

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**HOSTPLUS**

**HP140QW:** 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:** Hostplus did not have any booked advertising space in the second half of 2020 that was unused.

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**HP141QW:** 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:** Please see response to HP140QW.

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**HP142QW:** Please complete the table for the last five financial years outlining your financial contribution to Industry Super Australia.

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

**Answer:** Please refer to HP11QW for FY16 – FY19 contributions.

Hostplus' FY20 contribution to ISA was \$3.6m.

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**HP143W:** 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:** Residential property, Build-to-Rent and social housing are all permitted investments.

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**HP144QW:** What data do you have on the home ownership rates of fund members?

**Answer:** Hostplus does not collect or hold this data on its members.

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**HP145QW:** 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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**HP146QW:** For the last five financial years, please complete the table for the average return on all your investments.

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

**Answer:**

<b>Financial year</b>	<b>2015/ 2016</b>	<b>2016/ 2017</b>	<b>2017/ 2018</b>	<b>2018/ 2019</b>	<b>2019/ 2020</b>
<b>Average return (%)</b>	5.6	13.7	12.6	6.9	-2.0

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**HP147QW:** 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.

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

**Answer:**

Financial year	2015/	2016/	2017/	2018/	2019/
	2016	2017	2018	2019	2020
Nominal value (\$M)	133.7	157.4	132.4	132.4	127.6
Share of portfolio (%)	0.7%	0.6%	0.4%	0.3%	0.3%
Average return (%)	0.8%	28.5%	-4.1%	5.6%	-2.5%

The nominal values are the valuations as at 30 June (in \$M).

All residential property investments are residential property developments.

Residential property developments typically involve: land purchases; planning processes and negotiations; construction, which typically occurs in phases; and then sales of the houses. This is a many year, protracted process and can result in lumpy return outcomes.



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**HP148QW:** 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.

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

**Answer:**

Financial year	2015/	2016/	2017/	2018/	2019/
	2016	2017	2018	2019	2020
Nominal value (\$)	N/A	N/A	68.9	74.2	128.3
Share of portfolio (%)	N/A	N/A	0.2%	0.2%	0.3%
Average return (%)	N/A	N/A	2.8%	3.7%	0.3%

The nominal values are the valuations as at 30 June (in \$M).

The first Build-to-Rent (**BTR**) investment was initiated in January 2018. Therefore, the average return reported for 2017/2018 is only for the period January 2018 to June 2018. All BTR investments are domiciled in the US. The Fund does not have any Australian-domiciled BTR investments.

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**HP149QW:** 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.

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

**Answer:** Hostplus has not invested in social housing over this period.

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**HP150QW:** 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:** Hostplus complies with relevant policy and requirements with respect to the release of superannuation through the First Home Super Saver Scheme.

Hostplus also complies with all relevant requirements regarding release of superannuation to retirees. Hostplus does not have a policy on how retirees utilise their superannuation.

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**HP151QW:** 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?

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

**Answer:** Hostplus does not collect this data on its members.

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**HP152QW:** 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:** Hostplus has robust processes in place to ensure insurance is provided correctly to its members. These include undertaking independent assurance that large insurance changes are implemented effectively and working with Hostplus' group life insurer, Metlife, to conduct insurance data reviews. However, inadvertent administration errors happen from time to time and these errors are rectified via Hostplus' insurance remediation process.

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#### HOSTPLUS

**HP153QW:** 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:** Hostplus has robust processes in place to ensure all member correspondence, including in relation to insurance policies, is correct and in line with all regulatory requirements. This includes both a legal and compliance review before being sent to members. In the event that any inadvertent errors occur, those errors are rectified on a case by case basis.

Hostplus is not aware of any instances where it has represented to members that:

- They are required to keep a minimum balance in their superannuation fund.
- Their employer may be unwilling to contribute to another superannuation fund.
- They require a statement of any kind from their employer to move away from the fund.