



your super
your responsibility

our concern



annual report 2003

2	on reflection
3	a snapshot of 2003
4	your Fund – an overview
5	your Fund – performance
6	defined benefit section
8	accumulation section
10	super tips
11	financial summary
12	who's looking after your super?
13	protecting your super
15	any questions?
15	how to contact us

on reflection

The AvSuper Trustee Board is pleased to present your 2003 annual report. The basis of its design and format has been inspired by those members who responded to our recent survey. If that's you – thank you! Your feedback is very valuable to us. It enables us to understand your queries and concerns so that we can provide information to you that is relevant and in a format that suits the majority of our membership.

The clear message from the survey was that you want a simple report written in plain English. There is, of course, a certain amount of information that we are legally obliged to include in the report but we have tried to cover it all, including the other information you wanted to see, as simply as possible.

2003 saw a number of significant happenings occur with the Fund – not the least of which was the closure of the defined benefit section. With all new members now belonging to the accumulation section, member investment choice has become an even more valuable Fund feature. We've provided an update on member investment choice on page 3.

Whilst AvSuper's return for its core Growth portfolio of 0.1% was only marginally positive, it was nonetheless, somewhat pleasing to the Board, given the negative performance trend of the markets throughout the financial year. The median return in the Mercer Pool Fund survey was -1.7%. This would place AvSuper 6th out of 35 funds for the 12 months to the end of June 2003, 8th over three years and 2nd over five years. We believe this is evidence of the Trustee Board's commitment to achieving above average returns over the longer term, without unnecessary risk. Of course, those members who are in the defined benefit section of the Fund have been insulated from the effects of poor performing investments. For their part,

Airservices Australia and CASA have ensured the defined benefit section remained fully funded by injecting an additional \$40.1 million into the Fund.

Going forward, the coming year is set to be another challenging one for the Board and management with increased regulatory responsibility. AvSuper has applied for a licence under the Financial Services Reform legislation. The licence, once granted, will impose a further layer of regulatory standards in relation to how the Fund is operated, how the management team performs and how we communicate with you. It also gives the Fund scope for future growth, which the Board believes is in the best interests of our members and our employer sponsors.

AvSuper is not obliged to seek such a licence but we welcome the opportunity to participate in reform that will ultimately lead to better practices and disclosures in an industry that has come under intense scrutiny in recent years. More importantly, it means you know that your Fund is operated and managed by licensed professionals, who are committed to improving their service to you.

AvSuper is your Fund and you have a responsibility to yourself and your dependants to understand it as much as possible. Sometimes doing that can seem difficult – especially when the rules and regulations seem to change all the time. Reading your annual report and other documentation we produce for you and checking the website for more information will give you a good start in understanding your Fund. But don't forget, we're always here to help.

David Leggo, Chairman
Denis Carroll, Chief Executive Officer



^ David Leggo



v Denis Carroll



a snapshot 2002/2003

Fund returns

The Fund's core Growth portfolio returned 0.1% for the full year, and 5.0% for the nine months following the introduction of member investment choice.

Options	%*
Cash	2.8
Stable Growth	7.4
Growth	5.0
High Growth	2.4

* for the period 1 Oct 2002 to 30 June 2003.

Member investment choice

Member investment choice for accumulation accounts was introduced in October 2002. As at 30 June 2003, 12.7% of members had taken advantage of this feature. The most popular option was Stable Growth, although the majority of those making choices spread them across all four options.

Closure of defined benefit section

The Airservices Australia 2002 Certified Agreements saw the closure of the defined benefit section of the Fund to new members. Consequently, all new employees since 25 October 2002 are admitted to the accumulation section of the Fund. The defined benefit section was also closed to rollovers from 29 November 2002, so since then, any monies transferred to AvSuper from another superannuation fund are allocated to the accumulation section. Existing members who have a defined benefit interest, ie Full members and CSS members, have an opportunity, until 29 February 2004, to transfer their superannuation entitlement from the defined benefit section to the accumulation section. A comprehensive guide, covering all the issues you need to know, is available from our website www.avsuper.com.au

Members of the CSS and PSS can now contribute to AvSuper

Approval has been granted by Airservices Australia, as the principal employer sponsor, to allow employees of Airservices Australia and the Civil Aviation Safety Authority (CASA) who are members of either the Commonwealth Superannuation Scheme (CSS) or the Public Sector Superannuation (PSS) Scheme to make voluntary contributions to AvSuper. Details are available on the website www.avsuper.com.au

Family law and superannuation

Changes to the Family Law Act mean that superannuation is now treated as property in relation to property settlements for married couples who separate or divorce. Contact us or visit the website for more details. Just look under "Fund Essentials" and you'll find a section on family law issues.

New fund managers appointed

During the year three new managers were appointed – Super Members Home Loans in the cash sector; Fiduciary Trust International in the property sector; and Colonial First State Hedge Funds in the international shares sector. Their performance for the year is reported at page 5. Don't forget, our investment in Super Members Home Loans provides you with the opportunity to access a range of competitive banking products including low cost home loans, personal loans and credit card with Members Equity (ME), Australia's newest bank. For more information, contact ME on 1300 654 990 or visit their website www.membersequity.com.au

your fund

overview

You belong to a “hybrid” fund. This simply means that AvSuper has both a defined benefit section and an accumulation section. Broadly speaking, the difference between defined benefit and accumulation is that the benefits paid from the defined benefit section are calculated according to a formula, with the employer bearing the investment risk. Benefits paid from the accumulation section are the sum of all contributions and investment earnings, less any fees and charges, with the member bearing the investment risk.

The defined benefit section has been closed to all new members since 25 October 2002. Existing members with a defined benefit interest have an opportunity to transfer their entitlement out of the defined benefit section and into the accumulation section. The opportunity closes on 29 February 2004. A comprehensive transfer guide is available from the website www.avsuper.com.au

So which section do you have money invested in? Well that depends on what type of member you are. Basically there are three categories of member: Full members, CSS members and Accumulation only members.

Full members currently make up the majority of the Fund's membership. If you've been with the Fund since it commenced in 1990 or you were employed by Airservices Australia before 5 August 2002 in a non-ATS role or before 25 October 2002 in an ATS role, you are a Full member.*

CSS members are those Airservices Australia employees who elected to stay in the CSS when the Fund commenced in 1990. The majority of CSS members' superannuation entitlements are provided through the CSS. However, a 3% award benefit is provided through AvSuper's defined benefit section.

Accumulation only members include all Airservices Australia employees since 5 August 2002 (non ATS) and 25 October 2002 (ATS), ex employees who opt to keep their entitlement with AvSuper, eligible spouses, members who have an allocated pension with AvSuper and any employees of Airservices Australia or CASA who are members of the CSS or PSS and have opened an account with AvSuper.

*There are a few exceptions to this rule.

The table below outlines each of these categories and where your money is in the Fund.

	Full members	CSS members	Accumulation only members				
			Airservices Australia employees	Retained members	Eligible spouses	Allocated pensioners	Members of the PSS or CSS
Your employer contributions (if any)	Defined benefit	Defined benefit	Accumulation	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Your own voluntary contributions (if any)	Defined benefit and/or Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Any amounts rolled in from another fund*	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation

*prior to 29/11/02 rollovers were allocated to the defined benefit section unless otherwise advised

Investment manager summary

Fund manager	Asset sector	Net return %	Asset allocation			
			30 June 2003		30 June 2002	
			\$m	%	\$m	%
Maple-Brown Abbott	Australian shares	-2.2	82.6	14.3	85.1	16.0
Westpeak		1.2	76.1	13.2	75.7	14.2
ABN AMRO	International shares	-17.5	52.7	9.1	55.7	10.4
Fidelity		-20.4	40.3	7.0	53.2	10.0
BIAM		-14.9	46.3	8.0	35.1	6.6
Colonial First State (Hedge Fund)		3.9	13.6	2.6	commenced 25/11/02	
HSBC	Listed property	11.0	19.7	3.4	17.4	3.3
Colonial First State	Unlisted property	3.1	0.8	0.1	8.2	1.5
Commonwealth Property		8.4	74.3	12.9	58.3	10.9
Fiduciary		-7.1	0.8	0.1	commenced 17/04/03	
Loomis Sayles	Fixed interest	13.5	149.1	25.9	132.0	24.8
Barclays	Cash	4.1	11.0	1.9	11.3	2.1
Super Members Home Loans		2.5	2.6	0.5	commenced 1/09/02	
Lee Overlay Partners		Currency	0.2	5.7	1.0	1.3

your fund performance

Investment commentary

The year started with an expectation of more gloomy results. The international share market still reeling from yet another year of negative returns had to weather the effects of the SARS crisis, the ever present terrorist threats and the Iraq war. However, despite the dramatic events, there was a significant turnaround in the markets in the last quarter, which meant the final result for 2003 was better than expected.

AvSuper managed to avoid the negative results that some superannuation funds couldn't escape, delivering what can best be described as an academic positive return of 0.1%.

The Australian sharemarket again delivered a relatively strong performance compared to its international counterparts, with a net return of negative 1%.

The sharemarket, however, is not the only driver of superannuation funds' performance. For example, for the financial year as a whole, fixed interest and property had another year of good returns. In fact, they were AvSuper's best-performing asset classes with fixed interest delivering a net return of 13.5% and property delivering 8.2%. This was important for AvSuper which had 26% of its assets invested in fixed interest and 16% invested in property. The results also highlight the importance of sensible diversification of the Fund's investment portfolio.

We also cannot ignore the effect of the Australian dollar. Those superannuation funds who took the decision to fully hedge their currency exposure to overseas assets were

rewarded by the strengthening of the Australian dollar, which helped offset the overall poor performance of the international share market. For its part, AvSuper's exposure was partially hedged.

Looking forward the outlook is one of cautious optimism. We will continue to be vulnerable to geopolitical events, the US economy and the sustainability of the current low interest rate environment. Consequently, we can expect a period of restrained and uncertain performance. With this in mind, the AvSuper Board has devoted considerable time and resources to addressing the key drivers of risk and return. This will enable it to fine tune the portfolio with the aim of delivering responsible performance outcomes.

These uncertain times make member investment choice a very important feature for superannuation funds. Last year, of course was the first year that AvSuper offered member investment choice for its accumulation section and although the options have only been available since October 2002, it was pleasing to see that all four options returned a positive result.

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.

Derivatives

During the 2002/03 financial year, AvSuper did not directly purchase, sell or hold any option, futures positions or other synthetic investments. Investment managers are permitted to use these and other derivative instruments to help manage the Fund's assets. However, derivatives may only be used when they form part of the investment strategy of the Fund as a whole, having regard to the risk/return characteristics of all assets in 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. Derivatives are managed in accordance with strict guidelines set down by the Australian Prudential Regulation Authority (APRA - the industry regulator).

defined benefit

overview

- > If you are a Full member your benefit is provided through the defined benefit section. You can make voluntary contributions of any whole percentage amount between 0% and 10% to the defined benefit section. In addition, you can also contribute any whole dollar amount to the accumulation section.
- > If you are a CSS member, your 3% award benefit is provided through AvSuper's defined benefit section. You can also make voluntary contributions of any whole dollar amount to AvSuper's accumulation section.
- > Benefits payable from the defined benefit section are calculated by a formula, being your benefit multiple x your final average salary (FAS). The rate at which your benefit multiple builds up each year depends on how much you contribute. Your final average salary is the average of your superannuation salary as measured on your last three birthdays, prior to leaving your employer.
- > Contributions are flexible – you can change your contribution rate at any time.
- > You can roll over your superannuation from other funds to the accumulation section in AvSuper.
- > As your benefit is calculated by a formula, the Fund's investment performance does not affect your defined benefit.
- > Any shortfall is made up by the employer sponsors. During the year Airservices Australia and CASA contributed an extra \$40.1 million.

Investment objective

The broad objective is to maximise long-term investment returns with a minimum of risk. More specifically, the objective is to achieve a rate of return, after fees and taxes, that exceeds Average Weekly Ordinary Time Earnings (AWOTE) by 3% over rolling five-year periods.

Investment strategy

To invest in the mix of assets most likely to achieve the Fund's investment objective.

Investment return

The net rate of return for the year ended 30 June 2003 was 0.1%.

Benefit payment	Number of members
Retirement	35
Disability	1
Death	7
Resignation	125
Retrenchment	35
Total	203

Member contributions

After-tax contributions	\$2,916,268
Before-tax contributions (salary sacrifice)	\$11,962,841

Employer contributions

Full members	\$66,202,551
CSS members	\$2,085,130

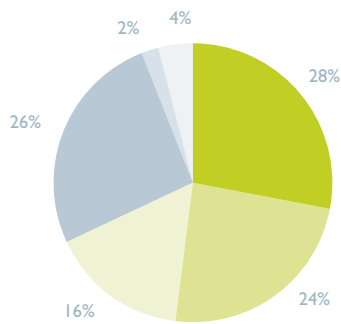
Membership

	Membership at 1 July 2002	New members	Members who left	Membership at 30 June 2003
Full	2278	26	94	2210
CSS	697	–	34	663

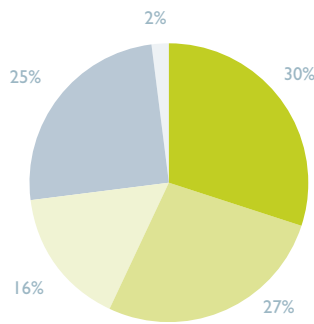
Asset allocation

The pie charts below show the actual asset allocation for the Fund as at 30 June 2003 and 30 June 2002.

■ Australian shares ■ International shares ■ Property ■ Fixed interest ■ Hedge funds ■ Cash



30 June 2003



30 June 2002

Investment performance

Investment returns vary from year to year and negative returns do happen. This table shows the Fund's performance over the last 12 years, compared with Average Weekly Earnings (AWE).

Year	Net return %	AWE %	Return in excess of AWE %
02/03	0.1	6.3	-6.2
01/02	-3.1	5.4	-8.5
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 and ranges

As part of its investment strategy, the Fund has adopted the following asset allocation benchmarks and ranges for the core portfolio.

Asset class	Benchmark	Range
Australian equities	30%	20% – 40%
International equities	30%	20% – 40%
Hedge funds	5%	Nil – 10%
Property	15%	Nil – 20%
Fixed interest	18%	15% – 35%
Cash	2%	Nil – balance

Fees and taxes

The fees associated with the defined benefit section are:

- > administration costs;
- > investment manager and custodian fees;
- > tax on investment earnings;
- > insurance premiums for death and total and permanent disablement cover (if any);
- > contributions tax of 15% on employer-paid contributions, including salary sacrifice contributions (if applicable).

These costs are deducted from Fund assets and do not affect the calculation of your defined benefit.

If you have an accumulation account as well as your defined benefit, the fees applicable to the accumulation section (see page 9) apply to your accumulation account only.

Surcharge

You may also incur a superannuation surcharge debt if you are classified by the ATO as a high-income earner. A high income earner is someone with an Adjusted Taxable Income (your taxable income plus employer and salary sacrifice contributions plus certain fringe benefits) greater than \$90,527 pa. See the website or your member booklet for more information.

accumulation

overview

- > Benefits payable from the accumulation section are calculated as the sum of all contributions and investment earnings less fees and taxes.
- > Contributions to the accumulation section are flexible – any whole dollar amount is accepted.
- > The Fund's investment performance directly affects your benefit.
- > You have a choice of four investment options (or any combination of the four) and can alter your choice at any time at no cost.
- > Your account balance is calculated using 'unitisation'. This is a way of crediting investment earnings directly to your account. When contributions are made, you are allocated the number of units your contribution will buy at the price applying on the day the contribution is received.

The value of your account goes up or down according to the value of the unit prices. Investment fees and tax are deducted before the unit price is set. Unit prices are set once a week, on a Friday.

The interest rate used to update accumulation accounts is a reflection of the investment returns for each investment option, net of the asset administration fee, investment manager and custodian fees, and tax on investment earnings. The rate of return for each option is determined by the change in the option's unit price over a given period. For this financial year that period was from 1 October 2002 to 30 June 2003.

Investment returns for 2003*

Cash option	2.8%
Stable Growth option	7.4%
Growth option	5.0%
High Growth option	2.4%

* Member investment choice was introduced on 1 October 2002. Figures above reflect returns for nine months ended 30 June 2003.

Benefit payment	Number of members
Retirement	0
Disability	0
Death	2
Resignation	28
Retrenchment	0
Total	30

Accumulation members at 30 June 2003

Accumulation members (employees)	168
Deferred members (no longer employed by ASA or CASA but money retained with AvSuper)	834
Eligible spouses	150
Allocated pensioners	25

Member contributions

After-tax contributions	\$7,941
Before-tax contributions (salary sacrifice)	\$93,910

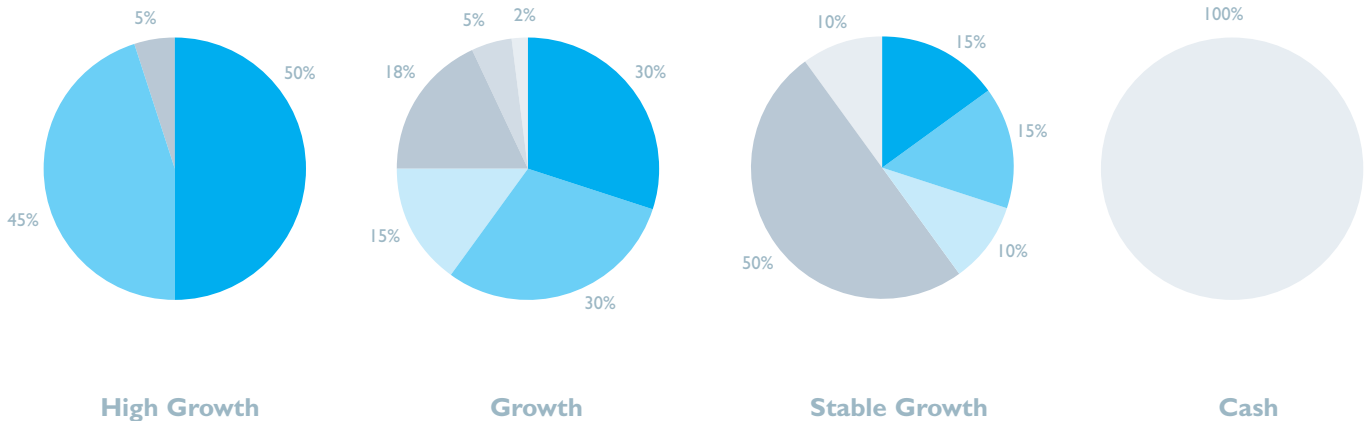
Employer contributions

Accumulation members (employees) only	\$425,671
---------------------------------------	-----------

Asset allocation

The pie charts below show the asset allocation for each of the AvSuper investment options at 30 June 2003.

■ Australian shares ■ International shares ■ Property ■ Fixed interest ■ Hedge funds ■ Cash Note that actual asset allocations are reweighted back to benchmark each month.



Investment objectives and strategies

The investment objectives and strategies of each of the options as at 30 June 2003 are shown in the table below.

	Objective	Investment strategy
<i>High Growth</i>	To provide the highest long-term returns but with high year to year volatility	Invests 100% in growth investments
<i>Growth</i>	To provide high long-term returns but with significant year to year volatility	Invests approximately 80% in growth investments and 20% in income investments
<i>Stable Growth</i>	To provide returns above the cash option but with higher year to year fluctuations	Invests approximately 40% in growth investments and 60% in income investments
<i>Cash</i>	To provide a steady return that is unlikely to fluctuate significantly from year to year	Invests 100% in cash

Fees and charges

The fees associated with the accumulation section are:

- > administration costs;
- > investment managers and custodian fees;
- > tax on investment earnings;
- > insurance premiums for death and total and permanent disablement cover (if any);
- > a contributions tax of 15% on employer-paid contributions, including salary sacrifice contributions (if applicable).

Surcharge

You may also incur a superannuation surcharge debt if you are classified by the ATO as a high-income earner. A high income earner is someone with an Adjusted Taxable Income (your taxable income plus employer and salary sacrifice contributions plus certain fringe benefits) greater than \$90,527 pa.

See the website or your member booklet for more information.

The administration costs, which include the costs associated with member investment choice, are reflected in an administration fee comprising a member fee of \$1.15 per week and an asset administration fee of 0.2% per annum of assets (ie the amount you have in your accumulation account).

The asset administration fee, investment managers and custodian fees, and tax on investment earnings are deducted from the unit price process each week. The unit prices published each week are net of these costs.

The weekly member fee and contributions tax (if applicable) are deducted from your account and the insurance premium (if applicable) is deducted from the employer contribution. These charges are deducted after the unit price process and therefore the published unit prices are not net of these costs.



super tips

To ensure you use your Fund to the best extent, consider these tips:

- > **Consider the benefits of member investment choice.** If you have an accumulation account this feature allows you to select an investment strategy of your choice. You can choose from four (or any combination of the four) investment options. Each option has its own investment strategy, objective and asset allocation, depending on the level of risk involved. You can change your option any time at no cost. For more information refer to the booklet *A guide to member investment choice*, which is available from the website or by contacting the Fund on 1800 805 088.
- > **Consolidate your superannuation accounts.** If you have amounts in other superannuation funds, you can roll them into AvSuper at no cost. Consolidating your accounts makes it easier for you to keep track of your super and reduces the fees you pay. All you need to do is complete AvSuper's benefit transfer form (available from the website or by contacting us) and send it to your other superannuation fund(s). They send us a cheque and we deposit it for you.
- > **Provide us with your tax file number (TFN).** This will ensure that the amount of tax deducted from your benefit is calculated at the lowest possible rate. If you do not provide the Trustee with your TFN, we are obliged to deduct tax at the highest marginal rate from your benefit. You can download a TFN notification form from the website or contact us and we'll provide one to you.
- > If you have a deferred benefit (rollover) account, **you can withdraw a minimum of \$5,000 of any non-preserved (cashable) amount from your deferred benefit account at any time.**
- > **Continue your insurance cover.** If you are leaving your employer, are under age 60 and have not claimed a disablement benefit from AvSuper, you can take out, at your expense, the same amount of death cover you had while in the Fund and paying for it yourself. To continue the cover, the offer must be taken up within 60 days of leaving your employer. AvSuper's administrator, Mercer HR Consulting, makes the necessary arrangements and you can contact them on (07) 3234 4943. This offer is subject to the prevailing insurance conditions at the time.
- > **Consider the benefits of opening an eligible spouse member account.** Not only will you be helping your spouse save for retirement, you may be eligible to receive significant tax benefits. Have a look at AvSuper's *eligible spouse contributions* booklet for more information.
- > When you become eligible for a benefit from the Fund, **AvSuper offers you the option to establish an allocated pension.** You need a minimum deferred benefit account balance of \$15,000, but you do not have to convert all of your account to an allocated pension. The advantages of an allocated pension, as well as more detailed information about how it works, are contained in AvSuper's *allocated pensions* booklet.
- > **AvSuper members can apply for loans and a credit card** through one of the cheapest providers in Australia, **Super Members Home Loans (SMHL)**. SMHL is owned by Members Equity which is a bank available only to members of participating superannuation funds, such as AvSuper. Contact Members Equity directly on 1300 654 990 or visit their website www.membersequity.com.au for more information about their range of products.



financial summary

This is a summary of the Fund's unaudited financial statements for the year ended 30 June 2003 compared with a summary of the audited financial statements of the previous year. The full audited financial statements, including the audit report, will be available by the end of October 2003. Copies are available on request from the Fund's staff, whose contact details are shown on the inside back cover.

Statement of change in net assets

	2003	2002
	\$	\$
Opening balance at 1 July	541,942,600	541,087,526
<i>Plus</i>		
Income		
Net investment revenue	-1,018,074	-20,141,819
Employer contributions (including salary sacrifice)	81,137,095	39,082,282
Member contributions	3,412,093	5,754,062
Transfers from other funds	3,698,083	5,615,573
Proceeds from group life insurance policies	1,039,749	672,034
Group life profit-sharing rebate	306,028	-
Other income	41,982	-
Total income	88,616,956	30,982,132
<i>Less</i>		
Outgoings		
Benefits paid	21,735,777	22,906,180
General administration expenses	1,906,366	1,388,618
Group life insurance premiums	826,906	521,514
Income tax expense	11,606,954	3,628,109
Superannuation contributions surcharge	2,105,720	1,682,637
Total outgoings	38,181,723	30,127,058
<i>Equals</i>		
Net assets at 30 June available to pay benefits	592,377,833	541,942,600

Statement of net assets at 30 June

	2003	2002
	\$	\$
Assets		
Investments	575,648,239	533,219,407
Other assets	25,768,890	13,127,767
Total assets	601,417,129	546,347,174
<i>Less</i>		
Liabilities		
Benefits payable	89,870	483,405
Provision for income tax	5,419,253	2,071,924
Provision for deferred tax	2,754,676	1,433,845
Other liabilities	775,497	415,400
Total liabilities	9,039,296	4,404,574
<i>Equals</i>		
Net assets available to pay benefits	592,377,833	541,942,600

The AvSuper team

Each AvSuper team member is responsible for the efficient ongoing operation of the Fund and is there to provide support to you and the Trustee Board. Contact details appear on the inside back cover.



Denis Carroll

Chief Executive Officer

Denis is responsible for overseeing all AvSuper's operations. He provides direction on strategic and administrative matters and also provides advice and support to the Trustee Board of the Fund.



Leanne Turner

Executive Officer

Leanne is the Fund's Compliance Officer and Communications Officer. She ensures AvSuper complies with all necessary legislation and looks after the communication needs of the Fund.

looking after your super

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 elected by the ACTU.

Airservices Australia-appointed

Hisham El-Ansary

Chief Financial Officer and General Manager Corporate Services

Ron Entsch

Board Member Airservices Australia

Tom Grant

General Manager Organisation Development and Corporate Secretary

David Leggo

Operations Manager – Chairman AvSuper Pty Ltd

ACTU-appointed

David Arnott

United Firefighters Union

Ben Firkins

CPSU

George Fishlock

CAOOAA (Civil Air)

Steve Mahoney

CPSU Communications Section



David Leggo, Ron Entsch (back), George Fishlock, David Arnott, Ben Firkins, Hisham El-Ansary, Tom Grant. Absent – Stephen Mahoney.

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

Auditors Ernst & Young

Legal adviser Freehills

Fund administrator Mercer Human Resource Consulting Pty Ltd

Communication consultant Aon live wire

Group life insurer ING

Taxation adviser PricewaterhouseCoopers

Master custodian National Australia Custodian Services

Asset consultant Mercer Investment Consulting Pty Ltd



John Hackett

Administration Manager
John is responsible for the day-to-day administration of the Fund. He is the contact officer for all member enquiries.



Marie O'Shea

Administration Officer
Marie supports Denis, Leeanne and John in their roles and assists the management team and Board of Trustees to function effectively and smoothly.

protecting your super

Actuarial review

Government regulations require a valuation of the Fund's assets and liabilities by the Fund's actuary every three years. In addition, the Trustee Board has a review undertaken every year. As at 30 June 2003, the actuary reported that the Fund's assets exceeded its accrued liabilities at that date.

Small amounts

If your account balance is less than \$1,000 at the end of the financial year, the Government's member protection legislation ensures that administration costs (but not taxes) do not exceed the investment earnings credited to your account.

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 inside 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; toll-free 1300 788 750; fax (02) 9947 4184.

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 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 2003, this was provided through Chubb Insurance Company of Australia Limited.

Trust Deed changes

The Trust Deed was amended in December 2002. The amendments were necessary to accommodate changes made to the Family Law Act 1975 and related regulations which allow for the 'splitting' of superannuation interests upon marriage breakdown and to enable the introduction of a unitised investment return facility to the Fund, as a result of the introduction of member investment choice.

Specifically, the amendments are:

- > to allow the Trustee to charge fees to members, non-member spouses and applicants for information under the family law legislation;
- > to ensure that the Trustee may provide information to members, beneficiaries and applicants for information under the family law legislation and that the requirement to provide the Trustee with information will also apply to non-member spouses who wish to become family law members (non-member spouses who opt to keep their part of the superannuation split with AvSuper);

- > to provide that the death benefit payable in respect of a family law member will be paid by the Trustee to the family law member's legal personal representative;
- > to provide that if a member is the beneficiary of a benefit 'split' from his or her former spouse's superannuation interest, the amount transferred to the Fund can be added to the member's interest;
- > to provide that if a member's former spouse is the beneficiary of a benefit 'split' from the member's interest in the Fund, the amount transferred from the Fund can be taken from the member's interest;
- > to allow the Trustee to divide the Fund into 'units' and to allocate units to members' accounts.

Privacy policy

AvSuper is committed to protecting personal information and is bound by the Privacy Act 1988. AvSuper abides by Privacy Law and our Privacy Policy Statement is available at www.avsuper.com.au or by telephoning (02) 6268 4402.



any questions?

If you have any questions, comments or suggestions about AvSuper or its benefits, please do not hesitate to contact us.

You can 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.

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 Dispute Resolution 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 SCT is an independent body set up by the Federal Government to help members resolve superannuation complaints. The SCT can only become involved if your complaint falls within its jurisdiction and has been addressed by AvSuper's internal complaints system. If the SCT accepts your complaint, it will try to help you and the Fund reach a mutual agreement. If this is not successful, the SCT will make a decision that is binding on all parties.

Contact details for the Superannuation Complaints Tribunal are:

Locked Bag 3060
GPO Melbourne Vic 3060
Telephone 1300 884 114

How to contact us

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

