

Meat Industry Employees' Superannuation Fund (MIESF)

Minutes of Annual Member Meeting

Held online via zoom

On Wednesday 16 December 2020 at 7.00 p.m. (AEDT)

1. Attendance

Directors: Chris White (Independent Chairperson)
Paul Conway (Secretary)
Bruce Ede
Patricia Fernandez
James Hardwick
Robert Jackson
Matt Journeaux

Executives: Bill McRobert - Fund Manager
Chris Artis - Chief Investment Officer
Chris Salamousas – Fund Accountant
Lisa Saunders – Risk Manager
Tracey Dunstone – Administration Manager

External Auditor: Nicole Osborne – PricewaterhouseCoopers

Various Members

2. Chairperson's address

Chris White, the Trustee's Independent Chairperson, opened the meeting at 7.00 pm, welcomed members and gave a brief outline of the agenda.

The Chairperson acknowledged the Traditional Custodians of the lands on which we variously meet around the country today, and paid his respects to their Elders past and present. He extended that respect to Aboriginal and Torres Strait Islander peoples participating in the meeting.

Chris White spoke of the important employee benefits provided by MIESF to workers in the meat industry – superannuation benefits, financial assistance at retirement, plus death and disablement insurance cover before retirement age. The Fund is focused on providing good, straightforward benefits with low costs and providing these benefits as efficiently as possible.

Chris advised that the following speakers will tell you more about the Fund, and then we'll answer any questions.

- First is Paul Conway, who has been a director for over 20 years and is secretary of the Trustee. Paul is Victorian Branch Secretary of the AMIEU, and cares deeply about the Fund and its members. He will give you some of the history of the Fund.

- Next is Bill McRobert, the Fund Manager or Chief Executive Officer of the Fund, a role he has held for 13 years. Bill will give a review of the superannuation industry and the Fund in the 2019/20 year.
- MIESF's investment performance over the years of your membership is a critically important factor influencing the size of the benefit you ultimately get. The Fund's Chief Investment Officer, Chris Artis, will discuss the 2019/20 investment performance as well as the longer-term results.

And then we'll come to your questions. As well as the three speakers, we'll be joined by all of the Fund's other directors plus the Fund's external auditor, Nicole Osborne from PricewaterhouseCoopers.

Chris then handed over to Paul Conway to outline the Fund's history.

3. Trustee Secretary's address

Paul Conway outlined how the Fund was established by the Victorian Branch of the Australasian Meat Industry Employees Union (AMIEU) and how industrial superannuation has developed since those early days.

The AMIEU began research into superannuation schemes and in 1980 the principle of a retirement scheme for meat workers was agreed to by the Industrial Court.

During this time the Union pressed the industry employers to set up an industry fund. When this did not happen, the Union set up its own fund.

The principles having been decided, the work of establishing the fund was undertaken. Legal work was completed on the Trust Deed, a company incorporated and office organisation began.

The Meat Industry Provident Fund came into existence.

By 1983, 12,500 members had joined the Fund. This meant that if these members left their jobs, they would leave the industry with some money in their pockets.

An Arbitration Commission decision in December 1986 gave Australian workers the right to a superannuation scheme and established 3% occupational superannuation.

In 1987, the Fund changed its name to the Meat Industry Employees' Superannuation Fund (MIESF) and altered its rules and deeds to accommodate the occupational superannuation introduced by the decision of December 1986.

In 1992 the Federal Labor Government resolved that all workers would be entitled to the benefits of superannuation under the superannuation guarantee charge and by August 1993 all employers would have contributed to that scheme.

The turning of a dream into a reality was the result of unionists' preparedness to support the leadership given by the Federal Executive, Branch Committee of Management and Executive, particularly the Victorian Branch that invested the first \$50,000 to make the Fund a reality.

This is a fact that is often forgotten, the dream would not have become the reality that it is today.

4. Fund Manager's address

Bill McRobert made the attached presentation to the meeting.

5. Chief Investment Officer's address

Chris Artis discussed the Fund's outstanding 2019/20 investment performance as well as the longer-term results. The presentation is attached.

6. Member questions

The meeting was opened for questions about the Fund.

All questions received and responses to those questions are in Appendix A.

7. Meeting close

Chris White thanked members for attending and informed them that the minutes (including answers to questions) of the night's proceedings would be made available to view on the MIESF website. The meeting was closed at 8.15 p.m.

Appendix A

Q1: *MIESF is a small fund, are you getting pressure to merge?*

Chris White Answered:

MIESF is a small fund and new members must work in the meat industry.

Our fees for our MySuper option are one of the lowest in Australia and well below most of the larger funds.

Investment returns for our MIESF MySuper are one of the highest in Australia.

Our death benefits reflect the dangerous occupations that our members work in and therefore present good insurance value.

Therefore, we strongly believe whilst we continue to deliver to you, a low cost, high returning super fund, MIESF has a role to play by remaining a standalone super fund.

Q2: *What do you expect investment returns to be in the future?*

Chris Artis Answered:

Whilst share markets have recovered very strongly this year and in fact the US share market is at all-time highs; members should expect lower investment returns into the future.

Over 40% of Government bonds offer yields or interest rates well below the inflation rate.

MIESF believes that returns will be lower and members should expect about 5% p.a. investment returns over the next 5 to 10 years.

Q3: *Many other super funds offer online access for members to undertake a variety of activities, does MIESF intend to offer more online access?*

Bill McRobert Answered:

MIESF believes that opening up online access poses significant security risks and threats.

At MIESF we do not outsource our call centre or administration. These very important functions are undertaken by our staff from the office at 62 Lygon Street Carlton who are there to answer your queries.

This differentiates MIESF from a lot of other funds and we believe members get a better direct experience.

Q4: *Why is there only two investment options and switching only once every six months?*

Bill McRobert Answered:

MIESF only offers two investment options unlike other funds that offer 10, 15 or 20+ options.

MIESF believes that offering many investment options and allowing members to switch frequently introduces the risk that members may panic and change their investment option at the wrong time when markets are choppy.

There are many examples of members in other funds who switched out of Balanced or Growth options into a cash option in Mid-March 2020 only to crystallise an 8% to 15% loss and have now missed a 20% + return on the money switched.

Offering members more choice or more switching ignores the long-term nature of super.

MIESF's MySuper is already a relatively conservatively invested option. Members wanting more risk can use the High Growth Option to increase their overall risk and potential investment returns.

Q5. I have left my meat industry employer. What can I do with my MIESF benefit?

Bill McRobert Answered:

You are generally unable to access your superannuation benefit until you reach your preservation age (between age 55 and 60 depending on when you were born) and retire permanently from the workforce.

You can leave your benefit in MIESF. You may also request your new employer to pay your contributions to MIESF.

You should contact MIESF for information regarding your specific situation.