



17 July 2022

Hon Dr Jim Chalmers MP
Treasurer
Parliament House
Canberra

Dear Treasurer,

RE: Job and Skills Summit

Congratulations on your appointment as Treasurer and on the initiative of the Jobs and Skills Summit to be held in September.

We are writing to request an opportunity to attend the Jobs and Skills Summit and contribute to the subsequent Employment White Paper.

Women's workforce participation, their unique working patterns and disrupted engagement in employment are inextricably linked with their financial security in retirement.

Women in Super are the exclusive national voice for women's superannuation outcomes, working across the superannuation industry, civil society and with government to advocate for dignity and security in retirement for women. It is important that Women in Super are present to ensure that women's financial security across their lifetime is actively considered in Summit deliberations.

We are very supportive of the Summit's focus on ensuring women receive equal opportunities and equal pay and are eager to ensure this disciplined focus extends to women's retirement outcomes with a gender lens applied to all discussions.

Yours faithfully,

Handwritten signature of Kara Keys in black ink.

KARA KEYS

National Chair

Women in Super

Level 23, 150 Lonsdale Street
Melbourne, VIC 3000

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Handwritten signature of Jo Kowalczyk in blue ink.

JO KOWALCZYK

Chief Executive Officer

Women in Super

Level 23, 150 Lonsdale Street
Melbourne, VIC 3000

M s 47F

E s 47F

31/08/2022

The Hon Dr Jim Chalmers MP
Treasurer of Commonwealth of Australia
PO Box 6022
Parliament House
Canberra ACT 2600
By email: jim.chalmers.mp@aph.gov.au

Dear Treasurer

Jobs and Skills Summit

Thank you for your invitation to attend the Jobs and Skills Summit. The Summit is an important event in unprecedented times and I congratulate you on the initiative. I am confident the nation's future prosperity will be progressed through cooperation, dialogue and a focus on the long term.

AustralianSuper, as a significant investor in the Australian economy, welcomes the opportunity to be heard alongside workers, businesses and other civil society actors, to share new perspectives, experience and opportunities for cooperation towards addressing the nation's future challenges.

AustralianSuper does not attend the summit seeking anything specific from government for the Fund. Rather, we believe it important to explore opportunities where collaboration may lead to improved outcomes for members and future prosperity.

AustralianSuper

As Australia's leading superannuation fund for members, we are well placed to participate in discussions directed to building a productive, fair and sustainable economy, in the interests of all Australians.

Almost 2.9 million Australians trust us to invest over \$260 billion of their retirement savings on their behalf. Our purpose is to help members achieve their best financial position in retirement and we achieve this by investing in diverse asset classes and productive, well governed assets in Australia and globally.

AustralianSuper currently invests approximately \$130 billion in the Australian economy. I have included a summary of AustralianSuper's domestic investment profile with this letter.

Our approach to investment and asset management is anchored in our purpose to help members achieve their best financial position in retirement. This will never change. In pursuit of absolute and relative investment performance, we allocate capital to opportunities that create long term value, leveraging our size, long-term investment horizon and investment capability.

In pursuit of our purpose, the Fund:

- Provides growth capital to Australian companies to enable them to pursue strategies focussed on long-term value creation.
- Drives strong environmental, social and governance outcomes in the companies and assets in which we invest.
- Responsibly invests in essential community infrastructure assets that enhance national productivity.
- Adopts leadership positions on matters of economic and social importance, in Australia and globally.

Core to our performance is the Fund's governance structure. Our Board comprises representatives of our two shareholders, the ACTU and Ai Group, with an independent Chair Dr Don Russell and an independent Chair of our Investment Committee, Phillipa Kelly. I am pleased that both Michele O'Neil and Innes Willox are also attending the Summit.

Approach to Jobs and Skills Summit

While the country faces many immediate challenges, the Jobs and Skills Summit is an opportunity to think about the long term and how we can achieve the right policy settings to support long term, sustainable growth and prosperity

for Australia. Long term, stable policy settings that rise above party politics will also be central to facilitate greater flows of capital. The discussion cannot be one of principles alone. Once good policy settings are determined agreed, collective alignment to the pathway to success with interim goals and targets to measure progress and adjust as required will be important.

You and I have both reflected in recent times on the important role superannuation plays in the Australian economy and community. A positive outcome of the Summit would include a commitment to understanding appropriate policy settings so that institutional investment, including superannuation, can play its proper role. AustralianSuper is:

- An investor of over \$260 billion in the retirement savings of almost 2.9 million Australians,
- A fiduciary in the nation's superannuation system, where a stronger, fairer, more productive economy has a material impact on members' retirement balances, and
- A contributor to Australians living well in retirement, alongside personal savings and assets like the family home and the aged pension.

Superannuation as a contributor to good policy outcomes

The founders of our nation's superannuation system were visionaries. They understood that ensuring all Australians could live well in retirement required a system of compulsory savings and preservation, supported by concessional tax arrangements, and a national pool of retirement savings owned by individual Australians. By investing in AustralianSuper, individual Australians access the size, scale and skill to save and invest as billionaires.

One key to the decision to establish superannuation in Australia was the understanding that superannuation funds could deliver investment outcomes, service and advice for Australians better than governments would. This was captured in the sole purpose obligation and the requirement for Fund's to always act in members best financial interests.

In determining where and how to invest, the Fund pursues its investment objectives for each of its available options. The objective for the Balanced option, where most AustralianSuper members are invested is CPI plus 4% over the long term. Each fund will have their own investment strategies and risk posture. As investment opportunities emerge, I would be happy to make available AustralianSuper colleagues to work with Treasury to consider how those opportunities may fit in the context of our investment strategy and execution.

I am hopeful that one outcome of the Jobs and Skills Summit could be an agreement to work together on the opportunities and challenges facing the nation where cooperation could create long term value. Over the coming decades the Australian economy will undergo a significant transformation, which will require significant, long term and patient capital investment and commitment from all sectors of the economy. With the scale of the capital likely to be required, superannuation funds can continue to play a meaningful and impactful role in the coming decades.

To achieve this, a jointly developed and mutually understood framework for investment that advances the interests of fund members, but also unlocks the potential of superannuation capital and facilitates more domestic investment is required. If it would assist government, AustralianSuper would gladly work with Treasury and other funds over the coming months to develop a clear understanding of the drivers of our, and other institutional investors' decision making, as government determines its policy priorities ahead of the 2023 Budget. Doing so would ensure government provides the greatest opportunity for different funds to identify opportunities aligned to their particular investment strategies and risk posture.

Jobs and Skills Summit Agenda Topics

I am excited by the Jobs and Skills Summit agenda and share the following observations on topics of particular interest:

1. Investing in skills, productivity and good jobs for Australians

AustralianSuper's ambition is that all Australian's live well in retirement. We know that the best way to achieve this outcome is for all Australians to be employed in secure and well paid jobs or run successful businesses in order to build their retirement savings over time. AustralianSuper members are both workers in and shareholders of Australian companies including through their superannuation Investment in building skills that meet the needs of our economy will ensure more Australian's are employed in rewarding and meaningful work and that more businesses are profitable and efficient.

In support of this virtuous cycle, we support initiatives that promote investment in education and training to meet the future skills needs of our economy and society, as well as investment in R&D and technology to support greater multi-factor productivity.

2. Aging and older workers

As you know from consecutive Intergenerational Reports, Australia as a nation is ageing. As part of this trend, the number of retirees in Australia is set to double by 2030¹ with nearly 1.2 million more Australians transitioning from being 'savers' to 'spenders'.² Australia's superannuation system has developed to support older Australians to have a dignified and comfortable retirement, alongside the aged pension and personal savings.

Retirement is not the end of an individual's participation in the economy. We know from the experience of AustralianSuper members that many retirees often seek the opportunity to return to some form of work and the nature of retirement is becoming more fluid. Unfortunately, Australia's superannuation, aged pension and tax systems are rigid and not geared to support older workers in this situation. I see an opportunity for government to work with superannuation to consider how we can facilitate greater opportunity for workforce participation by older workers. We see this as one way our superannuation system can continue to mature and evolve to deliver on its promise.

3. Climate change, clean energy and the transition to a low carbon economy

In November 2020 AustralianSuper committed to achieve net zero in our portfolio by 2050. It was pleasing to see the parliament make a commitment to achieve net zero by 2050 and implement an emissions reduction target of 43 per cent from 2005 levels by 2030. Now that Australia has made the commitment, we must work together to ensure it is achieved in a way that meets the needs of workers, businesses, communities and the broader economy. Given this is the country's new policy, it will be important to ensure suitable attention is given to this challenge at the Jobs and Skills Summit.

I believe superannuation funds have a role to play in supporting the transition to a low carbon economy and that the transition, over time, will create attractive investment opportunities for members, provided good, stable policy can be secured across all three tiers of government in a spirit of cooperation given the scale and gravity of the challenge before us all.

I am looking forward to the Jobs and Skills Summit and working with you and other participants to support our nation's future prosperity. If you or your office have any questions or would like further information, please contact me or Sarah Adams, Group Executive Strategy, Reputation & Corporate Affairs sarah.adams@australiansuper.com.au (47F [REDACTED]).

Yours sincerely



Paul Schroder
Chief Executive

cc: Hon Anthony Albanese MP
Prime Minister of Australia

¹ Source: Deloitte, Superannuation Market Projections Report, 2021

² Source: Australian Bureau of Statistics, 3222.0 Population Projections, Australia, 2017 (base) – 2066

Attachment 1

Investment in Australia

AustralianSuper's purpose is to build the retirement savings of members by delivering strong long-term investment performance. We do this by constructing a diversified portfolio of investments across asset classes and geographies.

In Australia, we have over \$130 billion invested. This includes investments in Australian companies, as well as ownership stakes in unlisted infrastructure and property investments. We also invest in bonds issued by Australian governments and large corporates and lend directly to Australian companies. Each of these investments contributes to our strong long-term returns for members. They also have the benefit of contributing to the Australian economy.

Providing growth capital to Australian companies

We are one of the largest investors in Australian listed companies and also lend directly to Australian companies and projects. We have a long history of supporting quality Australian companies seeking capital to grow.

The Fund currently has \$57 billion invested in ASX listed equities, of which approximately \$52 billion (91%) is actively managed by the internal Australian equities team.

In periods of volatility our long-term focus means that we can provide capital to support individual companies as they navigate short-term challenges and invest to improve the resilience of their businesses for the future. Our participation in capital raisings alongside other long-term investors also has the benefit of supporting the ongoing stability of financial markets.

Since the onset of COVID-19 (March 2020 – May 2022) the Fund has participated in 78 equity raisings by portfolio companies, investing \$2.68 billion. This brings the total amount of new capital provided to Australian companies to over \$5.2 billion since we began direct investing in 2014.

Owning large scale and essential community infrastructure

AustralianSuper is one of Australia's largest infrastructure investors. The Fund owns, manages and develops essential infrastructure that supports Australian communities and businesses.

The Fund's long-term investment horizon enables capital allocation/investment decisions that support long-term value creation. This includes investing further capital into assets that will deliver ongoing benefits to the broader community and contribute to long-term returns for members.

The Fund owns interests in \$21 billion of Australian infrastructure assets, including a \$16 billion directly owned portfolio comprising interests in Ausgrid, Transurban Queensland, West Connex, NSW Ports, Australia Tower Network/Axicom, Sydney Airport and Perth Airport.

ASSET NAME	SUMMARY
Ausgrid	Ausgrid is the largest electricity distribution network on Australia's east coast, covering 22,275 square kilometres and providing power to over 4 million people in 1.8 million homes and business throughout Sydney, the NSW Central Coast and Hunter Valley.
Transurban Queensland	Transurban Queensland comprises 81kms of toll roads, bridges and tunnels that service 1.6 million retail customers in Queensland. Transurban Queensland's toll roads are used by 176,000 vehicles every workday and are estimated to contribute \$19 billion to Gross State Product and have directly contributed almost \$30 billion in social, environmental, and economic benefits to the State over 10 years.
WestConnex	When complete in 2023, WestConnex will provide motorists with a continuous, 33km traffic-light free motorway network, with connections for future projects linking the north shore and northern beaches, Sydney Airport and the southern suburbs. Mostly underground, WestConnex is freeing up large areas in communities that are being turned into 18ha of parks, playgrounds and recreational facilities.

ASSET NAME	SUMMARY
NSW Ports	NSW Ports comprises Port Botany (Australia's second largest container terminal) and Port Kembla (bulk terminal). NSW Ports contributes approximately \$4.4 billion annually to the NSW Gross State Product and supports approximately 30,000 jobs.
Perth Airport	Perth Airport connects travellers to over 50 destinations around Australia and overseas. Perth Airport contributes an estimated \$2.6 billion to WA Gross State Product. Approximately 14 million passengers travelled through Perth Airport in 2019 (pre-COVID), with the airport servicing 27 airlines (19 international and 8 domestic/regional airlines).
Australia Tower Network/Axicom	ATN/Axicom collectively comprise a telecommunications tower network of c.4,500 tower and rooftop infrastructure assets contracted to Optus and other major carriers; and a development pipeline comprising 865 new towers and 50 co-location agreements with Optus. Optus is ATN's largest strategically aligned MNO and is present on nearly all ATN/Axicom sites, which it uses to serve its 10 million mobile subscribers.
Sydney Airport	Sydney Airport covers 107ha of land in South Sydney and consists of 3 passenger terminals and seven freight terminals. It sits adjacent to Port Botany and is serviced by rail and road connections. In 2019 (pre covid), the airport served 44m passengers. As Australia's primary international gateway, it generates over \$38 billion of economic activity and carries ~40% of international travellers in Australia.

Supporting emerging companies and industries

The Fund's size and long-term investment horizon mean that we can invest in emerging industries and promising Australian companies that find it harder to attract capital and/or take time to reach scale and maturity.

To date the Fund has committed over \$2 billion to support emerging Australian companies and industries through investment in venture capital funds, Emerging companies portfolio and affordable housing projects.

Attachment 2

AustralianSuper membership by state

STATE	MEMBERS – ACCUMULATION	MEMBERS – PENSION	MEMBERS – TOTAL
NSW	882,955	29,417	912,372
VIC	832,230	29,310	861,540
QLD	324,701	10,835	335,536
WA	415,209	9,706	424,915
SA	181,156	8,170	189,326
ACT	62,632	4,018	66,650
NT	57,516	1,071	58,587
TAS	35,446	1,686	37,132
OTHER	52,317	774	53,091
TOTAL	2,844,162	94,987	2,939,149



THE HON JIM CHALMERS MP
TREASURER

Mr Paul Schroder
Chief Executive
AustralianSuper
s 47F

Dear Mr Schroder

On behalf of the Prime Minister, I am pleased to invite you to participate in the Government's Jobs and Skills Summit.

The Summit will bring together Australians, including unions, employers, civil society and governments, to address our shared economic challenges. It will focus on:

- keeping unemployment low, boosting productivity and incomes
- delivering secure, well-paid jobs and strong, sustainable wages growth
- expanding employment opportunities for all Australians including the most disadvantaged
- addressing skills shortages and getting our skills mix right over the long-term
- improving migration settings to support higher productivity and wages
- maximising jobs and opportunities from renewable energy, tackling climate change, the digital economy, the care economy and a Future Made in Australia
- ensuring women have equal opportunities and equal pay.

The Summit will recommend immediate actions and opportunities for medium and long-term reform. Summit outcomes will also inform the Employment White Paper which will help shape the future of Australia's labour market.

The Summit will be held on 1 - 2 September 2022 at Parliament House in Canberra. Proceedings will commence at 8am each day.

Please RSVP by 18 August 2022. To accept this invitation, please complete the registration form at <https://crowdcomms-ltd.reg.crowdcomms.com/jobssummit>. Please note that invitations are not transferable. If you wish to decline this invitation, please email summit@treasury.gov.au.

An agenda and other supporting materials will be provided ahead of the Summit.

If you have any questions about the Summit, please contact summit@treasury.gov.au.

I look forward to you adding your voice to this important discussion.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jim Chalmers', with a long horizontal flourish extending to the right.

The Hon Jim Chalmers MP



THE HON JIM CHALMERS MP
TREASURER

Ms Debby Blakey
Chief Executive Officer
HESTA Super Fund
s 47F

Dear Ms Blakey

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The Hon Jim Chalmers MP



THE HON JIM CHALMERS MP
TREASURER

The Hon Greg Combet AM
Chair
Industry Super Australia
s 47F

Dear the Hon Mr Combet

On behalf of the Prime Minister, I am pleased to invite you to participate in the Government's Jobs and Skills Summit.

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