

**Association of Super Funds- AD HOC Meeting
Monday 28 February 2005 – 10:30am**

PRESENT :

Superannuation Taskforce - Lady Mina Siaguru
John Jeffery
Elizabeth Gima
Bank of PNG - Benek Beriso
Tom Milamala
Chris Lee
John Topal
APRA - Robert Dunlop
Deloitte - Mahadevan Shankar
KISS - Stephen Brown
POSF - Leon Buskens
Wayne Smith
Nasfund - Rod Mitchell
Ian Tarutia

**DRAFT
MINUTES**

APOLOGIES :

KISS - Syd Yates
Kong Wong

Chairman opened the meeting.

Meeting was called to discuss two items only, being the letter from the Secretary dated 15 February 2005, highlighting the *Regulatory Statutory Authorities (Appointment to Certain offices) Act 2004* and the status of the Taskforce. In relation to the first issue, this legislation has affected POSF Ltd and Comrade Trustees Services Limited only. The MD of POSF Limited was invited to speak on how it will affect their entity.

Leon Buskens explained that POSF Limited is a separate entity to the POSF statutory legislation that remains in place. The appointment of the Board and Managing Director to the Fund is through the company's constitution.

Wayne Smith – the new legislation tries to amend certain sections of the Superannuation Act 2000 that were repealed. The POSF Board was not of the view that it was an attempt by the government to bring POSF under its further control.

Moved by Rod Mitchell that Leon prepare a draft letter on behalf of the Association to be sent to the relevant people to highlight our stand that the POSF and DFRB should be removed from the *Regulatory Statutory Authorities (Appointment to Certain offices) Act 2004*

Seconded by Chairman.

Resolved that the ASF will formalize its position regarding the *Regulatory Statutory Authorities (Appointment to Certain offices) Act 2004*.

The second issue relates to the taskforce and when it can be formally appointed.

Chris Lee – there was a recommendation from BPNG to Treasury regarding a formal appointment of the Taskforce, that it also would consist of four members and was funded by the industry using the money previously earmarked by the levy. The delay has been at Finance who have not come back regarding a decision to formally appoint the Taskforce.

Rod Mitchell – can't we just advise Treasury that since the Taskforce is being funded by the Industry we shouldn't be required to obtain their permission?

Cannot do so as original taskforce created by Treasury and therefore any subsequent appointment will be made by them. To work outside of the Department would work to reduce the effectiveness of the Taskforce

Chairman then formally welcomed the members of the taskforce to the meeting and Robert Dunlop from the Australian Prudential Regulation Authority, who is working in close conjunction with the BPNG.

Rod Mitchell – we should form a Committee and organize an audience with the Treasury Minister to get the Taskforce issue moving

Leon Buskens – can I suggest that RM, R Sinamoi, and myself form the Committee and audience with the Minister

Moved – that a committee be set up to push on behalf of the industry to have the Taskforce formally appointed and a meeting with the Treasurer be organised.

Mahadevan – does the previous Taskforce still have power to act and can they push this issue along on our behalf?

Chris Lee – the previous Taskforce had a different composition and terms of reference so don't think we can use them to push for the formal appointment of this Taskforce. I believe all that is required is for the Notice of Appointment to be gazetted to take effect.

Wayne Smith – (regarding the first issue) the new legislation has no effect, it is an attempt to amend previously repealed sections of the Act, feel that it won't affect the entities of POSF Ltd and Comrade Trustees

Resolved – put a working committee together made up of LB/RM/Richard Sinamoi & Tom Milamala. Working committee will organize a letter to go out this week and have an audience with the Minister before Easter.

Chairman – **AOB** – BPNG summation on how things are going so far.

Chris Lee – reported that BPNG supervisors are in now in the midst of two visits and acknowledged the Robert Dunlop's involvement in the audits.

The BPNG has completed five Superfund's and expects to complete another five by the end of the year.

- All the Superfunds have reported time for the September quarter and are now in the process of completing the December quarter report.

- On the basis of the data collected, we can say that the Superfunds will be overtaking the banks in terms of Funds

Noted that this would be a good selling point to Treasury in attempting to move the taskforce forward.

Chris lee – (continued)2004 was a good year for Superfund’s and the industry can be said to be doing very well.

- Key initiative for this year is the ‘exchange program’, which is a two-way exchange between five countries in the Pacific. Robert Dunlop is a part of that program and he can be called upon for his services. He will be visiting four times in the first year and will be in PNG another two times for the remainder of this year.
- Robert Dunlop is also planning on conducting a session for smaller funds regarding common findings by the BPNG on ASF audits- issue/what’s acceptable/not acceptable etc.

Leon Buskens – next issue, since all the Superfunds are up to date can we have some awareness campaign funded by the BPNG ?

Ian Tarutia – agrees that the initiative would come from the ASF itself and funding from the bank.

Chairman – how can we get the industry to push for more exposure ?

Discussion then ensued on the industry itself and whether it is doing enough with regards to awareness to its members

Chris Lee – the BPNG will work on this, as it is now in a much better position to respond to issues. If you put up a proposal to the BPNG, we will deal with it and provide funding, but the push must come from the industry

Chairman – money laundering Bill said that the Act had to be ratified by 31st December 2004 or we would not be able to deal in foreign currency.

Discussion ensued on this particular Bill.

Chris Lee- the BPNG will check on this and report back to the ASF

- Discussion on some instances of fraud utilizing Superfunds ensued.
- Discussion on the disparity of methods by ASF’s on the crediting rate & the MER ensued

Chairman - expenditure report for the Association showed that it only had two items of expenditure for the new year, which were the two notices run in the newspapers at the start of the year regarding the change on contribution rates for private sector employers and employees

Elizabeth Gima - gave a brief regarding the status of the Taskforce. That the Taskforce have met once based on the current terms of reference and merely awaiting for the formal appointment to be effected.

Chairman declared meeting closed at 11:25am.