

Presentation to the
Annual Member Meeting
16 December 2020
by Bill McRobert – Fund Manager



**MEAT INDUSTRY EMPLOYEES'
SUPERANNUATION FUND**

About MIESF

Established over 37 years ago by Vic Branch of AMIEU.

MIESF had 19,300 members and 2,400 employers and Net Assets of \$855 million as at 30 June 2020.

New members must work in the meat industry.

No frills super fund with very low fees, valuable insurance for members and very competitive investment returns.

MIESF also has a pension account for retirees.

More About MIESF

MIESF is an industry fund.

It only operates to benefit members.

All profits benefit members.

No dividends are paid to shareholders.

Members best interests are upper most in the minds of MIESF staff and Directors.

MIESF Members by Location at 30/6/20

Victoria	9,142	47%
New South Wales	4,952	26%
Queensland	2,234	11%
Western Australia	2,072	11%
Tasmania	500	3%
South Australia & NT	170	1%
ACT & Overseas	230	1%

MIESF Members Age Distribution at 30/6/20

Less than 30 years of age	5,400	28%
Between 30 and 39	4,820	25%
Between 40 and 49	4,080	21%
Between 50 and 55	1,901	10%
Over 55 years of age	3,099	16%

MIESF Response to COVID-19

Physically closed our office in Carlton to members but maintained services to our members.

More Trustee Board meetings – 10 in 2020 compared to 7 in 2019.

Early Release Payments – 8,700 for \$64.2 million (average \$7,400).

- 4,958 between 20 April and 30 June - \$35.0 million.
- 3,742 since 30 June - \$29.2 million.
- 2,500 members have been paid 2 benefits.
- All eligible payments made within 5 business days.

MIESF had plenty of cash on hand to pay the benefits – no other assets were sold.

MIESF has one of the lowest fees

On a balance of \$50,000 invested in MIESF MySuper you are charged \$362 per year. There is an investment fee of 0.38% which is \$190 and an administration fee of \$172.

By way of a comparison, fees for a \$50,000 MySuper investment charged by some other funds are:

\$387 AustralianSuper

\$404 AMIST

\$443 REST

\$463 Sunsuper

\$479 CBUS

\$628 HOSTPLUS

\$723 MLC

MIESF fees for a \$50,000 account are about 65% of the industry average.

MIESF Insurance Death, Terminal Illness & TPD

64% of MIESF members are insured – 12,445 at 30 June 2020.

An amount is deducted from each eligible member's account to cover the cost of insurance, depending on the member's age and the amount of cover.

Members can elect to have half the insurance cover and pay half the cost.

Nearly all of the premiums are paid back to members' beneficiaries.

MIESF Insurance Cover & Cost

Age	Death Cover	TPD Cover	Weekly Cost
15-29	\$200,000	\$150,000	\$3.70
30-34	\$200,000	100,000	\$4.70
35-39	\$200,000	\$50,000	\$5.90
40-44	\$200,000	\$35,000	\$6.40
45-49	\$200,000	\$20,000	\$8.50
50-54	\$200,000	\$10,000	\$11.00
55-59	\$100,000	\$5,000	\$7.80
60-64	\$100,000	\$2,500	\$12.30
65-69	\$35,000	0	\$7.00

MIESF Pension Section

We had 307 Pension members at 30 June 2020.

Available to MIESF members who reach their preservation age (58 to start a pension in 2020/21).

Can provide a regular tax free income in retirement.

Low fees.

Transition to Retirement is available.

Changes to the Superannuation System

We have seen the Government make some significant changes to the superannuation system which have impacted on how large superannuation funds operate from 1 July 2019.

The changes covered in the Protecting your Superannuation Act 2019 included:

- No insurance for inactive member accounts (no contributions for 16 months), unless the member elects it.
- Fees on small member accounts (less than \$6,000) not to exceed a total of 3%.
- No exit fees on member accounts.
- All member accounts under \$6,000 with no contributions for 16 months are transferred to the ATO, unless the member decides otherwise.

Impact of these changes on MIESF

As at 30/6/2019 MIESF had 21,800 members. This was comprised of 14,800 active members and 7,000 inactive members.

From 1 July 2019, MIESF could no longer provide insurance on an opt out basis to 7,000 inactive members (no contributions for 16 months or more).

6,700 of those members did not opt to keep their insurance. They “saved” about \$360 each on average or \$2.4 million.

BUT nearly all of that amount would have been paid as death or TPD benefits. Already \$1.1 million of death cover has been missed out on for 6 families.

The percentage of MIESF’s members who are insured reduced from 92% to 64%.

Other Changes to the Superannuation System

In October 2019 the Putting Members' Interests First Act 2019 was enacted.

This legislation meant that from 1 April 2020 Superannuation funds were no longer able to offer automatic insurance benefits (Death and TPD) to members under age 25 and to members with accounts \$6,000 or less.

- Although young people can opt in to this cover we are keenly aware that insurance cover is not an issue that is front of mind for most under 25 year olds.
- A dangerous occupation exception was included with this Act.
- The Trustee elected to apply the dangerous occupation exception and our members under age 25 or with low account balances continue to be insured until they have no contributions for 16 months.

Even More Changes to Superannuation!

In October 2020 the Federal Government Budget announced “Your Future, Your Super Reforms”.

Draft legislation has been released for public comment.

Most of the superannuation industry “experts” are unhappy about various aspects of the proposed changes.

The Government’s intention is to eliminate industrial superannuation.

The Abbott Government stopped the scheduled increases in the SG contributions in July 2015 for 6 years.

In Conclusion

I have provided some detail of what MIESF provides for its members.

It is a simple fund – no frills – I hope our members appreciate that this keeps our costs down and improves members' end benefits.

Much of what is said tonight is in the MIESF Annual Report.

You will have received a copy with your Annual Benefit Statement.

You can also see it on our website.

The main thing that determines what members receive from MIESF is the investment returns.

They have been wonderful – especially in the past 5 years.

Chris Artis our Chief Investment Officer will now tell you all about it.