

## BUSSQ FY2023/24 Annual Members' Meeting Minutes

<b>Date:</b>	Wednesday 12 February 2025
<b>Time:</b>	3:00 pm (Australian Eastern Standard Time)
<b>Location:</b>	Online
<b>Chair:</b>	Chris Taylor (Chair)
<b>Directors:</b>	Paul Dunbar Emma Eaves Paul Hick Linda Vickers Ben Young
<b>Minutes:</b>	Matthew Wilson (Compliance Manager)
<b>In Attendance:</b>	Damian Wills (Chief Executive Officer) Carolyn Bartsch (Executive Manager, Marketing, Brand & Communications) Lisa Cumberland (Executive Manager, Governance, Risk and Compliance) Matthew Forrest (Executive Manager, Operations) Peter Laity (Chief Investment Officer) Leigh Mackay (Executive Manager, Member Engagement) John MacDonald (External Auditor) (Ernst & Young)
<b>Apologies:</b>	Geoffrey Baguley (Director) Hemal Patel (Director)

### Disclaimer

The information provided in the Annual Members' Meeting and these minutes is general information only. It does not take into account or consider your personal objectives, financial situation, or needs. Before making a decision, you should review the Product Disclosure Statement (PDS) to ensure you have all the information on the relevant BUSSQ product and how it works and consider the appropriateness of the information to your needs or obtain financial advice tailored for your personal circumstances. The PDSs and Target Market Determinations are available at [bussq.com.au/pds](https://bussq.com.au/pds)

BUSSQ's quoted investment returns are net of investment fees and costs, taxes, and the percentage-based administration fee. Past performance is not a reliable indicator of future performance and is only one thing to consider when choosing a super fund.

The meeting commenced at 3:02pm.

BUSSQ's Chair, Chris Taylor, welcomed members to the FY2023/24 BUSSQ Annual Member's Meeting. He acknowledged the traditional custodians of the land on which the meeting took place and from the various lands from where the meeting was watched. Mr Taylor paid respects to elders, past, present and emerging, and recognised their connection to these lands and the role they had played as caretakers for tens of thousands of years.

## 1. Chair's Address

Chris Taylor:

- Welcomed and thanked the fellow Directors and Executive team for their hard work and dedication over the year. The Directors for the financial year were acknowledged as Geoff Baguley, Jacqui Collie, Emma Eaves, Paul Hick, Michael Ravbar, Linda Vickers, and Ben Young. Since departed Directors, Jacqui Collie and Michael Ravbar, were thanked. Two new Directors who joined the Board in September 2024 were introduced, Hemal Patel and Paul Dunbar, with their backgrounds and experiences acknowledged. A quorum of Directors was noted, and John McDonald from Ernst & Young (External Auditor) was acknowledged as present.
- Noted that BUSSQ celebrates 40 years of helping members and their families build stronger financial futures. The Board's tireless work to deliver real value for members was acknowledged with the diverse fields and strong experience within the Board. The importance of superannuation for financial freedom and wellbeing in retirement was reflected on. The importance of consistency and strength over time was noted as superannuation is a long-term investment.
- Noted BUSSQ's long-term performance record with an average return of 9.14% since inception to the end of the 2023/24 financial year.<sup>1</sup> The long-term result demonstrates BUSSQ's delivery of strong, solid growth to help members retire with confidence and that the investment strategy is designed to balance strong returns with stability.
- Noted that returns are only one aspect of a super fund, acknowledging BUSSQ's focus on personal service that sets it apart from others. BUSSQ increased capacity to deliver personal service by providing more team members, including on work sites. On-site visits by staff and the Board help BUSSQ understand what matters to members, regardless of their working or retirement stage.
- Introduced BUSSQ's Member Service Promise as a commitment to providing the level of service members deserve.<sup>2</sup> Another key focus for the year was helping members prepare for retirement. This included expanding the financial advice team and introducing a member segmentation approach to tailor member experiences based on where they are in their retirement journey.
- Reiterated BUSSQ's commitment to its purpose of helping workers of Queensland's building, construction, and civil industries grow and manage their super for a better retirement. It was noted that achieving the 40-year milestone provides an opportunity to recommit and continue to innovate to constantly better serve members.
- Thanked the Board, Committees, CEO, Executives, and all staff members, partners, and members for their hard work and support.

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<sup>1</sup> Based on the performance of the Balanced Growth Super option since inception in 1985 calculated at 30 June 2024.

<sup>2</sup> BUSSQ's Member Service Promise can be found at [www.bussq.com.au/about-us/our-promise](http://www.bussq.com.au/about-us/our-promise).

## 2. Chief Executive Officer's address

Damian Wills:

- Thanked the Chair and welcomed members, Directors, industry stakeholders and staff. It was noted the meeting was an opportunity to update members on BUSSQ's progress, achievements, and performance over the 2023/24 financial year, and to share plans to further assist members in the 2024/25 financial year and beyond.
- Acknowledged the Fund grew by 10% in assets over the financial year. BUSSQ's focus on retirement reliability for Queensland's building, construction, plumbing, civil, and allied industries and BUSSQ's commitment to be 100% here for members was reconfirmed. The Member Service Promise that details the commitment made to members was reintroduced and the enhancements made to the financial advice team, including bringing services in-house was reiterated.<sup>3</sup> BUSSQ's new website was also noted, detailing improved features and new calculators.
- Noted BUSSQ's 40-year anniversary and that BUSSQ held circa \$7 billion in funds under management at the time of the meeting. BUSSQ's role as custodians of members' money was acknowledged along with the responsibility to manage and invest well to provide members with dignified retirement lifestyles.
- Noted the performance for the 2023/24 financial year realised excellent growth for new member accounts, assets under management, and cashflows. The average return since inception to 30 June 2024 of 9.14% was acknowledged.<sup>4</sup> It was noted that investment markets are fickle, and superannuation requires a long-term investment approach. BUSSQ's investment strategy that targets long-term sustainability over short-term gains was reiterated.
- Noted that Australia is expected to have more people retire over the next decade than ever before. BUSSQ conducted 23 Retire Happy seminars over the past 18 months to help such members with over 600 attendees. 58% of attendees booked appointments with BUSSQ's financial advisors.
- Reiterated BUSSQ's 40-year achievement and commitment to being a boots on the ground super fund. Current media concerns surrounding poor member experiences were noted along with the emergence of mega super funds where member service is challenged. BUSSQ's commitment to member service was reconfirmed.

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<sup>3</sup> BUSSQ's Member Service Promise can be found at [www.bussq.com.au/about-us/our-promise](http://www.bussq.com.au/about-us/our-promise).

<sup>4</sup> Based on the performance of the Balanced Growth Super option since inception in 1985 calculated at 30 June 2024.

### 3. Chief Investment Officer's address

Peter Laity:

- Noted he joined BUSSQ in July 2022 and has over 25 years in superannuation. The commitment over the past two years to enhancing the investment portfolio with the aim of ensuring long-term success was reconfirmed.
- Provided a market update for the 2023/24 financial year. The ongoing volatility of share markets was noted, including a fall in September and October 2023 from higher inflation results and an increase towards the end of 2023 as markets reversed their expectations on interest rate cuts. It was also noted that the first quarter of 2024 saw share markets rise on the back of strong investment in artificial intelligence before finishing strong in June despite a minor hiccup in March.
- Provided an update on BUSSQ super account performance. It was noted many growth-orientated investment options saw double digit returns and BUSSQ's financial year results exceeded the average 10-year returns for many options. The Balanced Growth Super option returned 6.71%, the Defensive option returned 4.15%, and the High Growth option returned 8.06% for the financial year.
- Provided an update on BUSSQ income account performance. It was noted BUSSQ's financial year results exceeded average 10-year returns for all but the Australian Small Caps option. The Balanced Growth Income option returned 7.38%, the Defensive option returned 4.97%, and the High Growth option returned 8.85% for the financial year. These results were higher than the super accounts due to tax exemptions applicable to income accounts.
- Reiterated that superannuation is about long-term returns and outlined BUSSQ average result of 9.16% over the whole 40 years of its operation, from January 1985 to December 2024.<sup>5</sup>
- Noted that annual reviews and resets occur for strategic asset allocations with allocations reassessed quarterly based on economic outlook variations. Asset classes are also reviewed with the aim to enhance returns and diversification whilst minimising risk. 2024 saw changes that included the addition of new investment managers in international share portfolios, new strategies invested in for opportunistic growth asset class, and a small companies manager for Australian shares was added.
- Noted the outlook for the 2024/25 financial year will require constant monitoring. At the time of the meeting, the global economy looked in stable shape; however, President Trump's policies are likely to impact global markets. As inflation decreased, central banks in the US and Europe reduced interest rates. The Reserve Bank of Australia had been hesitant to move to date. Geopolitical impacts in Eastern Europe and the Middle East continued, with potential "tariff wars" also threatened. Share markets had posted back-to-back years of strong investment returns which could be a potential sign of a downturn expected soon. Artificial Intelligence and US technology stocks have increased their global domination as well.
- Reiterated that shares are a key investment for long-term objectives but can be volatile in the short-term. Diversification is a key requirement for long-term success. It was noted the strategic changes made to the portfolio align with the long-term objectives to position BUSSQ well for the future.

<sup>5</sup> Based on the performance of the Balanced Growth Super option since inception in 1985 calculated at 31 December 2024.

## 4. Questions and Answers

Leigh Mackay:

Explained how to ask a question using the online chat function and noted that questions relating to a member's personal account or situation could not be answered during the meeting. In addition, she explained that if a member had a personal question, they could contact BUSSQ on **1800 692 877** to discuss.

### Question 1

Can you explain the reasons for super insurance, and if I die does the amount in my super go to my nominated person that I have stated in my details?

Mr Wills noted that insurance within superannuation is designed to provide members and their loved ones with a financial safety net. BUSSQ offers default death, and total and permanent disability insurance which has been specifically designed for the building, construction and civil industries. BUSSQ is one of only a few funds who have elected to apply a 'dangerous occupation exception', recognising the types of occupations many of BUSSQ's members are employed in, and the importance of insurance cover. This allows BUSSQ to provide default insurance for members who are under 25 or those with less than \$6,000 in their super account.<sup>6</sup> Everyone has different insurance needs and obtaining advice on the appropriate level of cover is a good idea to ensure the needs of members and their family are met.

Mr Wills further noted that if a member passes on, their superannuation death benefit, which consists of your super account balance plus and insurance payable, is not automatically included in an estate and will. Members can nominate a beneficiary by providing either a binding or non-binding nomination. A valid binding death benefit nomination requires the BUSSQ Trustee to pay a death benefit to the person or people nominated. This nomination must be renewed every 3 years. A non-binding nomination provides a guide for the BUSSQ Trustee. This is assessed with other current and relevant information to inform the BUSSQ Trustee's decision on how to payout the benefit. This nomination does not expire.

For more information go to [bussq.com.au/superannuation/understanding-super/beneficiaries-explained](https://bussq.com.au/superannuation/understanding-super/beneficiaries-explained)

### Question 2

How is the future looking for BUSSQ and how do I become a shareholder?

Mr Wills noted that the future for BUSSQ is looking good and BUSSQ has been around for over 40 years, creating better retirement outcomes for members. BUSSQ understands its members and how their needs differ from other Australians. This allows BUSSQ to focus on meeting the needs, and providing service, support and education tailored to its members. Last year saw record levels of contributions received with the fund now holding over \$7 billion in members' futures. BUSSQ has positive cashflow, strong long-term investment returns and has a focused commitment to providing the best possible service to members, all of which are signs of a healthy superannuation fund.

Mr Wills noted that BUSSQ is an industry super fund and meets the legal requirements to have equal employee and employer representation. As BUSSQ is not a publicly listed company or for-profit super fund, BUSSQ shares are unable to be purchased directly. BUSSQ does not pay commissions to agents or profits to shareholders with all profits being returned to members. Although an individual cannot become a BUSSQ shareholder, being a member of BUSSQ provides a similar profit share benefit.

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<sup>6</sup> For more information review the Insurance Handbook at [bussq.com.au/pds](https://bussq.com.au/pds)

### Question 3

Dear BUSSQ, as always, are we still resisting any larger funds acquiring BUSSQ and congratulations for your sterling performance and efforts?

Mr Taylor noted that the BUSSQ Board currently has no plans for merger activity. The superannuation industry has seen a multitude of mergers over the past decade or more and the ongoing industry and regulatory changes are a continued challenge for smaller funds. BUSSQ is keenly aware of the need for growth to remain viable. No current formal or informal merger proposals have been made towards or by BUSSQ. If a proposal is made in the future, the Board would assess it to determine if it would be in the best financial interest of the members. The Board's current belief is that BUSSQ can serve its members' interests better by focusing on strong long-term returns and outstanding customer services. A merger is not currently being discussed or considered.

### Question 4

Can a category of investment be created where a member can nominate up to 3 stocks, local and international, up to 10% of their portfolio? I want to know that I have Tesla and a couple of others in my portfolio. It's my money I want to have a say in some of it. Or I can setup my own SMSF but don't want the hassle and 10% is not an unreasonable amount.

Mr Laity noted that BUSSQ reviews its investment product range annually based on member feedback. To date, sufficient demand has not existed for such a product. BUSSQ is invested in most of the top 10 stocks with weightings available on the BUSSQ disclosure page.

For more information go to [bussq.com.au/disclosure](https://bussq.com.au/disclosure)

### Question 5

Please confirm the governance in place to ensure suitable competence of board member selection to meet the changing demands of the customer demographic needs, including draw down on funds and the investment strategy for the future. Also, please confirm board governance to ensure transparency for prospective conflicts of interest to investments proposed.

Mr Taylor noted that directors are appointed by the Trustee Company's shareholders per the company constitution. The appointments and all provisions of the constitution must comply with relevant legislation. Directors and executives are therefore subject to meeting fit and proper requirements. These requirements assess the appropriateness of the Board and senior management to ensure their competence individually and collectively as a whole. Assessments are conducted upon joining and at least annually with various triggers that can also initiate an assessment. The skills, knowledge, and experience are assessed of each person individually. The Board and senior managers are also assessed as a whole to ensure sufficient skill diversity and that no gaps exist.

Mr Taylor further noted that the coming 10 years will see more Australians retiring and accessing their superannuation than any other time in history. BUSSQ believes the best way for members to maximise their income in retirement is by accessing quality and affordable financial advice to ensure members' savings continue to work hard during these years. It is important that members are invested in the right investment option or options to meet their needs and risk profile. BUSSQ represents the building and construction industry, one of the country's largest employers. As such, BUSSQ's membership is constantly replenished by younger Australians beginning their working lives. This ensures a good balance between those building up their super and those drawing down in retirement. The current need for increased housing supply, ongoing large infrastructure projects, and the upcoming 2032 Olympic Games in Brisbane provide consistency for younger Australians entering the industry. The CIO previously discussed BUSSQ's investment direction and the dedication to continuing the trend of strong long-term results for members.

Mr Taylor also noted how industry super funds work on a system of equal representation for employers and employees. BUSSQ's shareholders are Master Builders Queensland and the CFMEUQ, who do not always agree on things. However, both parties will always agree strongly on the importance of BUSSQ for the building and construction industry in Queensland, and how important it is to ensure the Board is comprised of members with the required skills and experience in relevant fields. Mr Taylor noted his appointment by Master Builders Queensland, his considerable board and chair experience, his qualifications in accounting and law, and his strong history and understanding of the building and construction industry in Queensland. All BUSSQ directors have strong industry connection, diverse skills, qualifications, and years of experience in relevant areas. This will support BUSSQ when facing future challenges and opportunities. BUSSQ also has a team of extremely experienced superannuation experts throughout the executive and staff, including the CEO with a lifetime career in the superannuation industry.

Mr Taylor noted that BUSSQ has a Conflicts Management Policy in place to ensure any conflicts, real or perceived, are declared and managed in a way that ensures no impact to members. BUSSQ also has a Register of Relevant Interests and Duties that provides transparency of such conflicts. This ensures BUSSQ complies with its members' best financial interests obligations.

For more information of BUSSQ's governance, including Board Appointment, Removal, and Renewal Policy extract, go to [bussq.com.au/disclosure](https://bussq.com.au/disclosure)

### **Question 6**

Two similar questions to be answered together:

Why has the fund been performing poorly this year with no growth over 2023? How would you rate your performance against other super funds and why do you think you may not be achieving the returns that others offer?

Mr Laity noted that BUSSQ's performance should be reviewed in the context of the level of risk undertaken to achieve the returns. Super Ratings has ranked BUSSQ number 2 over 7 years for best risk adjusted return. BUSSQ expected share markets to be negatively impacted by sustained inflation and higher interest rates, and accordingly has positioned itself defensively. This scenario has broadly played out; however, share markets have continued to move higher. BUSSQ does not believe this is sustainable.

### **Question 7**

BUSSQ provided an update on the additional licence conditions imposed by APRA.

Mr Taylor noted that APRA imposed conditions to BUSSQ's RSE Licence compelling a review on the Trustee's fitness and propriety processes for directors, and expenditure decisions as they pertain to the CFMEU. BUSSQ understands that APRA imposed the additional licence conditions to provide assurance the processes are conducted correctly. BUSSQ believes APRA holds no evidence or specific concerns of any actual wrongdoing.

Mr Taylor noted that BUSSQ challenged the additional licence conditions as it believed an independent third party was not the appropriate way for the processes and decisions to be investigated. BUSSQ believed that it is APRA's responsibility as the regulator and such investigation costs should not be passed on to members. BUSSQ also held concerns with the requirements of the licence conditions and the ability for BUSSQ to breach them through no fault of its own. BUSSQ has an obligation to protect the fund and its members and welcomes any investigation the regulator wishes to undertake. BUSSQ believes its policies and procedures in these areas are robust and meet regulatory requirements.

Mr Taylor noted that BUSSQ's Judicial Review was recently dismissed by the Federal Court. The Trustee is currently reviewing the judgment and is considering its options. BUSSQ notes the Court has not ruled on the validity of the licence conditions.

**Question 8**

Does the fund outsource to third parties for insurance claims, similar to the recent Cbus investigation? Does our fund fall into the same exposure, and if it does, how will this affect the fund?

Mr Wills noted that as a smaller super fund, personalised quality service is prioritised at BUSSQ. In comparison, larger funds can find it more challenging to provide quality service due to their size. This is something the industry overall needs to do better. BUSSQ has had a more member focused operating model to handle insurance claims for over 15 years and currently has a fantastic internal insurance claims team who look after all death claims personally. Claims for disability insurance are handled by the insurer directly with strong oversight by BUSSQ. BUSSQ, like many superannuation funds big and small, outsources administrative tasks to an administrator. However, BUSSQ's smaller size and complementary internal teams help ensure it is better positioned to handle such claims while minimising exposure to issues experienced by the larger funds.

Mr Wills also noted that BUSSQ's Member Services Committee, a sub-committee of the Board, dedicates time to reviewing claims data. BUSSQ's insurance claim complaints ratio is among the lowest in the super industry. In 2024, from date of notification, the average death benefit claim was paid in less than 2.5 months for simple claims and less than 6 months for complex claims. BUSSQ is dedicated to delivering good service to members, especially when they need to claim on their insurance. As such, BUSSQ has made insurance claim rates and other service statistics publicly available on the BUSSQ website as part of BUSSQ's Member Service Promise.

For more information about the Member Service Promise go to [bussq.com.au/about-us/our-promise](https://bussq.com.au/about-us/our-promise)

**Question 9**

Two similar questions to be answered together:

When will you return to a live presentation and lunch? What happened to the face-to-face meetings you used to invite the members to?

Mr Wills noted the Annual Members' Meeting has always been an online event and will likely remain as such for the foreseeable future. An online event allows participation by the entire membership, regardless of where they live, and is in the members' best financial interests from a cost perspective. BUSSQ encourages members to visit in person and are keen to discuss any super topic face-to-face. BUSSQ holds monthly member educational seminars at various locations around Queensland each year. These seminars provide an excellent opportunity to learn about superannuation, investments, and retirement with some catering provided. The BUSSQ team is on the road each day to meet members at their workplaces. The BUSSQ office is also open for face-to-face meetings.

For more information on seminars advice go to [bussq.com.au/your-advice-options](https://bussq.com.au/your-advice-options)

**Question 10**

This question was unable to be answered during the meeting:

Why does BUSSQ still invest in arms and weapons manufacturing despite it being unethical and not industry relevant.

Mr Laity notes that BUSSQ does not seek out or deliberately invest in weapons manufacturing. The issue is definitely something the Board has considered and will monitor carefully. The majority of BUSSQ's global investment managers utilise MSCI's Business Involvement Screening Research to determine companies' exposures to controversial weapons. This provides guidance on many controversial weapons covered under international conventions and treaties. Many aerospace companies have divisions that manufacture defensive weapons. Some have been flagged by MSCI for potential controversial or nuclear weapons. However, in many instances, this is due to a US Government contract being in place to provide weapons although they don't necessarily manufacture them. This makes it difficult to divest without impacting portfolio diversification. BUSSQ's direct exposure has been assessed at <0.01% of its assets.



## 5. Close

The Chair concluded the Annual Members' Meeting for the 2023/24 financial year, by giving thanks to directors, speakers and BUSSQ members.

The meeting closed at 3:56 pm.