

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

TWUSUPER

TWU139QW

a) In the last five years, how much money did TWU Super spend on marketing, advertising, sales and sponsorships.

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.

The Fund reports to APRA as required.

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>

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.

As previously advised, 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.
- 'Toolbox' workplace education activities engaging members in their workplaces around superannuation, financial literacy, and general engagement with their super.
- Inclusion of Fund's logo and contact details on co-branded employer and employee association collateral and activities.
- 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 Women's 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.

b) TWU has stated in previous hearings that there is a team that manages this function:

i) what is the full time equivalents of this team (including outsourced resources)?

As of March 2021 the Fund has 37 staff of which the equivalent of five FTE undertake duties related to marketing and communications to members – much of which is to assist with meeting regulatory and other compliance requirements with which the Fund is required to comply by law and regulation.

This does not include a small team of field staff. This team works across a range of activities to support and educate members as well as other marketing activities.

Where it is judged to be most efficient to do so, the Fund outsources some activities to external service providers. The Fund does not monitor or record the FTE staff numbers of those external service providers, and it would not be practical or efficient to do so.

ii) what is this as a percentage of your total employees?

As of March 2021 the number of Fund employees working in communications and marketing is 5 (from 37 total staff), which is approximately 13%. It should be noted that much of the functions carried out by those staff is directed towards member engagement and communications, of which a large proportion includes activities required for regulatory compliance.

iii) how much does this function cost?

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