewed on appointment and annually unless there is a significant change in duties and responsibilities between reviews.

Remuneration is set based on these principles:

- a) Appropriately compensating Directors and employees for the services they provide to the Trustee
- b) Providing a flexible and competitive remuneration structure which reflects market practice and is tailored to the specific circumstances of the Trustee to attract, motivate and retain highly skilled Directors and employees
- c) Motivating employees to perform in the best financial interests of members
- d) Encouraging a culture of ethical behaviour that drives the delivery of sound outcomes to members which includes financial and non-financial, including conduct, risk management
- e) Aligning remuneration arrangements with the achievement of strategic objectives while encouraging behaviour that is consistent with the Trustee's mission and values and supports the Trustee's risk appetite
- f) Determining remuneration in a way that is fair and consistent across the organisation
- g) Complying with all relevant legal requirements
- h) Setting remuneration competitively within the market while giving appropriate consideration of the long-term financial sustainability of the Fund, taking into account the effects on the costs to members
- i) Having material conflicts to the objectives of the Remuneration Policy that may result from the Trustee's cost arrangements with service providers primarily managed as per the Conflicts Management Policy and Outsourcing Policy and Procedures. There are no cost arrangements with service providers that are directly linked to any Directors or employee's remuneration.

# Remuneration Information

December 2024



## Remuneration Policy Details

Remuneration is based on roles, relevant skills, experience and qualifications and performance for annual reviews.

Remuneration comprises elements of fixed (base) components which includes a cash salary, superannuation and leave loading for non-executive positions. Employees receive their remuneration in cash and superannuation contributions, and have access to a professional salary packaging consultant. The total employment cost of any remuneration package is considered in determining this fixed annual remuneration.

Directors are paid fees and employer superannuation contributions. Fees are paid to the Director or their employer, as per the Director's instructions.

The Trustee does not pay variable remuneration to any Directors or employees beyond a portion of the annual increase for employees being based on performance. There are no short-term or long-term incentives or bonuses for any employee or Director.

The Trustee's performance management and remuneration processes provide consequences for misconduct and material breaches. The consequences include additional training and reporting, change of responsibilities or role, reduced (or no) annual remuneration increase and dismissal.