

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Prime Super

PS121QW: 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:

The value in dollar terms, of advertising space booked (directly or indirectly through a broker or agent) in the second half of 2020 that was unused was:

- a. radio \$0
- b. television \$0
- c. print \$0

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Prime Super

PS122QW: 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:

The amount of advertising space booked (directly or indirectly through a broker or agent) in the second half of 2020 that was unused in minutes was:

- a. radio 0 minutes
- b. television 0 minutes
- c. print 0 minutes

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Prime Super

PS123QW: 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:

Prime Super does not make any contribution, financial or otherwise, to Industry Super Australia.

Financial Year	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Contribution (\$)	\$0	\$0	\$0	\$0	\$0

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Prime Super

- PS124QW:** 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:

Prime Super does not have a specific policy on the investment into:

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

Investment into property is governed in the following ways:

- the overall investment portfolio construction determines the strategic allocation to the property asset class overall;
- Prime Super has a preference to invest directly into property rather than through third party investment managers;
- Individual investments are assessed on the basis of the investment return/risk characteristics of the specific investment.

There is no specific allocation to any of the noted property categories. Prime Super does not consider any opportunities to invest in these types of property categories as they are not investment grade investment opportunities.

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Prime Super

PS125QW: What data do you have on the home ownership rates of fund members?

Answer:

Prime Super does not collect any data from members in relation to home ownership rates.

As a superannuation fund our primary obligation is to receive contributions and invest those monies for the long term with the aim of delivering an amount at retirement that delivers a retirement income for the member.

Where members near retirement additional engagement may occur with members. Within the bounds of the provision of general advice Prime Super will seek to understand whether the member owns their own home or not to help the member in claiming a pension. However, Prime Super does not provide financial advice to members, nor does it collect and/or retain any information in relation to home ownership.

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Prime Super

PS126QW:

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:

Prime Super has not:

- 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.

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Prime Super

PS127QW: 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:

The following table shows the gross investment return (before investment costs) for the total portfolio of investments held by Prime super over the last five years.

Financial Year	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Average Return (%)	4.45%	12.37%	9.99%	6.80%	0.40%

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Prime Super

PS128QW: 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:

Prime Super does not have any investments in residential property.

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Prime Super

PS129QW: 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:

Prime Super does not have any investments in Build-to-Rent property.

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Prime Super

PS130QW:

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:

Prime Super does not have any investments in social housing property.

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Prime Super

PS131QW:

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:

Prime Super does not have a specific policy in relation to:

- 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.

Withdrawals from the Fund are governed by the rules of superannuation. Therefore Fund members can only withdraw funds under certain circumstances (retirement and financial hardship for example). Where a member meets the requirements for the release of their superannuation Prime Super will pay the member the balance of their account. Given the legislative requirements around release of superannuation monies it is unlikely that any money paid as a benefit from Prime Super would be utilised by a member as a deposit for their first home.

Where members of Prime Super retire and receive a lump sum, or receive an ongoing pension payment, Prime Super does not seek, nor retain, any information in relation to how the member intends to utilise those funds.

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Prime Super

PS132QW: 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 for mortgages (%)					

Answer:

As noted in the response to PS131QW Prime Super does not seek, nor retain, any information in relation to how a member in receipt of a payment from the Fund intends to utilise those funds.

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Prime Super

PS133QW:

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:

Prime Super has never deducted insurance premiums from fund members for insurance policies that they are not covered by.

Prime Super has never completed an audit to identify if insurance premiums have been deducted from fund members for insurance policies that they are not covered by. An audit of this nature is not required as the product is structured in such a way to ensure that members that have insurance premiums deducted have cover:

- Members receive a default level of cover upon joining the Fund, except for those members under the age of 25;
- Members may choose to opt out of insurance, and premiums will cease once a member has advised the Fund; and
- An assessment is made at the time of claim as to whether a member is eligible to make a claim, with the only criteria being that the individual is a member of the Fund at the time of the claim event, and an insurance premium had been deducted.

Prime Super Pty Ltd as Trustee of the Fund, acts on a member's behalf to ensure that where an insurance premium has been deducted from a member's account that the Insurance company will pay the insurance benefit where there has been a valid claim on the insurance policy.

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Prime Super

PS134QW:

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. *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?*

Prime Super has never distributed material to members that states or suggests that members have coverage under an insurance policy that members do not have.

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

Prime Super has never distributed material to members that states or suggests that members must maintain a minimum balance in the fund.

Historically where a member had an inactive account with the Fund and that account continued to have insurance cover, then insurance fees could lead to the account reducing to a level from which no further insurance fees could be deducted. In such a case members were advised in writing that if they wished to maintain their insurance cover they should make an additional contribution to the Fund. Where no additional contribution was made the insurance cover would cease if no further insurance fees were paid.

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

Prime Super has never distributed material advising that an 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?*

Prime Super has never distributed material advising that a statement, of any kind, is required for a member to exit the 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?*

Prime Super has never completed an audit of materials distributed to members that states or suggests that members have coverage under an insurance policy that members do not have. As set out in the response to PS133QW the product is structured in such a way to ensure that where an insurance fee is deducted from a member's account that member has the nominated insurance coverage.

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?*

Prime Super has never conducted an audit to establish whether material has been distributed to members stating that a member is required to maintain a minimum balance in their account.

No process has ever been established to advise members that there is a minimum balance requirement.

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

Prime Super has never conducted an audit to establish whether material has been distributed to members stating that their employer may be unwilling to contribute to another superannuation Fund.

No process has ever been established to advise members that 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?*

Prime Super has never conducted an audit to establish whether material has been distributed to members requiring a statement from their employer to move away from the Fund.

No process has ever been established to advise members that a statement is required from their employer to move away from the Fund..