

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

CARE SUPER

CARE121QW: 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: CareSuper books advertising bursts within its annual budget. There were no bookings made that were unused.

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CARE SUPER

CARE122QW: 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: CareSuper books advertising bursts within its annual budget. There were no bookings made that were unused.

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CARE SUPER

CARE123QW: 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: Refer to the related party notes in the Financial Statements available on CareSuper’s website and available on the link below:

https://www.caresuper.com.au/sites/default/files/2020-09/care-super_annual-financial-accounts_jun20-final-signed-with-audit-report-20200930-f.pdf

<https://www.caresuper.com.au/tools-resources/forms-publications>

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CARE124QW: 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: CareSuper invests in a diversified portfolio of pooled unlisted property funds, primarily focused on high quality 'core' investments. Within this framework, the above property sub-sectors are permitted exposures, subject to the appropriate risk and return requirements.

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CARE SUPER

CARE125QW: What data do you have on the home ownership rates of fund members?

Answer: We do not actively collect this information.

We would incidentally hold some information in relation to home ownership status of members via financial planning and claims information, but we would not be able to determine rate of ownership.

We have also asked about property ownership in member surveys but the responses are not recorded against individual members' records.

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CARE SUPER

CARE126QW:

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. For completeness, we have member research which asks about home ownership but we have not been able to compare retirement outcomes because we do not know which members own or do not own a home.

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CARE SUPER

CARE127QW: 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:

Financial year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Average return (%)	4.45%	11.70%	10.10%	6.88%	0.22%

Note: the return on the Balanced Option has been used as a proxy for the average return on all investments for the Fund.

To the extent that the fund breaks down its investment returns by asset class this will be disclosed in the APRA funds level data (see Table 9). Fund performance and information on returns can also be found on CareSuper's website, along with daily crediting rates.

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CARE SUPER

- CARE128QW:** 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	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Nominal value (\$)					
Share of portfolio (%)					
Average return (%)					

Answer: Over these years investment by CareSuper in residential property has been very small. The investment managers of CareSuper’s property investments do not separately specify the performance of any residential property investments. Accordingly, it is not possible to complete the table.

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CARE SUPER

- CARE129QW:** 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: Nil allocation.

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CARE SUPER

- CARE130QW:** 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: Nil allocation.

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CARE SUPER

- CARE131QW:** 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: CareSuper does not have policies on its members using their superannuation funds for a deposit to buy their first home or retirees using their superannuation to renovate their home or pay rent. Retirees can use their superannuation for any purpose.

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CARE SUPER

- CARE132QW:** 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: We do not collect this data. If members are eligible for withdrawals in pension phase, we process the payments to nominated accounts. It is not necessary for them to advise how they are going to spend the money, nor do we ask them.

By way of member interactions, we are aware anecdotally that pension members do renovate, pay out mortgages, take holidays and buy vehicles. Members also use the income stream as regular income payments in retirement.

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CARE SUPER

CARE133QW: 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. From time to time, we have identified members who have incorrect insurance on their accounts or are not eligible for insurance on their accounts. Often members are assessed as ineligible at the time of the claim and we were unable to know in advance. Where we identify that members are not in the correct insurance classification it is recorded on our incident register and managed by the relevant business units.
- b. Yes, this is standard practice at CareSuper following an insurance change. Any issues identified by audit would be managed via the incident process.

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CARE SUPER

CARE134QW: 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. We have recorded incidents where members have received the incorrect communication about their insurance. This is managed via the standard incident process.
 - ii. Yes, we have a \$1,000 minimum that is only enforced when a member is making a partial withdrawal. If they are leaving less than \$1,000 members need to close the account completely, or alternatively adjust the withdrawal amount to make sure they leave \$1,000. We don't otherwise enforce a minimum balance rule outside of partial withdrawals (which include advice fee deductions). Historically we have had minimums for other reasons, but not for many years.
 - iii. No.
 - iv. No. For completeness we note that historically we may have required certain

documentation allowed under former legislation and we would likely have communicated that to members.

- b. Yes, it is standard practice at CareSuper following an insurance product change to conduct an assurance audit. Any issues identified by audit are managed via the incident process.
- c. No.