

A time to reflect

In 1962, the Association of Superannuation and Provident Funds of Australia was formed to promote and advance the interests of superannuation, provident, and pension funds. Fifty years on, the industry ASFA represents has changed considerably, as **BARRIE DUNSTAN** recalls.

Milestones can catch up with you and surprise you, especially 50-year birthdays. At these significant milestones, industries tend to look back to understand fully where they have come from; so it is with super and ASFA.

When ASFA was formed I was only six years into my time as a finance journalist, working at *The Age* in Melbourne as one of the worker bees who produced the stock exchange coverage. It's hard to visualise today, but in the days before computers, each price had to be taken down as the trades happened and turned into numbers for the daily newspaper lists.

What has this to do with superannuation? Well, an astute finance editor decided I needed to understand more what lay behind the random rise and fall of those share prices and periodically assigned me to find out more about the role of the big investors. Those days the only big investors were the life offices.

I didn't immediately discover superannuation because it didn't really exist as a financial product. Rather it was a minor part of life office investment activities; for instance, my first personal encounter with superannuation was a life insurance policy on which *The Age* paid the yearly premiums.

So I have to admit, sheepishly, that I was blissfully unaware of the event when ASFA was formed in early 1962 – and I wasn't the only one who failed to realise the changes ahead in the next 50 years.

In the 1960s the financial services industry consisted mainly of the dominant

six life offices; who could have imagined that 50 years later all but one of them would have been acquired or closed. In their place were superannuation groups which rapidly achieved the size and status of the life offices – and, in a nice piece of symmetry, most of the new giants also were mutual associations.

Superannuation emerged only gradually from the mists of life offices, which largely ran the funds and supplied the managerial expertise. Thus the first investment managers I encountered were in-house life office executives. Next, I encountered the actuaries who initially seemed obscure magicians pulling the strings. But it was the consulting actuaries who created the monthly 'league tables' of super funds which became, first, the competitive engine which drove the initial growth and, subsequently, a much-criticised means by which managers and funds were ranked.

My first real connection with the super industry and ASFA coincided with two events: the emergence of publicly-available super funds in the late 1980s and my move to the *Australian Financial Review* to specialise in superannuation. That meant I was locked into attending more and more industry functions and ASFA conferences became serious working assignments instead of a few days away from the office.

As I found myself talking more with ASFA in the 1980s, the contact was – like other parts of the financial world – with state branches. As with the stock exchanges, true national organisations took time to emerge.

I found myself dealing with Brian Scullin who, after time in Canberra and politics had moved to ASFA in 1987 as executive director – no CEOs in those days! He moved on to the BT Group in 1993 and, since then, ASFA has had more than a decade and a half of women chief executives.

In 1993, the former Senator and Government Minister, Susan Ryan, arrived and guided ASFA through the tricky transition from a supportive ALP government to John Howard's more prickly Coalition governments.

She was followed by another high-achieving female public servant, Philippa

In 1979 when I started working in superannuation with National Mutual no-one had heard of 'super'. My parents assumed that my first job was in life insurance.

In the mid nineties one of my sisters asked me how to transfer her "policy thing that I don't understand" into her industry fund which she "sort of understood". The "thing" was a personal super policy with horrendous surrender value penalties. She cut her losses, surrendered the policy and transferred the balance.

Last year my step-son who works in advertising called me to say he had come up with this great internet game to help younger people engage with their super.

So over my working lifetime the knowledge of super and the products we offer has improved enormously...and that's just my family!

Lorraine Berends FASFA is an ASFA Life Member and Principal - Client Service & Marketing, Marvin & Palmer Associates.

I attended my first ASFA conference in Sydney 26 years ago (and I have only missed one since!). The attendance at the annual conference has grown in direct proportion to the number of pages in the legislation that regulates the industry.

The old adage that, 'it is not what you know, but who you know' is so true in the superannuation industry. As in any industry the cream rises to the top, and if you are looking for the best people in the superannuation industry, you will find them at the ASFA study groups, seminars and the annual conference.

Owen Weeks FASFA is an ASFA Life Member and Director, Lifestyle Matters.

Smith, who headed ASFA from 1998 until 2007, replaced by Pauline Vamos who had held an important post with ASIC.

For a journalist, it can be tricky dealing with CEOs who are heavily in the news and, increasingly in the middle of industry and national politics. Theoretically, there also might be gender questions if a male journalist was uncomfortable dealing with female chief executives. But that has never arisen with any of the last three ASFA chief executives who have done their jobs well and who have been a delight to deal with, professionally and personally.

It may look more and more like the cult of the personality but most people probably now accept that the head of ASFA has to be ubiquitous. People like Pauline are, in the jargon of the media, great 'talent'; that is, they can be assured of providing a good quotation. But she and ASFA realise that it's also the back-up singers in the office (and just as importantly in the industry) who make often unseen but valuable contributions. For journalists reporting on an industry in-depth, this back-up can be a great resource.

Luckily, ASFA also realises that it can't expect journalists to be 'embedded' like war

When I first started in superannuation in the early 1980s I worked for a life office that had a number of direct corporate super fund clients. One year a colleague and I had the bright idea of mailing the benefit statements of the members of one manufacturing company's superannuation fund to their home addresses rather than hand them out at work. The CEO agreed that this would be more efficient and we should go ahead. About a week after the benefit statements were mailed I received a call from the CEO saying that he had a major industrial issue and needed our assistance. It turned out that many of the company's male employees were threatening to go on strike as, due to the home mailing, their spouses had received and opened the benefit statements and were surprised at the size of the benefits (and these were the days before award super, SG and preservation). It turned out that most of the male employees had never told their spouses about their superannuation entitlements, especially those whose domestic arrangements weren't all that secure, and now a previously secret 'pot of gold' was no longer secret. It took quite a while for some of the members to settle down with promises that super material would never again be mailed home. How times have changed for the better!

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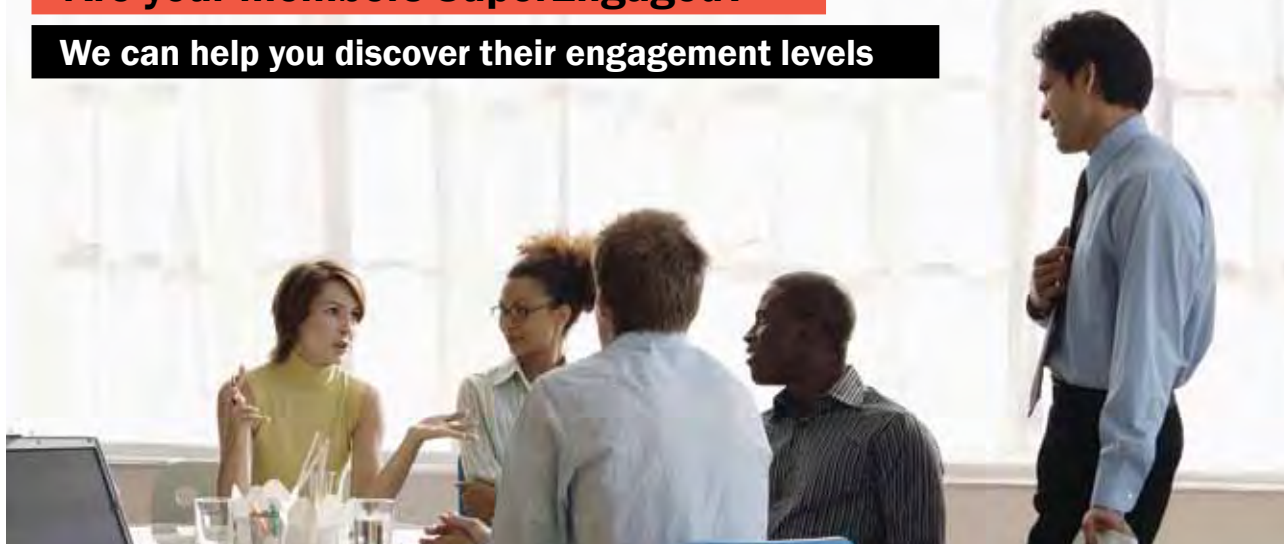
correspondents, marching together. So far, for this journalist, it's been an enjoyable journey rather than a sloggish route march.

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Barrie Dunstan is an associate editor with the Australian Financial Review who has spent more than 50 years writing about finance, investment and the superannuation industry.

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