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Supercars and superfunds

As the industry-based super fund for the motor industry and an ardent supporter of the V8 Supercars, MTAA Super is bringing peace of mind to thousands in the Australian motoring sector.

Images by ID Photo

With more than 260,000 members and over \$7 billion in funds under management, MTAA Super is the national industry-based superannuation fund for the motor trades and allied industries. The fund is open to all Australians, and celebrates its twenty-fifth anniversary this year.

Leeanne Turner, CEO of MTAA Super, has decades of experience within the superannuation industry across a broad spectrum of complex super funds. She discusses her history in the industry, plus her vision and hopes for the future of MTAA Super.

The CEO Magazine: How do you feel your previous positions have prepared you for your current role?

Leeanne: I've been working in the superannuation industry at various levels since 1981. I've worked 'at the coalface', so to speak, in a vast array of administration roles including a few years assessing invalidity and death claims. That was one experience that cemented for me just how important superannuation and insurance really is to a person's life.

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- Leeanne Turner

My experience has seen me work at different types of funds with different fund designs—defined benefit as well as accumulation. Having worked for a long time with the Commonwealth public sector schemes, I have a very healthy appreciation for the importance of retirement income streams. This is a concept that is becoming more and more important to consider as our population ages.

I've worked in large organisations, mid-size organisations, and small organisations. When I started at AvSuper in 2001, there were four of us running a \$1-billion fund—that's lean in anyone's language, but it afforded me an enormous opportunity. Working as a team was essential; having a supportive and effective board was critical; forging trusted relationships with service providers was critical.

What are some of the key goals you and MTAA Super have achieved since you've been CEO?

We restructured our board to ensure that a third of our directors are independent. We are one of very few industry funds to have adopted this structure, which was recommended in the Cooper Review and regarded as best practice. While, as an industry

fund, we support the view that the equal representation trustee system has resulted in excellent outcomes for members, for MTAA Super the change in structure enabled us to broaden the range of skills, experience, and diversity of our board.

Gender diversity was important to us—both the superannuation industry and the motor trades industry have been traditionally male-dominated sectors. With our change in structure, the board has greater ability to pursue gender balance, which is important to the decision-making process. The process we undertook to source our additional independent members was cutting edge in terms of being a genuinely transparent recruitment process utilising, among other things, a national advertisement. Our board of nine now has three women appointed, all of whom have been selected on merit and because of the additional skill sets they bring to the board.

We set about improving our risk management framework long before the external reforms were implemented, and over time and with the added guidance provided by the new prudential standards we have honed our systems and processes to adopt best practice >

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initiatives and thinking. In doing so, we have permeated, throughout the organisation and our service providers, a culture of risk awareness and risk management.

MTAA Super was a first mover into the alternative assets space, such as infrastructure, including overseas assets. This allocation had set us apart from our peers and had contributed to a sustained period of outperformance. However, that outperformance was significantly impacted by the GFC. It was important that we learned from the experience and made necessary adjustments.

We enhanced our liquidity management processes and investment governance processes. As a result, we have been transitioning the investment portfolio to a new investment strategy in recent years. The transition is now complete and has resulted in a more balanced and ultimately a less risky investment portfolio, and one that more closely aligns with the average of the peer group on asset allocation. Importantly, we've ensured that it is aligned with our member demographic, which has a large number of younger members.

We've developed and implemented a compliant MySuper product, which became live on 1 December 2013. The introduction of MySuper is a major part of the Stronger Super reforms, and from 1 January 2014, all employers who make contributions into a default super fund on behalf of their employees must pay those contributions into a MySuper product. This is a simple, low-cost account to make it easier for

members to understand and compare super funds. The MySuper authorisation process was very robust and required a significant review and revision of policies and processes.

What would you say are the core values that drive you as a leader?

There's an exhaustive list of values that resonate with me and which influence me, but the core values that are most important for me to live and work by—and the ones I hope I have passed on to my children and others in the organisation—are respect, honesty, caring, and commitment. These four values, when applied to any decision-making process, will, in my view, result in positive outcomes—not necessarily the best outcome, but a positive outcome that's at the very least acceptable to relevant parties. They are also aligned to the core values of MTAA Super, and these values play a key role in the ability of the organisation to be effective and efficient.

Why is it important to work with key suppliers/partners of MTAA Super to build strong relationships?

Building strong relationships with key suppliers and partners is integral to maximising the efficiency and effectiveness of our product and service offering, and achieving member satisfaction.

We consider that our key suppliers and partners are an extension of us. The experience for our members is the end result of all that we do. It doesn't matter who is actually performing the work or

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activity; it's being undertaken for our MTAA Super members, and the trustee is ultimately responsible for the outcome. By building strong relationships and partnering with those who share our values, we can influence the processes and frameworks and secure a better outcome for our members.

What are the plans for the future in terms of expansion and growth?

There is no doubt that the automotive industry and the superannuation industry are both undergoing enormous change. For super, it means consolidation, as scale will be an issue for some funds. For the automotive industry, we're seeing the closure of iconic manufacturing firms.

At a recent strategy day, we considered the changing landscape and our response to it. With regard to automotive, while the manufacturing side of the industry is unfortunately decreasing in size, there are amazing opportunities and growth in the retail and service side. We want to assist the automotive industry in attracting resilient and hard-working people, which is what our V8 Supercar sponsorship is about—promoting careers in automotive.

From the super fund perspective, over the past year we have reviewed our education and advice offering, offered a support package to members impacted by the changes occurring in manufacturing, established an innovative pension product, and amended our fee structure. We will continue to explore ways of improving our offering to our members, which will drive organic growth. We are currently further developing an investment option that will improve our offering to members, and increasing our use of digital communications and tools.

We have a proud history of being innovative and responsive to change, and I will continue to drive innovation in this changing landscape for our members. •