

Future Super

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Future Super

FUT05QW: In dollar terms, how much advertising space did your fund book (directly or indirectly through a broker or agent) in the second half of 2020 that was unused on:

- a. radio?
- b. television?
- c. print?

Answer: Zero. All advertising space booked was used. Future Super uses a just-in-time booking approach to place advertisements. Such an approach enables Future Super to deploy advertising expenditure only when it is known that the amount will be fully spent on a specific campaign.

FUT06QW: In minutes, how much advertising space did your fund book (directly or indirectly through a broker or agent) in the second half of 2020 that was unused on:

- a. radio?
- b. television?
- c. print?

Answer: Same answer to that provided for **FUT05QW**.

FUT07QW: Please complete the table for the last five financial years outlining your financial contribution to Industry Super Australia.

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Contribution (\$)					

Answer: Zero. Future Super has never made a financial contribution to Industry Super Australia.

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FUT08QW: What is your current policy on whether your funds are permitted to invest in:

- a. residential property?
- b. Build-to-Rent housing?
- c. social housing?

Answer: Future Super does not invest directly into any of these investment types. Future Super invests in a diverse mix of housing and property through funds managed by specialist fund managers and through listed Real Estate Investment Trusts (REITs). Specialist fund managers have allowed Future Super to invest in affordable housing projects and specialised NDIS accommodation.

FUT09QW: What data do you have on the home ownership rates of fund members?

Answer: Future Super does not collect this information.

FUT10QW: Have you ever:

- a. completed internal research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not?
- b. commissioned external research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not?

Answer: Future Super has not previously completed or commissioned such research.

FUT11QW: For the last five financial years, please complete the table for the average return on all your investments.

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Answer:

Financial year	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Average return (%)					
Balanced Impact	7.2%	-0.1%	9.11%	8.23%	5.21%
Pension	7.4%	-0.5%	10.54%	10.46%	6.63%
Renewables Plus			4.85%^	9.24%	5.26%
Balanced Index				17.38%^^	5.53%

^ - option inception date was 1 May 2018 so return period is less than one year.

^^ - option inception date was 16 November 2018 so return period is less than one year.

FUT12QW:

For the last five financial years, please complete the table for investments across all your funds in all forms of residential property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

Answer:

Future Super does not invest directly in residential property. Future Super has exposure to residential property through specialised fund managers and listed REITs. However, the diversified nature of these assets and the level of reporting provided means that we can not provide this information on a specific type of underlying property.

FUT13QW:

For the last five financial years, please complete the table for investments across all your funds in Build-to-Rent property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

Answer:

Future Super does not invest directly in Build-to-Rent property. Future Super has exposure to property through specialised fund managers and listed REITs. However, the diversified nature of these assets and the level of reporting provided means that we can not provide this information on a specific type of underlying property.

FUT14QW:

For the last five financial years, please complete the table for investments across all your funds in social housing property:

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- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

Answer: Future Super invests in one particular asset that is focused on social housing. As at 31 December 2020 the Future Super Balanced Impact option had 0.569% of the portfolio invested into NDIS accommodation fund Synergis Fund. The investment was made on 24 June 2020 so annual return information is not yet available.

FUT15QW: Please outline your policy on:
a. Fund members using their superannuation fund for a deposit to buy their first home.
b. Retirees using their superannuation to:
i. renovate their home
ii. pay rent.

Answer: a. Fund members are able to access their voluntary contributions in order to participate in the First Home Super Saver Scheme (FHSS Scheme), in line with current Government policy.

b.i. Future Super does not have policy prescription on how retirees can use their superannuation once they have reached a condition of release.

b.ii. Same answer to b.i.

FUT16QW: Within your fund, what percentage of retirees in each of the last five financial years used their superannuation to:
a. renovate their home?
b. clear their remaining mortgage?

Answer: Future Super does not collect data on how our retirees used their superannuation.

FUT17QW: Insurance premiums
a. Have you ever deducted insurance premiums from fund members for insurance policies that they are not covered by?

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b. Have you ever completed an audit to identify if insurance premiums have been deducted from fund members for insurance policies that they are not covered by?

Answer:

a. No. Future Super's members are offered death and TPD insurance on an opt-in basis only and are required to provide answers to an eligibility test. That is, members must choose to have insurance cover, including the level and type of cover.

b. Given Future Super's opt-in only approach insurance, the risk of insurance premiums being deducted for policies members are not covered by are significantly reduced. However, included in Future Super's on-going internal review processes is the review of insurance records to ensure that cover has been applied correctly and premiums are deducted from those accounts appropriately.

FUT18QW:

Material distributed to members

a. Have you ever distributed materials to members that state and/or suggest that:

i. members have coverage under insurance policies that they do not have?

ii. members are required to keep a minimum balance in their superannuation fund?

iii. their employer may be unwilling to contribute to another superannuation fund?

iv. members require a statement of any kind from their employer to move away from your fund?

b. Have you ever completed an audit of materials distributed to members that state and/or suggest that members have coverage under insurance policies that they do not have?

c. Have you ever completed an audit to establish whether you have distributed materials to members that state and/or suggest that:

i. they are required to keep a minimum balance in their superannuation fund?

ii. their employer may be unwilling to contribute to another superannuation fund?

iii. they require a statement of any kind from their employer to move away from your fund?

Answer:

a.i. No.

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- a.ii. No. Future Super has no minimum balance requirement.
- a.iii. No. Future Super is a choice-only fund and not reliant on default fund arrangements with employer groups.
- a.iv. No. See answer to a.iii. above.

B. No. See answer to **FUT17QW**.

- c.i. No as Future Super has no minimum balance requirement.
- c.ii. No as Future Super is a choice-only fund and not reliant on default fund arrangements with employer groups.
- c.iii. No. See answer to c.ii. above.