

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

TWUSUPER

TWU121QON:

CHAIR: Thank you very much for that opening statement. I'm going to get straight into questions. Firstly, we submitted a series of questions on notice to TWUSUPER throughout the previous year. One of the questions was in relation to sponsorship arrangements. I got back a very snazzy, extensive image of the process of thinking about how you assess sponsorship arrangements and the like, but nowhere did it actually answer the question, which is with the details of sponsorship or sponsorship-like arrangements, marketing and/or marketing-like arrangements or in-kind arrangements for the past five years. What sponsorship arrangements does TWUSUPER have in place?

Mr Sandy: The fund sponsors a number of events, both through employer associations and through union events, where we can actually engage with members and present fund facts to them.

CHAIR: Do you have any detail?

Mr Sandy: In terms of a particular event?

CHAIR: I'm literally flying in the dark. You provided me with no information, so all I can do is ask you for detail—say, over the past five years—or you can take it on notice and actually provide us with the answers to the questions we submitted, as other funds have.

Mr Sandy: I'm more than happy to take that on notice and provide the detail.

Answer:

TWUSUPER utilises marketing, advertising, and sponsorship to attract, retain and inform its members

The cost of communicating to members, including in accordance with compliance and regulatory requirements, as well as educating them about superannuation (including the Covid-19 early release scheme) is a legitimate and proper cost of the Fund

Superannuation is often complex, so helping people understand and complete forms for issues such as financial hardship, changing insurance or helping with multiple accounts is a real challenge. People who work in transport industry are often time-poor, have lower levels of time, challenges understanding changing and complex financial information, and are geographically distributed.

The Fund's sponsorship programs are part of its Workplace Distribution Model and should be viewed in the context of supporting the distribution reach of the Fund and focused on the needs of members.

The basis of the distribution strategy is the Workplace Distribution Model, which defines the audience and reach in a 'top down' and 'bottom-up' model. Sponsorship programs are linked to the core strategy and are aimed to contribute to distribute and reach for the purposes of:

- Top-down: helping businesses understand and manage their super obligations, as well as helping to arrange workplace education or other assistance.

- Bottom-up: Helping individuals understand superannuation and how that can help them build a better future with less financial uncertainty and worry.

In order to reach people working in the transport industry, the Fund employs a sponsorship program that is open to any legitimate transport body that can show that their program will provide an audience and can present a business case for evaluation in-line with the Fund's strategy.

Most of the programs are concerned with events which enable the Fund to reach and speak to large numbers of people either (employer/ businesses) or members/ potential members.

This has included events such as conferences of peak transport industry associations, employee associations, and other activities that are evaluated as assisting the Fund engage with members and/or improve their outcomes in retirement.

The federal government's *Your Future Your Super* package has indicated that superannuation funds will be required to publish information relating to sponsorships and marketing expenditures relating to promoting the fund, and other activities. The Fund is undertaking preparations in order to be able to meet any updated regulatory requirements, as and when the specific details become known, including in relation to sponsorship.

In the meantime, in order to assist the committee, specific examples of the types of sponsorship activity undertaken by the Fund over the past year includes:

- Advertising in employee and employer association journals and publications, including updates on regulatory and fund changes, contact information, etc aimed at improving members' engagement with their fund and their super.
- Inclusion of Fund's logo and contact details on co-branded employer and employee association collateral and activities.
- 'Toolbox' workplace education activities engaging members in their workplaces around superannuation, financial literacy, and general engagement with their super.
- Employer peak body events that help inform and educate the transport industry and sectors about the Fund members' superannuation interests, entitlements. Recent examples include:
 - Queensland Transport Association (QTA) and TWUSUPER Employer Webinar with CIO Edward Smith, online, 9 October 2021;
 - Waste Recycling Industry Association Queensland (WIRQ) Industry Breakfast, Brisbane, 29 October 2020;
 - Tasmanian Transport Association (TTA) Transport Industry Forum, Launceston, 20 November 2020;
 - Victorian Transport Association (VTA) Australian Freight Industry Awards, online, 29 November 2020;
 - Australian Road Transport Industrial Organisation (ARTIO) NSW Conference & Dinner, Sydney, 25 February 2021;
 - Waste Contractors and Recyclers Association of NSW (WCRA) Breakfast briefing, 9 March 2021;
 - Queensland Transport Association (QTA) International Womens Day Breakfast, 10 March 2021;

- Victorian Transport Association (VTA) State Conference, Phillip Island VIC, 21-23 March 2021;
- ARTIO NSW Women in Transport Breakfast, Western Sydney, 25 March 2021.

APRA Annual Level statistics for the Fund's advertising and marketing expenses can be found in the link below in Table 3 reference column BC:

<https://www.apra.gov.au/sites/default/files/2021-03/Annual%20fund-level%20superannuation%20statistics%20back%20series%20June%202004%20to%20June%202020.xlsx>