

## Opening Statement to House of Representatives Economics Committee

*Please check against delivery*

July 8, 2021

Ian Silk

Good morning Chair and members of the Committee.

Before I begin, I would like to acknowledge that we are meeting on the custodial lands of the world's oldest continuous culture. I acknowledge the traditional custodians of the land on which we are gathered, I'm on the lands of the Bunurong and Wurundjeri peoples of the Eastern Kulin Nation, and pay my respects to their Elders, past, present and emerging.

AustralianSuper welcomes the opportunity to address the Committee this morning.

It has been a busy eight months since I last appeared before this Committee, with the global economic recovery from the COVID-19 pandemic gathering pace, the passing of the Your Future Your Super legislation and most importantly for Australian workers the Superannuation Guarantee increasing to 10% last week.

AustralianSuper continues to be Australia's largest superannuation fund and is run only to benefit members. Since the last time I appeared before the Committee the Fund's membership has increased to around 2.4 million members, representing well over 10% of Australia's workforce.

The Fund's job is to act in the best financial interests of members so that they can achieve their best financial position in retirement. AustralianSuper members – who come from all over Australia and a cross section of our nation's industries - consistently tell us that they want four outcomes from us: strong long-term performance, low costs, good products and services and to have their superannuation in a trusted and reputable brand.

As I have previously advised the Committee, AustralianSuper's sole focus is to use our size and scale and skills to help members achieve their best financial position in retirement.

We currently manage more than \$230 billion in members' retirement savings and we have a history of delivering strong long term performance.

On 1 July AustralianSuper celebrated our 15<sup>th</sup> Anniversary, following the merger of ARF and STA on the 1<sup>st</sup> of July 2006. To 30 June we are Australia's number one performing fund over 5, 7, 10 and 15 years, on our Balanced Option, where the vast majority of AustralianSuper members' retirement savings are invested. Over the period we have also significantly reduced our investment costs.

I'm pleased to advise the Committee that our returns for members in the Balanced plan for the 2021 financial year was 20.4% - the best ever yearly result we have delivered for members.

With this result, AustralianSuper's Balanced investment option has delivered a return of 9.5% p.a. over the last 10 years, weathering GFC, COVID, Brexit and many other turbulent economic events.

This is an outperformance of the median fund by 148 bps.

AustralianSuper now has more than \$100 billion invested across the Australian economy ranging from blue chip companies to ports and property developments and we are the biggest single active investor in the Australian stock market.

Since the onset of COVID, the Fund has participated in more than 50 capital raisings and provided almost \$1 billion of capital to provide stability to markets and capital for national economic growth.

We have also publicly committed to net zero emissions in our portfolio by 2050, and we will continue to work constructively with our partners as we all work to achieve this goal.

Looking ahead to the coming financial year:

- The Fund is due to open an office in New York, subject to COVID restrictions, as we continue to build out our global investment capacity;
- We will hold our Annual Member Meeting in November, however due to the uncertainty created by COVID we will conduct this meeting virtually again this year;
- And our Annual Report is due to be released in September.

Thank you Chair.