



AVSUPER

annual report
YEAR 2001

individuality



The Board and management of AvSuper would like to express their sympathy to those touched by the tragic events of September 11. The attacks had a particularly strong impact on all members of the aviation industry and our thoughts go out to our colleagues all around the world.

From an investment point of view, history has shown that events like this do not tend to destabilise the international financial system. Short-term fluctuations are likely but by and large, the value of financial assets will continue to be set by longer-term underlying economics.

That said, there is still great uncertainty in the current situation and much will depend on the scale of the ensuing conflict. We will continue to monitor the situation and report to members as the impact on AvSuper investments comes to hand.

message from your chairman and ceo



The AvSuper Trustee Board is pleased to present your annual report for the year ended 30 June 2001.

The AvSuper management team has always tried to give you high quality, informative annual reports. To consistently meet this objective, we must ensure that our annual report, and indeed all our communication material, remains relevant to your changing needs. With this in mind, we recently asked all members to complete a survey about our communication material. We would like to thank all those who took the time to participate.

The clear message from the survey was that you want plain-English explanations of issues that affect you as an individual member. In light of these comments, we have dedicated the first section of the report to information that will help you understand and manage your investment. This is particularly important for AvSuper members who have high average salaries and could experience difficulties with reasonable benefit limits and/or the superannuation surcharge. On page 6 we give you some good ideas for managing your potential liabilities in these areas.

The first section also contains an overview of investment performance, recent legislative developments that affect individual members, and AvSuper's key benefits. Overall, the first section could be described as things you might want to know. The second section of the report contains all the information we are legally required to include - things we have to tell you.

Recent media criticism about the safety of some superannuation funds has naturally raised questions from our members. We would like to reassure you that your savings are secured by a disciplined investment process supervised by your Board. The investment strategies authorised and implemented by the Board are designed to deliver above-average investment performance without unnecessary risk. For this financial year, the Fund achieved a return of 6%, compared to the Mercer median return of 5.4%, which places AvSuper 12th out of 39 in the Mercer fund performance survey for the financial year.

One of the most pleasing developments for the Fund over the past year was a decision by the Federal Government to pay all money owing for past Commonwealth Superannuation Scheme members. This resulted in a final payment by the Commonwealth of \$71.45 million to the Fund, which meant that its investible asset base rose to \$554 million at the end of the financial year. The payment has consolidated AvSuper's position as a fund of real substance and provides a sound asset base for future growth strategies. For members, it means we will be in a better position to negotiate more cost-effective fund management arrangements and provide improved services.

More than 15% of AvSuper's asset base is now made up of your voluntary contributions to accumulation accounts. This has encouraged the Fund to pursue investment choice for members contributing to the accumulation section. The intention is to provide sufficient choice and flexibility so you can tailor your investment strategies according to your individual circumstances and objectives. The Fund is currently working on these arrangements.

In summary, it is pleasing to report that we are building on what has become a history of solid returns and very loyal membership. AvSuper is looking to the future with confidence as we continue to develop and implement initiatives that will enhance your superannuation arrangements. May we also take this opportunity to wish our members and their families a very happy Christmas and a prosperous New Year.

A handwritten signature in black ink, appearing to read "David E Leggo".

David E Leggo
Chairman

A handwritten signature in black ink, appearing to read "Denis Carroll".

Denis Carroll
Chief Executive Officer

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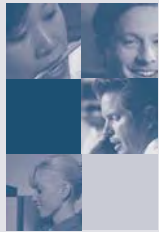
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how much did AvSuper return in 2000/01?



HIGHLIGHTS

- > 6.0% credited to members' accounts
- > Average of 10.0% pa credited to members over the last 10 years compared with Average Weekly Earnings (AWE) of 3.9% pa over the same period

The 2000/2001 financial year has been a very testing period for superannuation funds. They have been tested by the global technology downturn, the lack of confidence internationally in the Australian dollar, and some conspicuous local share market disasters. The poor performance of international shares compounded the problems for super funds investing offshore. Fortunately, the Australian share market performed reasonably well and those funds with appropriately diversified portfolios were also able to extract value from the property and fixed interest markets, both in Australia and overseas.

The Australian dollar finished the year slightly above US50 cents, more than 15% lower than the beginning of the year. The lower dollar was good news for Australian exports and it gave a much needed boost to local markets.

While AvSuper had a reasonable allocation to international equities, the Fund was still able to produce an above benchmark return of 6% net, due mainly to its well diversified portfolio that produced relatively strong contributions from global bonds, direct and listed property and Australian shares. The result was particularly pleasing for AvSuper because it was achieved with a benchmark cash weighting of 3%. The median balanced fund return of 5.4% was achieved with a significantly higher cash weighting. In other words, AvSuper was able to deliver an above benchmark return while being fully invested with a low weighting to cash. This good performance demonstrates the robust nature of the AvSuper portfolio, which has recorded a sound return amid very volatile market conditions.

The star performer for the Fund for the year was Australian shares manager, Maple-Brown Abbott, which delivered a net return of almost 18%. A strong 13.1% return from HSBC for listed property was also commendable.

At the end of last year, in recognition of the continuing volatility of the Australian dollar, AvSuper appointed Lee Overlay Partners as the Fund's currency manager. The appointment was made to protect the Fund's exposure to international equities, and to take advantage of possible future changes in the direction of the Australian dollar.

In April this year, AvSuper appointed Bank of Ireland Asset Management as an additional international equities manager. This appointment immediately yielded results with better performance and improved style diversification for that portfolio.

The emerging markets segment of the AvSuper portfolio (2.5%) continued to underperform and the Board decided to terminate that mandate. The money has been reallocated to the mainstream international equities managers.

Overall, the Board was pleased with the Fund's performance for the year to 30 June 2001. Looking ahead, single-digit returns are now considered a reflection of normal market conditions. In light of this, the Board is reviewing its current asset allocation and considering alternative investment products.

Finally, the Board would like to assure members that AvSuper will continue to pursue responsible investment management practices underpinned by thorough research of investment products and investment managers.

INVESTMENT RETURNS FOR SECTOR MANAGERS

Australian equities	
Maple-Brown Abbott	17.88%
Westpeak	11.28%
International equities	
ABN AMRO	-11.50%
Fidelity	-4.27%
BIAM ¹	4.36%
Emerging markets	
Schroders	-14.07%
Listed property	
HSBC	13.10%
Unlisted property	
Colonial First State	9.07%
Commonwealth Property	8.00%
Fixed interest	
Loomis Sayles	7.68%
Cash	
Barclays	5.21%
Currency	
Lee Overlay Partners ²	0.51%

¹ Commenced 4 April 2001

² Commenced 8 December 2000

FUND INVESTMENT PERFORMANCE

Year	Net return %	Average Weekly Earnings (AWE) %	Return in excess of AWE %
00/01	6.0	4.7	1.3
99/00	17.1	4.2	12.9
98/99	8.7	3.3	5.4
97/98	9.7	3.9	5.8
96/97	18.4	4.0	14.4
95/96	10.8	3.5	7.3
94/95	6.8	3.1	3.7
93/94	8.2	2.8	5.4
92/93	7.8	2.6	5.2
91/92	7.1	4.2	2.9

BENCHMARKS & RANGES

As part of its investment strategy, the Fund has adopted the following asset allocation benchmarks and ranges:

Asset class	Benchmark	Range
Australian equities	37%	27% - 47%
International equities	22%	12% - 32%
Emerging markets	3%	Nil - 5%
Property	10%	Nil - 20%
Fixed interest	25%	15% - 35%
Cash	3%	Nil - balance

Other assets

The Trustee Board is required to notify members of any single investment that exceeds 5% of the value of the Fund's assets. The Trustee Board confirms that AvSuper does not have any investments that fall into this category. In addition, none of the assets of the Fund are invested in your employer or other related bodies ie Airservices or the Civil Aviation Safety Authority (CASA).

During the 2000/2001 financial year, AvSuper did not directly purchase, sell or hold any option, futures positions or other synthetic investments. Investment managers are permitted to use options, futures and other derivative instruments to help manage the Fund's assets, but not to gear the portfolio. The Trustee Board expects that in the long term, the use of derivatives will increase the Fund's investment returns and reduce risk, although the effect will vary from year to year.

Investment strategy

The Trustee Board:

- uses investment managers who have demonstrated the ability to achieve returns above the industry average without undue risk
- has appointed an Investment Committee from its Board, which meets at least quarterly to review the Fund's investments and advises the Board on its investment portfolio. The Committee's reporting covers performance of the Fund's investment managers, preferred asset mix, and appropriate measures to meet the Fund's liquidity requirements
- uses professional investment advisers to assist investment decision-making

INVESTMENTS BY FUND MANAGER

Fund manager	30 June 2001		30 June 2000	
	\$	%	\$	%
ABN AMRO Asset Management	47,899,051	8.6	55,516,709	12.1
Barclays Global Investors	17,777,242	3.2	21,644,526	4.7
BIAM Australia ¹	31,125,176	5.6	-	-
Colonial First State Investments	7,909,708	1.4	7,875,654	1.7
Commonwealth Property	29,766,858	5.4	15,328,328	3.3
Fidelity Investments Australia	44,443,538	8.0	47,555,392	10.4
HSBC	15,074,651	2.7	13,154,691	2.9
Lee Overlay Partners ²	125,985	-	-	-
Loomis Sayles	120,169,716	21.7	112,692,486	24.6
Maple-Brown Abbott	93,927,656	17.0	88,791,083	19.3
Schroders	14,189,003	2.6	13,253,011	2.9
Tactical Global Management ³	40,055,942	7.2	-	-
Westpeak Global Investment Advisors	91,740,149	16.6	83,070,237	18.1
	554,204,675	100.0	458,882,830	100.0

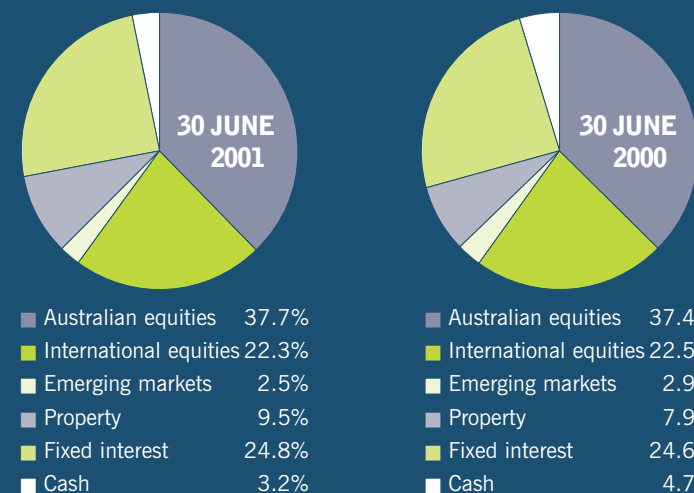
¹ Commenced 4 April 2001

² Commenced 8 December 2000

³ Commenced 27 June 2001

ASSET ALLOCATION

The pie charts below show the asset allocation for the Fund.



what AvSuper is really worth to you

In today's climate of lower investment returns, the question of value in superannuation funds, particularly the level of fees charged, comes sharply into focus.

A few years ago, when superannuation funds were comfortably earning double-digit returns, the percentage taken by fees seemed relatively insignificant. More recently, however, with the average return hovering around the 5% to 6% mark or less, the management fee takes on much greater significance.

For those AvSuper members whose benefits are provided through the defined benefit account, the rising proportion of fees has no effect on their final payout. However, for the increasing number of members who are using the AvSuper accumulation account for additional savings, the amount of money retained in their account is critical.

When we introduced the accumulation account as a form of voluntary saving for eligible spouse and deferred benefit members, we deliberately set out to keep the fees to a minimum. As a result, the fee was limited to an administration or bookkeeping fee only, which simply represented a recovery of the amount our own administrators charged for member administration and accounting.

When superannuation funds were comfortably earning double-digit returns, the percentage taken by fees seemed relatively insignificant. More recently, however, with the average return hovering around the 5% to 6% mark or less, the management fee takes on much greater significance.

This method of charging is rare in the superannuation industry, and it is a policy that represents tremendous value for AvSuper members. AvSuper is able to maintain its fees at this very low level because it is a non-profit organisation that exists solely for the benefit of its members.

In dollar terms, our fee works out at 60 cents per week for eligible spouse and deferred benefit members, and just over \$1.00 per week for allocated pensions. This level of fees puts AvSuper among the most cost-effective superannuation savings vehicles in the country.

In comparison with our bookkeeping fees, the fees charged by other managed funds, often in the vicinity of 1% of assets under management, seem very large indeed.

just what's in it for you?

As a member of a non-profit super fund, you already have a head start over members of other funds. On top of no entry fees, no commissions, and no exit fees, you can also take advantage of:

- > benefit payments within three working days
- > annual benefit statements issued within five weeks of year end
- > flexible contribution rates to suit changing individual circumstances
- > catch-up contributions if you went on special unpaid leave
- > additional regular and lump sum contributions - even after leaving service
- > eligible spouse contributions – taxation rebates apply if you have a non-working or low-income earning spouse
- > rollovers of any amount accepted by the Fund
- > a deferred benefit (rollover) account if you want to earn good investment returns with low fees after you leave employment
- > allocated pensions
- > a facility for managing your surcharge debt while you are a member
- > regular communication material including AvSuper bulletins that keep you up-to-date with the latest changes to the Fund and the super industry.

The challenge for the Board and staff of AvSuper is to maintain these high service standards while planning for future growth and continuing to introduce initiatives that will benefit our membership base. We are confident of meeting the challenge.

More information about the flexibility offered to AvSuper members can be viewed on the AvSuper website www.avsuper.com.au

We are constantly upgrading the website so it's a good idea to pay regular visits and see what's new. How the Fund works, Fund information, investment returns, member services, benefit calculators, copies of forms, contact details ... it's all there. And if you have any questions, complaints or comments, just send us an e-mail. You can do that from the site too.

some taxing issues...

Generally speaking, the average salary of AvSuper members is higher than the average salary of members of comparable funds. This has implications for the taxation liabilities of AvSuper members while their money is in the Fund and on withdrawal from the Fund.

While in the Fund - the superannuation surcharge

The superannuation surcharge is a tax on fund members considered by the Australian Taxation Office to be high-income earners. The impact of the tax on defined benefit fund members must be carefully considered because if it is not managed properly, it has the potential to seriously erode your superannuation savings and your retirement plans.

To help those members who are, or might be, caught in the surcharge net, AvSuper offers the option of establishing an offsetting accumulation account to keep the level of surcharge liability under control.

The process works like this. The government requires the individual funds (ie AvSuper) to meet the surcharge debt of each of its members. That debt is recorded as a debit in the member's account and grows at the Fund's annual earning rate. It grows this way because if the Fund didn't pay the debt on the member's behalf, then that money would be available for the Fund to invest.

Establishing an offset account to match this debt is a convenient way to manage your surcharge liability. The longer the debt is allowed to accumulate without any offsetting arrangement, the greater the reduction in your final benefit at the time the debt is settled. For younger contributors on comparatively high salaries, this debt can grow into a serious liability.

AvSuper encourages all members who may incur a surcharge liability to discuss their options with a suitably qualified financial adviser.

On withdrawal from the Fund - reasonable benefit limits

While we are always encouraging you to increase your contributions to AvSuper, there is a point where additional contributions may not be in your best financial interests. This point is known as your reasonable benefit limit or RBL. It refers to the maximum amount that you may receive from a super fund that qualifies for tax concessions. Amounts in excess of your RBL taken as a lump sum will be taxed at the highest marginal rate, currently 48.5% including the Medicare levy. This is considerably more than the concessional rate that applies to amounts below the RBL.

Like the superannuation surcharge, the RBL is particularly relevant to members of AvSuper because of their comparatively high salaries. It is likely that a high proportion of our members will reach their RBL well before they finish working, so it is important to have a strategy in place if and when this occurs.

A professional financial adviser will review your current superannuation arrangements and ensure that your superannuation strategy takes account of the RBL rules. AvSuper has established a relationship with two financial planning groups - Mercer Financial Planning and Australian Private Capital. Both groups have offices throughout Australia. The first consultation for AvSuper members is free, providing the consultation is to discuss pre-retirement (within 12 months), retirement, resignation, redundancy, or where there are specific investments to be made. In other circumstances, you should clarify the costs with the individual adviser.

For details of the individual offices, please contact AvSuper.

and don't forget...

Nomination of beneficiaries

Your personal circumstances are often changed by events like marriage, divorce, childbirth or illness so it is important to update your beneficiaries to reflect these changes. In the event of your death, the Board will take your wishes into account when deciding who will receive the benefit but ultimately, the decision rests with the Trustee. You can download a nomination form from the AvSuper website or request one from your pay office. Forms should be sent to your pay office for processing.

Rolling over from another fund

You can roll over benefits held in other complying superannuation funds into AvSuper at any time. Consolidating your superannuation in one account makes it easier to monitor and usually means lower fees.

Withdrawals from your deferred benefit (rollover) account

You may withdraw a minimum of \$5,000 of any non-preserved cash amount from your deferred benefit account at any time.

Making additional contributions

You may make additional contributions to your accumulation account at any time. These contributions are subject to preservation. If you have a deferred benefit (rollover) account and have been gainfully employed at any time in the previous two years, you can also make additional contributions to your account. Tax concessions apply to the earnings and there are no additional fees.

Making eligible spouse contributions

AvSuper accepts after-tax contributions on behalf of your spouse. A tax rebate for these contributions may be available. You may make additional contributions to the eligible spouse account at any time, including rollovers from other approved superannuation arrangements.

Paying out benefits faster

For prompt payment of a benefit when leaving the Fund, you should complete a Request for superannuation benefit (RSB) form as soon as your departure date is known. If all the details on the form are correct, the Fund's administrator can process payments quickly, usually within three working days. RSB forms are available from the AvSuper website or your pay office. They should be returned to your pay office when completed.

Insurance cover after you leave

If you leave your AvSuper employer and you are under age 60, you can choose to continue your death cover without having to provide detailed evidence of good health. The current insurer is ING. To continue the cover, the offer must be taken up within 60 days of leaving the employer. The AvSuper administrator at William M Mercer will make the necessary arrangements. The administrator can be contacted on (03) 9245 5555. This offer is subject to the conditions of insurance at the time.

**Pay lower fees by rolling over balances
from other funds into AvSuper**

stop press

Election promises

The Coalition Government announced a number of superannuation and saving initiatives in a policy statement prior to the November 2001 election. These included a partial reduction in surcharge rates, contribution splitting, a low-income earner's rebate, and allowing contributions of up to \$1000 a year for children. AvSuper will keep you up-to-date on the implementation of these proposals.

Investment options for AvSuper accumulation members

Towards the middle of next year, AvSuper will be introducing a choice of investment options for members of the accumulation section. This is a significant step in the development of our fund because it means members of our rapidly-growing accumulation section will be able to choose how their voluntary contributions are invested. In this era of compulsory superannuation and self-funded retirement, it is important that individual members can choose an investment strategy that best suits their retirement plans and investment objectives.

The design of the investment options is still under discussion and we will bring you more information when we are closer to a final decision. We are also preparing a comprehensive communication and education program so all members will be able to make an informed decision about their investment choices when they are available.

Divorce and super benefits

Recent changes to the Family Law Act mean that superannuation will be treated in the same way as other assets when couples divorce. Either party's superannuation can be divided at the time of the divorce - by agreement or by obtaining a court order. While the changes are expected to come into effect during 2002/2003, they will apply to marriages dissolved before then provided the property settlement has not been finalised.

Choice of fund update

The choice of fund proposals were recently debated in the Senate and defeated. The proposals included changing the commencement date of the choice of fund provisions to 1 July 2003 and removing the limited choice (four fund) option.

Changes to privacy legislation

Privacy laws have been reviewed to set out basic standards for how funds collect, use, transfer, and store private member information. One of the purposes of the new Privacy Amendment (Private Sector) Act 2000 is to inform members how the information will be handled and for what purposes it will be used. The Act comes into effect on 21 December 2001.

Future increase in superannuation guarantee (SG) rate

The next increase in the SG minimum contribution rate to 9% of salary will be on 1 July 2002. This is the minimum amount of superannuation support your employer must provide. There are no plans to increase compulsory employer contributions beyond 9%.

financial results for 2001

This is a summary of the Fund's audited financial statements for the years ended 30 June 2001 and 30 June 2000. The full audited financial statements, including the audit report, are available on request from the Fund's staff, whose contact details are shown on the back cover.

Actuarial review

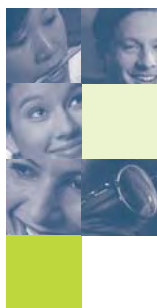
The Board requires an annual actuarial review and valuation of the Fund's assets and liabilities, even though government regulations only require a review every three years. As at 30 June 2001, the actuary reported that the Fund was in a sound financial condition. The Fund's assets exceeded its accrued liabilities at that date.

Statement of net assets at 30 June	2001	2000
	\$	\$
Assets		
Investments	554,204,675	458,882,830
Other assets	7,323,640	78,335,944
Total assets	561,528,315	537,218,774
less		
Liabilities		
Benefits payable	919,686	2,198,987
Provision for income tax	13,599,363	9,308,078
Provision for deferred tax	5,444,312	17,598,803
Other liabilities	477,428	363,866
Total liabilities	20,440,789	29,469,734
Equals		
Net assets available to pay benefits	541,087,526	507,749,040

Statement of change in net assets	2001	2000
	\$	\$
Opening balance at 1 July	507,749,040	489,320,591
plus		
Income		
Net investment revenue	24,016,334	68,355,310
Employer contribution (including salary sacrifice)	35,524,497	34,343,422
Member contributions	5,116,664	3,738,928
Transfers from other funds	17,082,729	25,209,002
Proceeds from group life insurance policies	237,130	295,549
Group life profit-sharing rebate	-	30,648
Other income	-	(35,169,134)
Total income	81,977,354	96,803,725
less		
Outgoings		
Benefits paid	38,076,348	67,216,892
General administration expenses	1,386,561	1,296,374
Group life insurance premiums	823,764	1,059,848
Income tax expense	6,800,504	7,894,331
Superannuation contributions surcharge	1,551,691	907,831
Total outgoings	48,638,868	78,375,276
Equals		
Net assets at 30 June available to pay benefits	541,087,526	507,749,040



membership and contributions



As a member of AvSuper, you are entitled to a range of benefits payable in the event of your retirement, resignation, retrenchment, death or disablement.

The benefits payable to most AvSuper members are called 'defined benefits'. This means they are calculated according to a formula based on your final average salary, your contributions and the length of time you have been in the Fund. A defined benefit fund offers two important advantages:

1. your benefit automatically increases as your superannuation salary increases
2. your benefit is determined independently of investment markets. Although all contributions are pooled and invested in assets such as shares, property and fixed interest, your account balance is not affected by the returns on these investments. This is because your employer underwrites the benefits payable by making extra contributions if circumstances require, for example, if the investment markets have a bad year.

Contributions 2000/2001

Member contributions		\$
After-tax	5,116,664	
Before-tax (salary sacrifice)	9,792,121	
Employer contributions		
CSS members	2,113,891	
Full members	23,618,485	

Benefits 2000/2001

Benefit type	Number of members	\$
Retirement	38	4,223,201
Disability	2	75,675
Death	2	518,667
Resignation	160	12,411,240
Retrenchment	328	20,847,565
TOTAL	530	38,076,348

Contributions

Airservices and CASA's total contributions for all members were equivalent to 18% of superannuation salaries for Air Traffic Controllers (ATCs), 15% for non-ATCs and 3% for CSS members. The Fund has received all contributions required from Airservices and CASA for the year. The amount received was greater than the amount recommended by the Fund actuary for the year.

At 30 June 2001 there were 763 members who left their employer and chose to preserve their benefits in the Fund. The total amount of retained benefits in the Fund was \$66,993,094.

At this date, there were 80 eligible spouse member accounts with a total of \$1,382,097.

There are three categories of membership in AvSuper:

1. Full membership

For those staff who elected to transfer from the Commonwealth Superannuation Scheme (CSS), and all new starters in Airservices.

2. CSS membership

For those staff who decided to remain in the CSS.

3. Accumulation-only membership

For those members who are part of the accumulation section only. These include members with a deferred benefit, allocated pension or eligible spouse member account.

Membership 2000/2001	Full members	CSS members	Accumulation members	Total
Membership at 1 July 2000	2,507	850	582	3,939
New members	111	0	370	481
Members who left	337	114	79	530
Membership at 30 June 2001	2281	736	873	3,890

some important details

Interest

The interest rate used to update accumulation accounts (including additional contributions, eligible spouse contributions or deferred benefit accounts) is based on the earning rate of AvSuper's investments net of tax and investment management fees. Interest is credited to your accumulation account on 30 June each year. Pro-rata interest applies for part years. The rate for the year ended 30 June 2001 was 6.0%

Fees and charges

An administration fee applies to deferred benefit, allocated pension and eligible spouse accounts. The fee is fixed at a rate that covers the administration cost of maintaining the accounts. The fee is deducted at 30 June each year. Pro-rata fees apply for part years.

There is no cost for the first two lump sum withdrawals from your deferred benefit account or commutations from your allocated pension each financial year. Additional withdrawals or commutations during the financial year incur a \$40 charge. This fee is set on a cost recovery basis.

For Full members and CSS members of AvSuper, the Fund's administrative costs, investment management fees, tax on investment income, insurance premiums (if any), and other expenses are paid by the Fund.

Where employer-paid contributions, including salary sacrifice contributions, are credited to your account, a contributions tax of 15% is applied.

All amounts deducted from your accounts to 30 June 2001 are shown on your annual benefit statement.

Small amounts

The Government's member protection legislation requires that account balances of less than \$1,000 be protected from erosion by administration fees. Such fees debited to your account will be no more than the earnings credited. As administration fees do not include Government taxes, such taxes will continue to be deducted where appropriate.

Unclaimed benefits

If a benefit is left in the Fund for more than 28 days, and the Trustee has not received instructions on how or where the benefit is to be paid, it may be treated as 'unclaimed'.

Any unclaimed benefit of \$1,000 or more will be retained in the Fund. The unclaimed benefit will be transferred into a deferred benefit (rollover) account established in your name. Any enquiries that you may have concerning the benefit that has been transferred to the AvSuper rollover account should be directed to John Hackett at AvSuper. Contact details are on the back cover.

Unclaimed benefits of less than \$1,000 are transferred to an eligible rollover fund (ERF). These are funds approved by the Australian Prudential Regulation Authority (APRA) to receive benefits payable to members who cannot be located or who do not respond to letters from the Trustee.

AvSuper has no further responsibility concerning the payment of a benefit that has been transferred to an ERF. If you have an enquiry concerning the benefit that has been transferred to the ERF you should contact the ERF directly. The ERF used by AvSuper is Colonial SuperTrace, Locked Bag 5429, Parramatta NSW 2124.

The contact officer is Ms Vanessa Plunckett on toll-free 1800 809 057 or fax (02) 9947 4288.

Fund compliance

The Fund is administered at all times to comply with the regulations of the Superannuation Industry (Supervision) Act (SIS) - the legislation governing superannuation. This ensures the Fund receives concessional tax treatment. The Board must lodge a return each year with the Australian Prudential Regulation Authority (APRA). The Board is not aware of any matter that would cause the Fund to lose its complying status, and believes that AvSuper will continue to comply with SIS and also, where necessary, the requirements of past legislation.

Indemnity insurance

The Trustee has taken out trustee indemnity insurance to protect the Board, its Directors, and the Fund. At 30 June 2001, this was provided through Chubb Insurance Company of Australia Limited.

Trust Deed changes

There were no amendments made to the Trust Deed during the year.

who's responsible for AvSuper?

The Trustee

The Fund's Trustee is AvSuper Pty Ltd ACN 050 431 797. The Directors of the Trustee Board manage the Fund and are responsible for making sure it is run in accordance with the Trust Deed (the legal document governing the Fund) and superannuation law.

There are eight Trustee Directors - four are appointed by the principal employer, Airservices Australia, and four are nominated/appointed by the ACTU.

Airservices Australia-appointed

Ron Entsch

Board Member Airservices Australia

Hisham El-Ansary

Chief Financial Officer and
General Manager Corporate Services

Tom Grant

General Manager Organisation
Development and Corporate Secretary

David Leggo

FIR Manager - Chairman AvSuper Pty Ltd

ACTU-nominated/appointed

Michelle Burgett

CPSU

George Fishlock

CAOOAA (Civil Air)

Steve Mahoney

CPSU Communications Section

Jeff Walsh

United Firefighters Union

AvSuper staff

The AvSuper team members are Denis Carroll (Chief Executive), John Hackett (Administration Manager), Marie O'Shea (Administration Officer) and Leanne Turner (Executive Officer). Each member of the team is responsible for the efficient ongoing operation of the Fund and provides support to the Trustee Directors and members. Contact details are on the back cover.



Left to right: Tom Grant, Ron Entsch (seated), David Leggo, Hisham El-Ansary, Michelle Burgett (seated), Jeff Walsh, Stephen Mahoney, George Fishlock (seated)

Advisers to AvSuper

AvSuper employs a number of specialist consultants and advisers to ensure the Fund operates as efficiently as possible. These are:

Actuary

CHR Consulting Pty Ltd

Auditor

Andersen

Legal adviser

Freehills

Fund administrator

William M Mercer Pty Ltd

Communication consultant

Aon live wire

Group life insurer

ING

Taxation adviser

PricewaterhouseCoopers

Master custodian

National Australia Custodian Services

Asset consultant

William M Mercer Pty Ltd

Investment managers

Refer to page 6

enquiries, complaints and more information

If you have a question, comment or suggestion about the Fund or its benefits, you can contact AvSuper by phone, email, fax or letter. (See contact details on the back cover).

You may also request a copy of documents such as the Trust Deed, extracts from the actuarial report, the audited accounts, auditor's report, and the Fund's investment policy statement.

Don't forget that you can order a form and check your benefits 24 hours a day, 7 days a week at the AvSuper website www.avsuper.com.au

In most cases, enquiries can be answered over the phone. If not, you should put your enquiry in writing. Answers to written enquiries will be sent within 28 days. If you are not satisfied with the response, or you wish to lodge a complaint, you should write a letter to the Fund's Chief Executive, Denis Carroll. Denis may refer complaints to a special committee of the Trustee Board. A decision from the Trustee Board will be sent within 90 days.

If you are not satisfied with the Board's decision, the complaint may be taken to the Superannuation Complaints Tribunal (SCT). The Tribunal is an independent body set up by the Federal Government to help members resolve superannuation complaints. The Tribunal should only become involved if the special committee of the Trustee Board has been unable to reach a satisfactory conclusion. If the Tribunal accepts your complaint, it will try to help the Fund and you reach a mutual agreement. If this is not successful, the Tribunal will make a decision that is binding on all parties.

If you wish to know whether the Tribunal will accept your complaint, or the type of information the Tribunal requires, you may phone one of the following numbers for the cost of a local call from anywhere in Australia.

13 14 34 Superannuation Complaints Tribunal

13 10 60 Australian Prudential Regulation Authority



AvSuper team members: John Hackett (Administration Manager), Marie O'Shea (Administration Officer), Leeanne Turner (Executive Officer)





AvSuper contact details

Postal **GPO Box 367, Canberra ACT 2601**
Telephone **(02) 6268 4722 or 1800 805 088**
Facsimile **(02) 6268 4469**
e-mail **avsinfo@avsuper.com.au**
website **www.avsuper.com.au**