

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

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

**LUCRF Super**

**LUC121QW** 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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**LUCRF Super**

**LUC122QW** 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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**LUCRF Super**

**LUC123QW** 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:**

Financial year	2015/ 2016	2016/ 2017	2017/ 2018 <sup>1</sup>	2018/ 2019 <sup>2</sup>	2019/ 2020
Contribution (\$) (ex GST)	657,480	666,027	961,528	723,804	707,485

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<sup>1</sup> FY2018 includes \$250k for the "Fox in the Hen House campaign" and \$31k Royal Commission expense.

<sup>2</sup> FY2019 includes \$30k for 2018/2019 budget repair allocation.

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**LUCRF Super**

**LUC124QW** 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:** The Fund invests in accordance with the sole purpose test set out in s 62 of the *Superannuation Industry (Supervision) Act*. It has no policy prohibiting or explicitly permitting investment in the above asset classes (nor any asset class), so long as the Trustee considers that the risk-adjusted returns (net of fees and tax) are competitive for the purpose of generating retirement income for members, relative to other competing asset classes.

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**LUCRF Super**

**LUC125QW:** What data do you have on the home ownership rates of fund members?

**Answer:** LUCRF Super's financial advisers generally inquire into home ownership when commencing a Statement of Advice with members. LUCRF Super does not collect home ownership rates of fund members en masse.

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**LUCRF Super**

**LUC126QW:** 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:** a) No

b) No

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**LUCRF Super**

**LUC127QW** For the last five financial years, please complete the table for the average return on all your investments.

**Answer:** Please see the APRA fund level superannuation statistics, which include the annual return of the Fund for each financial year. The APRA fund level superannuation statistics can be accessed via the following link: <https://www.apra.gov.au/annual-fund-level-superannuation-statistics>.

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**LUCRF Super**

**LUC128QW** 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.

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

**Answer:** LUCRF Super has not made dedicated investments in residential property over the last five financial years.



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**LUCRF Super**

**LUC129QW:** 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?

**Answer:** LUCRF has not invested in Build-to-Rent property in the last five financial years.

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**LUCRF Super**

**LUC130QW** 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.

**Answer:** LUCRF has not invested in social housing property over the last five years.

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**LUCRF Super**

**LUC131QW** 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:** LUCRF Super does not have a policy on use of superannuation by fund members. LUCRF Super complies with all legislative requirements regarding the release of superannuation to retirees and to fund members through the First Home Super Saver Scheme.

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**LUCRF Super**

**LUC132QW** 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:** LUCRF Super does not collect this data.

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**LUCRF Super**

**LUC133QW** 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:** LUCRF Super has formal processes in place to avoid any incorrect deduction of insurance premiums from fund members. These include regular insurance cover and premium reconciliations, regular member insurance data record reporting to the insurer and periodic internal audit reviews. To the extent that any errors nevertheless arise, they are rectified once they are known to LUCRF Super. Depending on the nature of any errors identified, the approach undertaken to rectify may include:

- notification / communication to members affected by the error;
- adjustment / correction of the members record / account; and/or
- changes to internal policies, processes and systems to prevent recurrence of the error.

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

#### LUCRF Super

#### LUC134QW 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:** Before material is distributed to members, LUCRF Super undertakes a formal process utilising a series of compliance led checks, including reviews and approvals by internal subject matter experts and by external legal where appropriate, to ensure the material is accurate and correct.

If LUCRF Super subsequently becomes aware that it has inadvertently distributed material to a member which may not be accurate, any errors are rectified by LUCRF Super. Depending on the nature of any errors identified, the approach undertaken to rectify may include:

- notification / communication to members affected by the error;
- adjustment / correction of the members record / account;
- changes to internal policies, processes and systems to prevent recurrence of the error.