

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

CBUS

CBUS132QW: 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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CBUS

CBUS133QW: 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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CBUS

CBUS134QW: 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: Please see response to CBUS11QW.

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CBUS

CBUS135QW: 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?

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

Answer: Cbus' Investment Policies permit the Fund to invest in all of these forms of residential housing. Investment opportunities are considered on their merits with a focus on ensuring the opportunity has an attractive expected risk-adjusted return.

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CBUS

CBUS136QW: What data do you have on the home ownership rates of fund members?

Answer: Cbus does not have data on the rate of home ownership among its members.

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CBUS

CBUS137QW:

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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CBUS

CBUS138QW: 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: This data is reported to and published by APRA. Please see:
<https://www.apra.gov.au/annual-mysuper-statistics>

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CBUS

CBUS139QW: For the last five financial years, please complete the table for investments across all your funds in all forms of residential property:

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

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Average return					

Answer:

Financial Year	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Nominal value (\$)	\$286,810,010	\$359,378,328	\$565,138,430	\$678,836,646	\$791,861,655
Share of portfolio (% of Total FuM)	0.8%	0.9%	1.2%	1.3%	1.5%

Information provided in this table relates to equity investment in residential property within Cbus's directly owned portfolio.

Returns on individual investments are commercially sensitive.

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CBUS

CBUS140QW: 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	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Nominal value (\$)					
Share of portfolio (%)					
Average return (%)					

Answer: Cbus does not have investments in Australian Build-to-Rent property in its property portfolio.

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CBUS

CBUS141QW: 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.

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

Answer: Cbus does not have any equity investments in social housing property in its property portfolio.

Cbus has supported the three bond issuances to-date of the National Housing Finance and Investment Corporation (**NHFIC**), an Australian Government body, which through its Affordable Housing Bond Aggregator issues bonds to then provide low cost financing to community housing providers. According to NHFIC reporting, in FY20 this activity supported the provision of over 1,000 new dwellings and over 4,000 existing dwellings (<https://www.nhfc.gov.au/media/1614/nhfc-annual-report-2019-20.pdf>).

Further, Cbus has also recently entered into an arrangement with NHFIC to provide mezzanine debt behind NHFIC to the Community Housing Provider who is successful in a NSW Land & Housing Corporation tender to deliver 94 new social, affordable and market dwellings in NSW (<https://www.nhfc.gov.au/media-resources/media-releases/new-social-housing-to-be-delivered-in-innovative-partnership/>).

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CBUS

CBUS142QW:

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:

As a key element of Australia's superannuation system, Cbus supports existing preservation rules.

Cbus does not have policies relating to how members choose to spend their retirement savings.

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CBUS

CBUS143QW: 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	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Super used for renovations (%)					
Super used to clear mortgage (%)					

Answer: Cbus does not have this information.

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CBUS

CBUS144QW:

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:

Cbus has robust processes in place to ensure members are charged the correct insurance premiums. Where there is doubt about information provided by a member upon which the insurance depends, Cbus will make contact with a member to confirm that the information provided is accurate and that they are in fact eligible for the insurance coverage they have opted for or been provided. On occasion, this results in an adjustment to their level of cover, with Cbus making the necessary premium or coverage adjustments and where appropriate, refunding members for premiums paid.

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CBUS

CBUS145QW:

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:

Cbus has numerous quality control and quality assurance processes and procedures that deliver an industry leading standard of practice for insurance communications.