



Official Opening: Chair's Welcome

- Dr Michael Easson AM, Independent Chair, ASFA

Good morning: Delegates, guests, sponsors, exhibitors - friends.

What a stunning and warm ceremony by the Jannawi Dance Clan and Clarence Slockee.

What a fantastic set of numbers in the opening video! Makes you humble to be in our industry.

It is interesting we meet in a magnificent new Convention Centre, owned as it happens by two of our member organisations for their members.

It is appropriate at this forum that we encourage discussion on issues that affect the millions of people we represent.

Today there are over 2,000 participants - the largest pensions' event in the world. I welcome everyone to what will be an inspiring, thought provoking and educational three days.

I trust you will leave with great ideas, pragmatic solutions, new and renewed contacts.

Particularly I welcome our first timers and our many emerging leaders in the audience. You are our future.

A warm welcome, too, to the hundreds watching via live video-stream. In future years, we look forward to you joining us in person.

I also welcome international delegates from 13 countries:

China, Denmark, France, Hong Kong, Kingdom of Tonga, Kiribati, New Zealand, Papua New Guinea, Samoa, Singapore, Tuvalu, United Kingdom, United States of America.

Thank you to all of our commercial partners for this year's conference.

Without their support we could not stage an event like this. Please allow me to make special mention of our premium partners:

Major Partners

- TAL
- LINK Group
- NAB

Supporting Partners

- Bravura Solutions
- Morningstar
- MetLife

Opening Keynote Partner

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There is something about superannuation that inspires debate.

Sometimes, however, I think about that apocryphal story about the man in Martin Place sprinkling talcum powder on the pavement.

One day as he was furiously throwing around the dust, a couple of policemen came up to him. “You can’t do that?! Why are you pouring white powder everywhere?”, they asked.

He looked up, contemptuously, and explained: “This keeps the elephants out of Sydney.”

And they said: “But there are no elephants in Sydney”.

The man shot a fierce grin at his interrogators as if to say “see! It is working! You understand now?”

Sometimes I fear that the reams of paperwork we fill out are as useful as the frenetic activity of that man in Martin Place.

I say that the elephant in the room is this: The single, greatest threat to our industry, its greatest systemic risk, is regulatory over-reach and strangulation in red tape.

For example, we have the Productivity Commission looking at efficiency and effectiveness *after* looking at default. RG 97 has been deferred again. APRA now want tremendous detail on performance. There are five Superannuation Bills before the parliament and more to come.

Mercy!

Of course this is not to complain about the necessary regulation to ensure high standards by the excellent people at APRA, ASIC, the ATO and others. Prudential standards must focus on stability. It is one reason we rank highly.

Getting the appropriate balance is the issue.

We have got a lot right knowing we are in the top three systems in the world – based on sustainability, adequacy and integrity.

We need to do better, but on average it is pretty good.

We have to win the debate. Research, evidence, facts help.

Some wild and radical ideas need to be vigorously contested. Take the thought bubble of the Future Fund replacing the entire industry.

Why? As Ross Clare, ASFA's Director of Research, recently pointed out in a research paper on "Myths": on a five year return basis and adjusting for taxation, \$1 invested into the Future Fund in June 2012 would have returned \$1.67 at June 2017.

Comparatively, the *average* superannuation fund would have returned \$1.64.

But scores of superannuation funds perform more strongly than just the average.

And unlike the Future Fund we have the mandated challenges of income streaming, individual reporting and a host of regulatory requirements.

Every extra Board paper at a superannuation meeting dealing with a new regulation, every new form to fill in by the CEO, the CIO, the CFO, is time wasted on spending time on innovation and creativity.

In the weeks leading up to this conference, there were many media reports on new things superannuation funds should invest in: Developing a long term debt market, better connecting pools of savings to new and emerging industries, infrastructure innovation in the digital cities of the future. Let's explore and realise the finest of those ideas – always along the way ensuring that any investment decisions are in the best interests of members.

Every time, however, that we force attention on a new form - and cumbersome reporting requirements - we detract attention from the things that matter.

We are forced to throw talcum powder on the pavement – in terms the best regulators understand - for limited to zero cost-benefit.

We face many challenges. Thinking about all of them – with energy and thoughtfulness is the task for our 2017 ASFA conference. Technology, resilience, leadership, regulation are some of the big themes.

I bet you will enjoy the discussion. We look forward to your feedback.

If we all come away with a couple of significant insights and practical steps we can each implement, we at ASFA have done our job.

Speaking of challenges, this takes us global and to Nicolette Rubinsztein, chair of the Keynote Advisory Group who will introduce our first keynote speakers.

Please welcome Nicolette to the stage. Thank you.