

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

HESTA

HEST127QW

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:

None.

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HEST128QW

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:

None.

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HEST129QW

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

Answer:

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

HESTA has a commercial arrangement with Industry Super Australia. The terms of that arrangement are subject to confidentiality obligations and are commercially sensitive.

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HEST130QW

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:

HESTA invests with the sole aim of advancing the best financial interest of its members. HESTA assesses all investment opportunities through a risk and return lens and generally does not seek to exclude investment opportunities from consideration (other than in a small number of well-defined categories).

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HEST131QW

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

Answer:

HESTA does not hold data on the home ownership rates of fund members on our membership database.

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HST132QW

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:

No.

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HEST133QW

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

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Average return (%)					

Answer:

HESTA's return information is available publicly and can be found at the following link:
<https://www.hesta.com.au/members/investments/super-performance.html>

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HEST134QW

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:

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Nominal value (\$)					
Share of portfolio (%)					
Average return (%)					

N/A. HESTA's asset allocation information is available publicly and can be found at the following link: <https://www.hesta.com.au/content/dam/hesta/Documents/Investment-choices.pdf>
Additional asset allocation information can be found in HESTA's latest Annual Report: <https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-Annual-Report-2019-2020.pdf>

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HEST135QW

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:

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Nominal value (\$)					
Share of portfolio (%)					
Average return (%)					

N/A. HESTA's asset allocation information is available publicly and can be found at the following link: <https://www.hesta.com.au/content/dam/hesta/Documents/Investment-choices.pdf>
Additional asset allocation information can be found in HESTA's latest Annual Report: <https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-Annual-Report-2019-2020.pdf>

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HEST136QW

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

- a. In nominal value
- b. As a share of your total portfolio
- c. The average return on investment.

Answer:

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Nominal value (\$)					
Share of portfolio (%)					
Average return (%)					

N/A. HESTA's asset allocation information is available publicly and can be found at the following link: <https://www.hesta.com.au/content/dam/hesta/Documents/Investment-choices.pdf>
Additional asset allocation information can be found in HESTA's latest Annual Report: <https://www.hesta.com.au/content/dam/hesta/Documents/HESTA-Annual-Report-2019-2020.pdf>

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HEST137QW

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:

HESTA does not have a policy on how members use their superannuation withdrawals. HESTA complies with its legislative requirements relating to the First home super saver scheme, details of which can be found here:

<https://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/first-home-super-saver-scheme/>

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HEST138QW

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:

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Super used for renovations					
Super used to clear mortgage (%)					

HESTA does not collect that information.

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HEST139QW

Insurance premiums

- a. Have you ever deducted insurance premiums from fund members for insurance policies that they are not covered by?
- 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. HESTA has been providing insurance through our group insurance policies for many decades. Any insurance incidents related to insurance premium deductions are managed through the incident management process in the Compliance Framework, including;
 - i. Root cause identification;
 - ii. Assessment of significance for reporting under RSE and/or AFSL obligations; and
 - iii. Implementation of appropriate remediation.

There have been no issues requiring reporting under the RSE and/or AFSL obligations.

- b. HESTA has several audit programs that relate to insurance coverage and premiums, including the review of members' insurance arrangements in light of the Protecting Your Super changes.

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HEST140QW

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. Please see response at 130QW(a).
 - ii. HESTA requires members who make a partial withdrawal to retain a minimum balance of \$6,000. This is disclosed in the Product Disclosure Statement via incorporation by reference in 'How Super Works'. HESTA does not have a rule (and therefore has not distributed materials) requiring a member to retain a balance if they want to make a full withdrawal. All members can withdraw their full balance without any restriction.
 - iii. No.
 - iv. No.
- b. No.
- c. HESTA has not conducted an audit, however all communications material goes through a robust Communications Due Diligence process including compliance approval before publication.