



**ASIC**  
Australian Securities &  
Investments Commission

<b>Committee</b>	Parliamentary Joint Committee on Corporations and Financial Services
<b>Inquiry</b>	Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament
<b>Question No.</b>	045-1
<b>Date</b>	26 November 2021
<b>Topic</b>	Maritime Super
<b>Reference</b>	Written
<b>Committee member</b>	Senator Bragg

### Question

1. Please supply all generally held information relating to the statements made to Maritime Super's members on fund performance under the performance testing laws by the fund itself and the MUA.
2. Please supply the correspondence ASIC sent to the MUA.
3. Please supply the response from the MUA to ASIC.
4. Is ASIC aware that outbound calls were made from Maritime Super's call centre to undermine the Member Outcome Assessment?
5. If so, what is ASIC doing to address this matter?

### Answer

1. Based on the materials provided to ASIC by Maritime Super Pty Limited (**Maritime**) on 8 November 2021, and the Maritime Union of Australia (**MUA**) on 13 September 2021, we are aware of the following statements made to Maritime members on fund performance under the performance testing laws by the fund itself and the MUA:
  - a. Prescribed underperformance notification. (*Attachment A*)
  - b. Cover letter of underperformance notification (MySuper members only). (*Attachment B*)
  - c. Cover letter of underperformance notification (MySuper members invested in other Maritime products). (*Attachment C*)
  - d. Member newsletter, August 2021. (*Attachment D*)
  - e. Letter from MUA to Maritime members. (*Attachment E*)
2. See *Attachment F*.
3. We discussed this matter with the MUA prior to sending the letter and ASIC's letter did not seek a response. The MUA did not respond to ASIC.
4. As part of our surveillance work we used our compulsory powers to request communications issued by the trustee of Maritime to members relating to the annual performance assessment. We are continuing to follow up with the trustee to confirm that they have provided a complete response to our notices. To date we have not received any evidence that Maritime made outbound calls to members relating to the underperformance assessment.
5. Please refer to the answer to question 4 above.



2 September 2021

<Title> <First Name> <Surname>  
<AddressLine1>  
<AddressLine2>  
<City> <State> <Pcode>  
<Country>

<ReferenceNo>

Hello <First Name> <Surname>,

**Your superannuation product Maritime Super MySuper investment option has performed poorly under an annual performance test that was introduced by the Australian Government to make sure Australians are getting the most out of their super. As a result, we are required to write to you and suggest that you consider moving your money into a different superannuation product.**

You currently have \$<TotalBalance> invested with Maritime Super. In the last year you paid \$<TotalFees> in total fees and costs for your account with Maritime Super.

Switching to a different super product is easy, and there are no fees involved.

By switching into a better performing product, you can potentially save thousands of dollars more for retirement. For example, by earning 1% higher net return over a 30-year period, you could be 20% better off at retirement.

Using the Australian Government's YourSuper comparison tool you will be able to compare the fees and returns of all MySuper products. Go to [ato.gov.au/yoursuper](http://ato.gov.au/yoursuper) or the QR code below:



### Your questions answered

#### Why have I received this letter?

The Australian Government has introduced an annual performance test of superannuation products to make sure Australians are getting the most out of their super.



The purpose of this letter is to notify you of the poor performance of your superannuation product and to provide you with information to help you decide whether you want to stay with your current product or choose a better performing product.

Even a small difference in performance can make a big difference at retirement.

**What is the annual performance test?**

The annual performance test assesses the returns of your product (after your super fund deducts fees) over the last seven years. The test compares the returns your product delivered with the returns that a comparable product would have delivered over the same period.

Products that fail this test are required to notify their members.

You can find out more about superannuation at [moneysmart.gov.au](http://moneysmart.gov.au).

Regards,

For and on behalf of the Trustee  
Maritime Super



2 September 2021

<Title> <First Name> <Surname>  
<AddressLine1>  
<AddressLine2>  
<City> <State> <Pcode>  
<Country>

<ReferenceNo>

Dear <First Name> <Surname>,

This year, the Australian government initiated annual performance tests of MySuper products across the industry, with a view to identify products that underperformed based on a specific methodology.

Super law requires us to send you the enclosed letter to notify members of the result of APRA's performance test on our MySuper option, because it failed the performance test.

Without detracting from the messages in the enclosed letter, we would point out that the performance test is backward looking and looks primarily at the past performance of our MySuper investment option, **prior to** our investment in the Hostplus PST.

**Maritime Super has, since 30 April 2021, invested substantially all of its assets into the Hostplus Pooled Superannuation Trust (PST) – recognised as one of the country's most consistently top performing super funds over longer-term periods up to 20 years\*, as rated by Australia's leading superannuation researchers.**

For the latest information on investment performance visit the Investment Performance page on our website at [www.maritimesuper.com.au](http://www.maritimesuper.com.au).

#### **We're here to help**

If you have any questions or wish to discuss your investment strategy with a financial planner, call Member Services on 1800 757 607.

Regards,

For and on behalf of the Trustee  
Maritime Super

\*SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, 30 June 2021.





2 September 2021

<Title> <First Name> <Surname>  
<AddressLine1>  
<AddressLine2>  
<City> <State> <Pcode>  
<Country>

<ReferenceNo>

Dear <First Name> <Surname>,

This year, the Australian government initiated annual performance tests of MySuper products across the industry, with a view to identify products that underperformed based on a specific methodology.

Super law requires us to send you the enclosed letter to notify members of the result of APRA's performance test on our MySuper option, because it failed the performance test. **You should note that your account is invested across multiple investment options, however the performance test relates to only one product – the MySuper investment option.**

Without detracting from the messages in the enclosed letter, we would point out that the performance test is backward looking and looks primarily at the past performance of our MySuper investment option, **prior to** our investment in the Hostplus PST.

**Maritime Super has, since 30 April 2021, invested substantially all of its assets into the Hostplus Pooled Superannuation Trust (PST) – recognised as one of the country's most consistently top performing super funds over longer-term periods up to 20 years\*, as rated by Australia's leading superannuation researchers.**

For the latest information on investment performance visit the Investment Performance page on our website at [www.maritimesuper.com.au](http://www.maritimesuper.com.au).

### We're here to help

If you have any questions or wish to discuss your investment strategy with a financial planner, call Member Services on 1800 757 607.

Regards,

For and on behalf of the Trustee  
Maritime Super

\*SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, 30 June 2021.



# Member

THE NEWSLETTER FOR MARITIME SUPER MEMBERS

## FOCUS



August 2021

IN THIS EDITION:

**2**

All things investments:  
a big year for  
investments!

**3**

Our digital solutions:  
manage your super  
anywhere, anytime

**4**

Noticeboard  
and reminders







**Member**  
FOCUS

# All things investments: a big year for investments!

## Access to bigger asset pool; potential for greater benefits

On 30 April 2021, we successfully transitioned Maritime Super's assets into the Hostplus Pooled Superannuation Trust (PST), which now has around \$70 billion in assets under management.

Our investment partnership with Hostplus has allowed us to expand our scope of benefits to members, including:

- providing access via the Hostplus PST to investments in a greater range of long-term unlisted assets, such as infrastructure, property, private equity and venture capital
- scale benefits of being invested in a larger asset pool
- access to the Hostplus PST's continued strong investment performance, with the Hostplus PST having achieved long-term top quartile results
- daily investment switching
- a new Socially Responsible Investment (SRI) Balanced option

We're excited by the new investment opportunities available to members, and feedback from members in recent months confirms you're pleased with our new investment partnership.

## Hostplus PST among best performers

On 30 June 2021, the financial year closed on a high, with investment markets broadly recovering the territory lost in the prior financial year, following the downturn in early 2020.

The Hostplus PST finished the 2020/21 financial year having delivered its best ever single-year performance. The Hostplus PST is the investment vehicle Maritime Super now uses to access a range of Hostplus investment options, including all three of the most popular Hostplus Balanced investment options.

The Hostplus Balanced (MySuper) option delivered an outstanding net return of 21.32%, the option's best annual result in its 32-year history<sup>1</sup>. Both the Hostplus Indexed Balanced (18.88%) and the Hostplus SRI Balanced (21.82%) also delivered best-ever results for members in those options<sup>2</sup>.

And while past performance is not a guarantee of future outcomes, it's reassuring to be invested going forward in the PST of one of the country's most consistently top performing super funds over longer-term periods up to 20 years<sup>3</sup>, as rated by Australia's leading superannuation researchers.

Hostplus' investment strategy is aligned with our own, and is driven by its investment beliefs and the key elements of this are:

- that the PST can tolerate higher levels of illiquidity than many of its peers
- that the PST can and should have a genuine long-term investment strategy
- that adequate and comprehensive diversification is a critical success factor; and
- that active management has an important role to play in delivering outsized returns.

Maritime Super members can be optimistic about the future prospect of investment growth and improved outcomes through our investment in the Hostplus PST.

**IMPORTANT NOTE:** The financial year results above of the Hostplus investment options represent investment returns which Maritime Super members did not have access to over the full financial year, as our investment in the Hostplus PST took place on 30 April 2021. Your upcoming Annual Statement will provide you with more information on investment returns specific to your account.

<sup>1</sup> SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, 30 June 2021.

<sup>2</sup> SuperRatings Accumulation Fund Crediting Rate Survey – Balanced (60-76), 30 June 2021.

<sup>3</sup> SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, 30 June 2021.



## Underperformance claims, not as relevant following Hostplus PST investment

This year, the Australian government initiated annual performance tests of MySuper products across the industry, with a view to identify products that underperformed based on a specific methodology. Maritime Super's MySuper option has been identified as one of these underperforming products. We'd like to provide members with some perspective for interpreting these results.

- The performance test is backward looking and looks primarily at the past performance of our MySuper option, prior to our investment in the Hostplus PST.
- The performance test only relates to our MySuper option, which totals less than 15% of the fund assets. More than 85% of Maritime Super's assets are invested across our other investment options.
- With our investment in the Hostplus PST, all Maritime Super members are now invested in a range of new diversified and sector investment options, which in turn are invested in the PST of a high performing fund with a track record of top performance across its investment options.

In our view, reports of historical underperformance relating to our MySuper product are therefore less relevant now, particularly given that we have invested in the Hostplus PST going forward. It's also unfortunate, as our view is that the government's test does not account properly for our former risk overlay feature (the MVP), which we believe has negatively skewed our results.

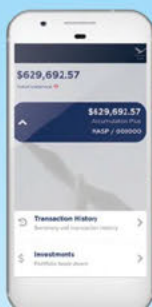
If you are invested in the Maritime Super Balanced (MySuper) option, we'll send you a letter or email to let you know the result of the performance test.

### We're here to help

If you have any questions about your investment strategy or any of the details in this article, please call Member Services on 1800 757 607.

## Digital solutions

Our digital solutions help you explore and manage your super and provide you with real-time access to information, at any time, wherever you are.



### Member App: download it

Maritime Super's member app helps you make the most of your super on the go. Check your account balance, track contributions, manage your investment strategy, set goals for your super and access resources such as calculators and videos.

Download it from your app store.



### Info Hub: learn all about it

Our Info Hub is your one-stop hub for all things financial ... and more! Browse a variety of short and interesting blogs on all things related to money, super, retirement and financial wellbeing.

Visit our website and click on 'Info Hub' on the homepage to explore.



### Microsite: get it sorted

Your super sorted delivers exactly that: helping you manage your super in 3 simple steps. We call it the 3Cs - combine, choose, contribute.

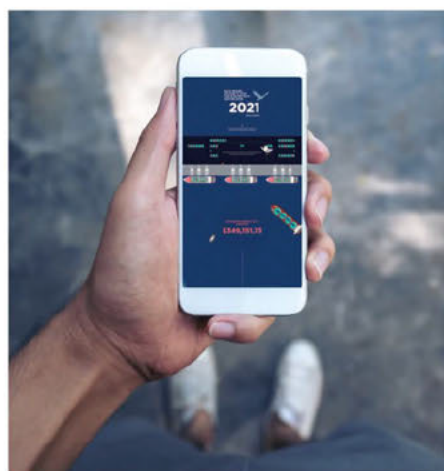
Visit [www.yoursupersorted.com.au/](http://www.yoursupersorted.com.au/) to learn more and get started today!

## Did you know that you can use BPAY to make voluntary contributions?

It's as easy as 1-2-3:

1. Log on to your banking site or call your banking service
2. Quote the BPAY Biller Code 102012
3. Quote your Customer Reference Number (CRN) for the type of contribution you're making – we will notify you of your CRN for personal contributions. If you're unsure of your CRN, give Member Services a call.

When making contributions by direct deposit, don't forget to complete a *Deposit form* and return it to us – you'll find the form on our website or by calling Member Services for a copy.



## Out soon: Interactive Year in Review and Annual Statement

We're putting the finishing touches to the interactive Year in Review and Annual Statement. It's one of the most important communications you'll receive from us, and it provides you with an annual update of your account and benefits.

If you receive your Annual Statement digitally, you will get an email to advise that your Year in Review is ready to view, as well as a secure link to the interactive experience and Statements page in Member Online where you can download a copy of your Annual Statement.

If you've opted for hardcopy communications, you'll receive a copy of your Annual Statement in the mail.

You can also log in to Member Online or jump on the Member App to view these – if you can't remember your login details, give Member Services a call on 1800 757 607.

## 2022 Calendar: submit your photo for a chance to win!

We're compiling a shortlist of member photos for our 2022 Calendar, and we'd love to include yours! Ideally, images should be of the highest quality possible (for printing purposes) and in landscape orientation.

If you'd like to submit a photo for the Calendar, email it to us at [info@maritimesuper.com.au](mailto:info@maritimesuper.com.au) by 1 October 2021.

Of the 12 photos shortlisted for our 2022 Calendar, we will select a 'Photo of the Year' and the winner will receive a \$500 Coles Myer gift voucher.



This newsletter has been issued by Maritime Financial Services Pty Limited (MFS). This newsletter contains general information and doesn't take into account your individual objectives or financial situation or needs. Consequently, you should consider the appropriateness of any general information in relation to your situation before making an investment decision. MFS recommends you seek individual advice before making any decisions concerning your superannuation.







6 September 2021

Dear Comrade,

### **MUA Remains Under Attack!**

Retired National Secretary John Coombs passed away on Monday after his last courageous battle with health after a lifetime of struggle. He was in the forefront of the in great leadership of our union that has fought for dignity and decent working lives whether on the job or in retirement including through Maritime Super, Financial services for members in Unity Bank and in many other ways, industrial and political, including fight back against the conspiracy between the Howard Government and Patrick Stevedores.

The level of superannuation entitlements negotiated with the employers since 1967 has secured generations of decent retirement outcomes for our members 25 years before the introduction of the minimum Superannuation Guarantee. Our account balances speak for themselves. We have concentrated on highly personal service for our membership that have led the way over that 55 years with consistently solid returns.

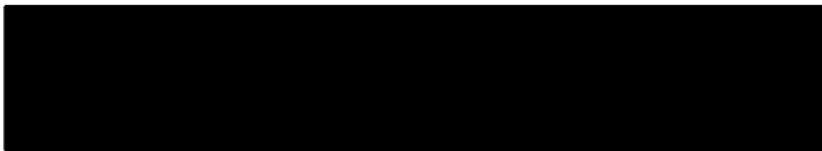
But the usual suspects in the Federal Government, looking to discredit industry funds and Maritime Super more specifically, via performance tests and benchmarks that don't capture the nuances of the full range of investment choices.

This year the Australian government initiated annual performance tests of MySuper products across the industry, with a view to identify products that underperformed based on a specific methodology and to encourage people to move to better performing products. Maritime Super's MySuper option, one investment option that has had approximately only 15% of the fund's assets and an option put in by the board to lessen the impact of future potential catastrophic losses such as the Global Financial Crisis while giving an option for moderate returns greater than cash or fixed interest.

The basis of the ongoing attack on our fund is not the consistent historical performance of the balanced and growth options that have delivered decent outcomes over generations.

To view the returns that Maritime Super is delivering for members, please click on:

<https://www.maritimesuper.com.au/investments/investment-performance#/snapshot>





**First and foremost, that ship has sailed! In the face of the ongoing attack on the MySuper options referred to, Maritime Super has already moved all assets into the Hostplus Pooled Superannuation Trust (PST). It is recognised as one of the country's most consistently top performing super funds over longer-term periods up to 20 years, as rated by Australia's leading superannuation researchers. And the Maritime Super service you have come to know and rely on will continue to be provided by those staff you know and trust.**

So, comrades in a nutshell and for proper context around the performance test so widely reported results:

- The performance test is backward looking and looks only at the past performance of the limited MySuper option only, mostly prior to the investment in the Hostplus PST.
- In comparing MySuper products, the method used does not account for the downside risk measure (MVP) which was implemented in the MySuper option to protect members from extreme market downturn for those members worried about market collapses such as during the Global Financial Crisis.
- The test result relates only to the former MySuper option, which holds less than 15% of the Fund's assets.
- Most members are invested across the other investment options. and many exercise changing options based on economic cycles.

Given the extremely negative reporting on the limited My Super option and notwithstanding the option was only developed to give members some additional surety in the volatile and unpredictable investment markets currently we have determined to go with the Hostplus options.

As required, Maritime Super will be writing to members who are invested in this product, but I wanted to provide you with a bit of background and context on the situation.

We have a proud and respected history and track record of putting our members first in the most demanding circumstances.

Our conditions of employment speak for themselves as does the loyalty of that membership and retired membership and their families.

As an industry fund dedicated to the maritime industry, Maritime Super has a unique understanding of, and involvement in, our industry and our people. Through the Fund, members have access to comprehensive insurance cover arrangements that are tailored to maritime occupations and risks.

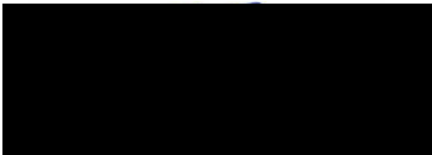
The Fund's member service teams are committed to helping members – they get out at worksites to meet you, get to know you, and help members consistently and thoroughly.

Any changes to our structure will only take place with your full support, whether at work, for your family and most important in retirement.

This is another cheap political shot at our union, our history, and our future as the leading trade union in this country and internationally.

You know what matters. Be proud, stay strong. Stay Maritime Super. MUA here to stay

Yours in Unity



**Paddy Crumlin**  
**National Secretary MUA**  
**President CFMMEU**  
**President ITF**



**ASIC**  
Australian Securities &  
Investments Commission

Australian Securities  
and Investments Commission



[www.asic.gov.au](http://www.asic.gov.au)

Mr Padraig Crumlin  
The Maritime Union of Australia



By email: 

29 September 2021

Dear Mr Crumlin

**Information distributed by unions about superannuation**

ASIC is aware that you have recently emailed your union members about their superannuation product following publication by the Australian Prudential Regulation Authority (**APRA**) of the outcome of the annual performance assessment (**APA**) for Maritime Super's MySuper product.

In particular, we noted that you have encouraged union members to stay in Maritime Super despite Maritime Super's MySuper product failing the APA. You also made a number of statements to explain APRA's performance test and the implications for Maritime Super members.

We are writing to you to remind you that the financial services laws can apply to you, even if you do not hold an Australian financial services licence (AFSL).

ASIC's concerns

Under the Corporations Act, financial product advice, is a recommendation or a statement of opinion about financial products, such as superannuation, that is intended to influence a person in making a decision in relation to a particular financial product (or that could reasonably be regarded as having that intention).

We are concerned that statements encouraging members to take particular actions in relation to their superannuation may constitute financial product advice. The ongoing provision of financial product advice without an appropriate licence contravenes section 911A of the Corporations Act 2001 (as the person would be carrying on a financial services business).

Financial product advice should only be provided by persons who are licensed, or authorised by a licensee, or who have the benefit of a specific exemption (eg financial counsellors). Persons who are not licenced, authorised or exempted should not provide financial product advice.

The Corporations Act imposes significant penalties for a contravention of section 911A.

Further, superannuation members whose MySuper product failed the APA need to make a decision in relation to their superannuation based on their personal circumstances and based on information provided in a balanced and factual way. Communications in relation to financial products must not be misleading or deceptive. These obligations under the Corporations Act and ASIC Act 2001 can apply to anyone making misleading or deceptive statements or engaging in misleading or deceptive conduct.

ASIC seeks your assistance

Please review this letter and keep this in mind if you are drafting any future correspondence with union members in relation to superannuation.

We would also encourage you to seek legal advice if you are considering further communications with union members about superannuation.

Please note, although ASIC has seen a copy of the correspondence that was provided to union members and does not have any further concerns to raise with you at this stage, we can revisit this position if we consider it necessary or appropriate to do so.

If you have any questions in relation to this correspondence, please contact Alex Purvis, Senior Manager on [REDACTED]

Yours sincerely

A large black rectangular redaction box covering the signature of Jane Eccleston.

Jane Eccleston  
Senior Executive Leader, Superannuation  
Australian Securities & Investments Commission