

ASSOCIATION OF PUBLIC SECTOR SUPERANNUANTS INC.

MINUTES OF GENERAL MEETING

1:00 pm Monday 27 September 2021

**1. Welcome**

President James Vandenberg welcomed 52 members to the meeting, also welcoming guest speakers Dascia Bennett, Chief Executive of Super SA, and Jo Townsend, Chief Executive Officer of Funds SA, and their colleagues Henri Nguyen and Wayne Hutton.

At the immediately preceding Special General Meeting, James acknowledged the traditional land ownership of the Kurna people and expressed respect to their elders.

**2. Apologies and introductions**

At the earlier meeting Secretary Brenton Pain noted apologies from Peter Fleming, Elaine Baskett, Jess McMahon, Judy Parsons, Bill Harte, Ron Box, Phil Dutschke, Trevor Miller, Lindsay Oxlad, Ed McAlister, Charles Tucker and Vic Scriven.

Brenton introduced Dascia Bennett and Jo Townsend, providing some brief information about their backgrounds.

**3. Guest Speaker: Dascia Bennett, Chief Executive, Super SA**

Dascia outlined Super SA's role in administering one of the oldest (118 years) and most complex set of superannuation schemes in Australia, and discussed its attention to member research and benchmarking against other funds. The member research had shown the organization as trusted, but seen as limited in its service offerings.

These are now being modernized with better arrangements for financial advice, enhanced contact services (staffing there increasing from 21 to 45), a new outbound call facility, a new, modern member centre, and a new, more intuitive and straightforward website about to be introduced, with 14 landing pages instead of 250. Research had shown that older members favoured face to face communication, and younger ones online contact.

Dascia noted the importance of data security for Super SA in administering access to \$35 bn. in funds, with many data points and lots of "dark web" cyber risks. Last year's Covid-19 early access scheme had been a target of two or three attacks which were picked up early through rigorous controls, unlike the experience of several other super funds.

In mid-2022 the Triple S fund would move into a competitive environment with the introduction of choice of fund, after a long period as a mandated fund. Dascia noted that Super SA currently gains and loses about 8,000 members annually as people join and leave SA public employment, and under the new regime hopes to retain all of its current members, and gain the business of all new public servants. The Commonwealth's "Your Super Your Future" initiative added impetus to Super SA's service upgrading, to be ready for the more competitive superannuation environment.

Dascia reflected on the very challenging 2020 year with its volatile investment markets, negative returns and the call centre handling a big increase in enquiries from concerned members, many on the front line of the Covid response, but noted that Super SA did not see a large number of members transferring into cash.

By contrast 2021 saw very strong returns, and economic activity was expected to increase over the next 12 months. Super SA was very conscious of the welfare of its staff during the period of change ahead.

Dascia responded to questions on

- the Super SA member portal, being upgraded as part of the website changes (direct electronic interaction, two-factor authentication, but not yet for pension scheme members, after choice of fund commences)
- Covid 19 early access withdrawals (approx. 145,000 SSS members, 56,000 no longer employed, about 13,000 applied to withdraw an average amount of \$8,000, pre-withdrawal counselling, withdrawals included parents taking out money for children)
- nominated beneficiaries and legal personal representatives

#### **4. Guest Speaker: Jo Townsend, Chief Executive Officer, Funds SA**

Jo explained that Funds SA operated under its own legislation and had grown to 65 staff with an investment team of 20, focused on all aspects of its investment strategy, and had developed new investment capabilities.

These included medium term (3-5 years) active asset allocation; the ability to co-invest with others in infrastructure and private equity opportunities (and reduce the high cost of the latter); the ability to invest directly in property (eg, potentially to make a direct property co-investment with the Future Fund); and a new responsible investment policy.

Jo outlined that for Funds SA responsible investing was a financial outcomes process, and that a lot of work had been done to understand the individual approaches of investment managers. The most visible result has been proxy share voting.

Jo discussed Funds SA's key priorities in 2021. These included positioning for choice of fund, with the decision to increase the proportion of funds held as equity investments, and providing investment product training to Super SA.

Another current priority was responsible investing. Funds SA has become a signatory to the UNPRI framework (United Nations Principles for Responsible Investment) and complex work was being undertaken analysing climate risk.

Jo discussed the strong recovery in developed market global equities after their steep fall around March 2020 and compared that with global government bond yields over the same period, and noted the extraordinary performance of the less conservative SSS investment options over the last 12 months.

Jo answered questions about

- the expectations of different asset classes over the medium term, noting the different performance now of traditionally defensive classes
- how Funds SA would respond to a request from government to invest in a particular way (it can't be directed in its investment decisions)
- the expected returns from active as against passive investment strategies (mixed evidence, the 20-30 point higher fees of the active managers can be worthwhile )
- commercial property values and returns, against a background of global increases in residential property prices
- Funds SA participation in BHP and Commonwealth Bank share buybacks (information not to hand) and how it votes (a proxy adviser used, according to a set of Funds SA board-approved guidelines on executive remuneration)

Brenton led members in thanking Dascia Bennett and Jo Townsend for making the time to join the meeting and share the information about their organisations. Brenton presented Jo and Dascia each with a bottle of wine to mark the Association's appreciation.

## **5. Reports**

James briefly reported recent developments: the superannuation advisory group was about to hold its first meeting; the 2021 membership brochure would issue shortly through the Super SA mail-out; the new business name was expected to be in place soon, and the invitation to Victorian members to consider joining a Victorian members sub-committee was about to go out, with the aim of its convenor joining the Executive Committee.

## **Meeting Closed**

James looked forward another good meeting in October, and closed the meeting at 2:20 pm approximately.

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