

Your APSS Annual Report



Contents

About this report

Your Australia Post Superannuation Scheme (APSS) 2015 Periodic Statement is made up of two parts:

PART 1: 2015 BENEFIT STATEMENT

Contains personal information to help you understand your benefits over the 2014-15 financial year. You will receive this separately in the mail.

PART 2: 2015 ANNUAL REPORT

This document which contains general information about the APSS including its financial condition, management and investment performance over the 2014-15 financial year. This document is available online or can be mailed to you free of charge by calling *SuperPhone* on **1300 360 373**.

Important

The Trustee of the APSS and issuer of interests in the Australia Post Superannuation Scheme (APSS) is PostSuper Pty Ltd, ABN 85 064 225 841 (RSE Licence Number L0002714). The APSS's Registration Number is R1056549 and its ABN is 42 045 077 895.

PostSuper Pty Ltd, Australia Post or Associated Employers do not hold an Australian Financial Services Licence and therefore, neither is licensed to provide you with financial product advice. The Periodic Statement (Parts 1 and 2) does not contain financial product advice, so you should not rely on it as such. Before making any decision based on this information, you should obtain and read the relevant APSS Product Disclosure Statement (PDS) and consider seeking independent financial advice relevant to your personal circumstances.

Do you need help?

Call *SuperPhone* **1300 360 373**

Monday – Friday 9.00am – 5.30pm (AEST)

or visit us online at **apss.com.au**

Write to APSS, Locked Bag A5005,

Sydney South NSW 1235 or Fax (02) 9372 6288

A message from your Trustee	3
The year in review	4
Fortnightly Crediting Rates	6
Past Crediting Rates	7
Investment objectives	8
Investment strategy	9
Asset allocation	11
Abridged financial statements (unaudited)	12
Your Trustee Directors	13
Eligible Rollover Fund	14
Surcharge tax	15
Tax File Number	15
Procedures for inquiries and complaints	16
Illegal early release of superannuation benefits	16
Protecting against identity theft	16
Privacy Policy	16

A message from your Trustee

A warm welcome to the 2014-15 Annual Report. In this report you will find the latest news about your super, how the APSS performed in the past financial year, how your savings were invested and some general information about super.

'Steady as she goes' with APSS Defined Benefits

When it comes to super, there's more choice in the market than ever before. And recently, there has been a lot of public debate about changes to the way that superannuation should be taxed and governed. On top of that, investment conditions are as changeable as always. With all this to take into account when thinking about your retirement strategy, APSS members can rely on a secure defined benefit that grows each year while employed by Australia Post or affiliated employers. Eligible employee members also have the additional financial security of a death and total & permanent disablement cover at no cost. With a firm focus on members' future needs, we strive every day to deliver exceptional services and produce better outcomes for you, to give you confidence today and security tomorrow.

Another year of positive returns

We are pleased to report another year of positive crediting rates on Member Savings accounts, with a double digit result for members with Market Return Member Savings. While returns can go up and down in the short term, the APSS's annual compounded average Market Return Crediting Rate has been positive for the last five financial years, since the global financial crisis abated. You can find out more about our investment performance by reading the 'Year in Review' section on page 4-6 of this report.

Empowering our members

To help you to achieve your retirement goals, we provide information and education to assist with the important decisions that need to be made at different stages of life.

Over the past financial year, we've reviewed our member services and communications to make sure they meet your expectations and needs at the right time. As a result, we've introduced:

- a new public and secure website with more user friendly design and content,
- a new retirement projection calculator that can be used on your mobile or tablet,
- multilingual fact sheets in languages most commonly used by our members, and
- BPAY to make it more convenient and easier for you to make extra contributions.

Take an active role in learning about your super. These easy-to-use resources are available at apss.com.au now.

More improvements in the year ahead

Because super is a long-term investment, we need to think and plan well into the future. Over the next financial year, we'll continue to look at how we can improve - we'll review our product offerings, continue to simplify how we interact with you and undertake targeted education campaigns.

Please take the time to look through our report. It includes all the facts, figures and the highlights from the financial year. Of course, if you do have any questions or suggestions, please feel free to call us on *SuperPhone* **1300 360 373** from 9.00am to 5.30pm (AEST), Monday to Friday.

The year in review

It's important to keep in mind when reviewing the 2014-15 Financial Year, that the investment returns of the APSS only affect the Member Savings (Employee, Spouse, Rollover) and Pension Accounts, and not your Defined Benefit entitlements in the APSS.

Market Return Member Savings

The Crediting Rates for Market Return Member Savings are determined by reference to the investment returns of the APSS's Market Return Portfolio. The Market Return Portfolio is invested in a broad range of shares, real estate and bonds in both listed (public) and unlisted (private) markets around the world. The Trustee expects that the annual Market Return Crediting Rates will exceed the annual Cash Return Crediting Rates by a margin of 3% to 4%, on average over the long term.

The compound Crediting Rate for APSS Market Return Member Savings was **12.9%** for the financial year, net of tax and investment costs. The compound crediting rate for Pension accounts, which are exempt from tax on investment earnings, was **15.3%**.

A number of factors contributed to these positive results in the last financial year. Despite some episodes of high volatility, publicly traded shares prices continued to rise in most of the world's main markets, resulting in a return just under 10% for APSS's public

market share investments. In sync with low interest rates around the world, the APSS's bond investments earned a modest 3.5% for the year. In private markets, where over half of the Market Return Portfolio was invested during 2014/15, returns ranged from a solid 10% for APSS's property investments to 20% for APSS's private equity and private market assets. The majority of APSS's private market investments are in the United States and benefited from a strengthening U.S. dollar, which rose 22% against the Australian dollar, and from a boom in technology-based investments.

When assessing the Market Return Crediting Rate, it's a good idea to consider returns over the longer term, because markets can fluctuate, both up and down, in the short-term. Over the 10 years to 30 June 2015, Market Return Member Savings earned an average crediting rate of 7.3% per annum, which is just about 3.5% above the average annual return on cash for the same time-period.

Crediting rates

Crediting Rates are used to allocate investment returns to Member Savings in the APSS. There are different Crediting Rates for Market Return Member Savings and Cash Return Member Savings. Crediting Rates for each investment option are declared fortnightly and interim Crediting Rates are generally applied when benefit payments are made.

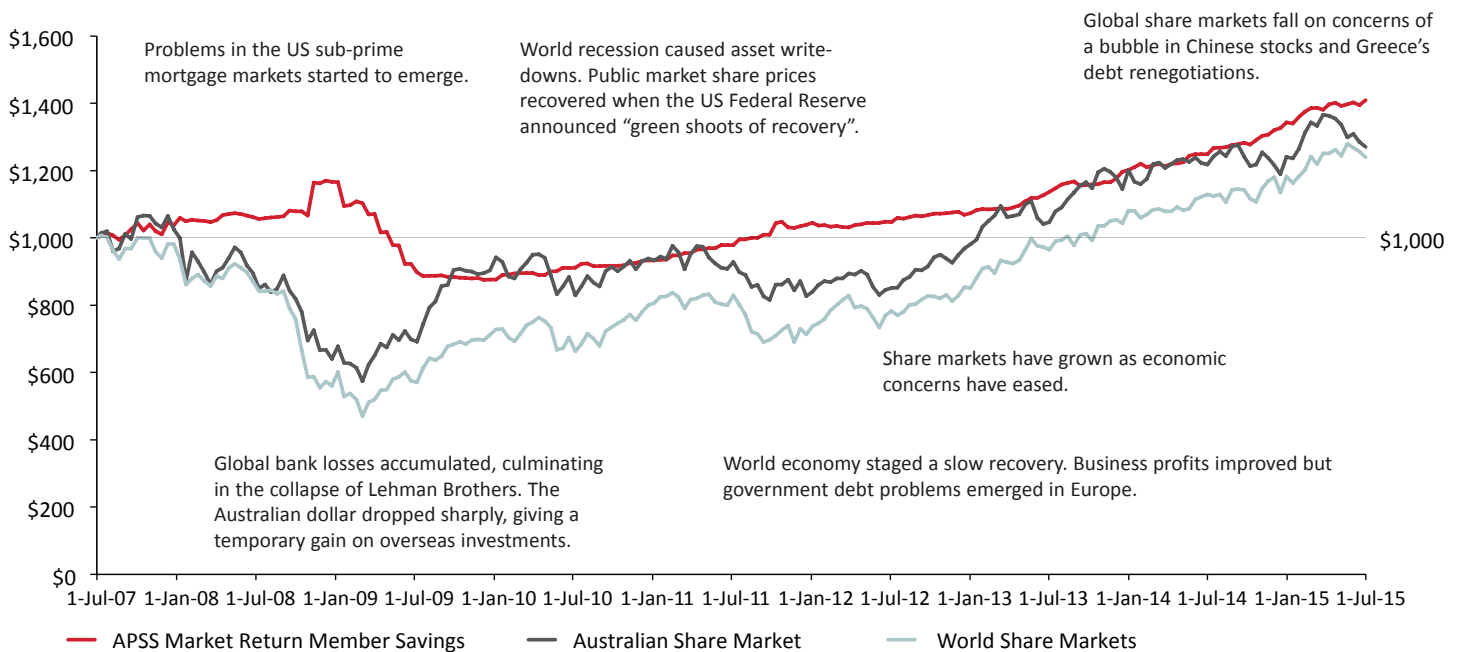
APSS Defined Benefits are calculated according to a formula that is based on salary and length of service, and are not affected by Crediting Rates.



The year in review (cont.)

How we compare

The following chart shows how \$1,000 invested in APSS Market Return Member Savings has changed over the last eight years compared to the same amount invested in publicly traded Australian and overseas share markets.



The Australian Share Market reflects returns from Russell Australian Shares PST sector funds for the period prior to 30 September 2014 and Russell After Tax Australian Shares Unit (for Superannuation Investors) PST sector funds thereafter. World Share Markets reflect returns from Russell International Shares (Hedged) PST sector funds.

Important reminder: Past investment returns are not necessarily indicative of future investment returns.

Cash Return Member Savings

The Crediting Rates for Cash Return Member Savings are determined by reference to the investment returns of the Cash Portfolio. The APSS Cash Portfolio invests in high quality cash deposits or bank bills and short-term interest bearing securities. The Trustee expects that the crediting rates for Cash Return Member Savings will be similar to the cash interest rate set by the Reserve Bank of Australia (RBA), reduced by investment fees and tax (where applicable).

The compound Crediting Rate for the Cash Return Member Savings investment option was **2.1%** for the financial year, net of tax and investment costs. The compound Crediting Rate for Pension accounts, which are currently exempt from tax on investment earnings, was **2.5%**.

The RBA cut the official cash rate twice through the course of the financial year, from 2.5% to 2.25% in February and to a record low of 2.0% in May. The RBA set interest rates very low to support economic activity in Australia, on the expectation that low borrowing costs and, preferably, a lower Australia dollar, would encourage more consumer spending and investment, especially in the non-mining sectors of the economy. The consequence for APSS Cash Return Member Savings was a crediting rate that only just kept in touch with the inflation rate last financial year. Members electing this investment option in the APSS continue to enjoy the security of a Capital Guarantee provided by Australia Post on their Cash Return Member Savings.

Fortnightly Crediting Rates

If you have a Member Savings (Employee, Spouse, Rollover) or Pension Account, then the compounded Crediting Rates you receive will depend on the combination of investment options that applied to your account during the 2014-15 financial year. Contribution dates and other factors also play a role. Therefore, the compounded Crediting Rates shown below may not represent the actual rates that were credited to your account(s).

Fortnightly Crediting Rates 2014-15

Fortnight ending:	Employee, Rollover and Spouse Account		Pension Account	
	Market Return	Cash Return	Market Return	Cash Return
1/07/2014	-0.04%	0.08%	-0.02%	0.10%
15/07/2014	1.46%	0.09%	1.61%	0.10%
29/07/2014	0.15%	0.11%	0.18%	0.12%
12/08/2014	0.07%	0.08%	0.07%	0.10%
26/08/2014	0.51%	0.09%	0.58%	0.10%
9/09/2014	0.21%	0.07%	0.23%	0.09%
23/09/2014	0.37%	0.08%	0.56%	0.09%
7/10/2014	-0.45%	0.07%	-0.49%	0.09%
21/10/2014	1.03%	0.09%	1.13%	0.10%
4/11/2014	0.97%	0.10%	1.08%	0.13%
18/11/2014	0.28%	0.09%	0.31%	0.10%
2/12/2014	1.03%	0.08%	1.13%	0.10%
16/12/2014	0.45%	0.08%	0.68%	0.10%
30/12/2014	1.30%	0.08%	1.42%	0.10%
13/01/2015	-0.24%	0.08%	-0.26%	0.09%
27/01/2015	1.47%	0.11%	1.66%	0.12%
10/02/2015	1.13%	0.10%	1.23%	0.12%
24/02/2015	0.78%	0.08%	0.81%	0.10%
10/03/2015	0.09%	0.07%	0.06%	0.08%
24/03/2015	-0.46%	0.07%	-0.40%	0.09%
7/04/2015	1.20%	0.08%	1.43%	0.09%
21/04/2015	0.31%	0.05%	0.26%	0.06%
5/05/2015	-0.61%	0.10%	-0.74%	0.12%
19/05/2015	0.27%	0.06%	0.51%	0.08%
2/06/2015	0.41%	0.07%	0.58%	0.08%
16/06/2015	-0.57%	0.06%	-0.56%	0.07%
30/06/2015	1.07%	0.07%	1.22%	0.08%

Important note: Past Crediting Rates are not necessarily indicative of future Crediting Rates. All rates shown are net of tax and investment costs (except for Pension accounts which are not currently subject to tax on investment earnings).

For further information about how Crediting Rates are applied, see the relevant Product Disclosure Statement and associated booklet (if applicable), available online at apss.com.au in the *Publications & Forms* section, or call SuperPhone on **1300 360 373** and request a copy.

Past Crediting Rates

The compound Crediting Rates shown below apply to Member Savings and Pension Accounts only, and not defined benefits.

Period ending:	Employee and Spouse Account		Rollover Account		Pension Account	
	Market Return [^]	Cash Return [*]	Market Return [^]	Cash Return [*]	Market Return [^]	Cash Return [*]
2014-15	12.89%	2.13%	12.89%	2.13%	15.26%	2.50%
2013-14	9.97%	2.14%	9.97%	2.14%	10.70%	2.52%
2012-13	8.35%	2.56%	8.35%	2.56%	9.27%	3.20%
2011-12	7.02%	3.85%	7.02%	3.85%	8.30%	4.58%
2010-11	7.45%	4.03%	7.45%	4.03%	9.61%	4.80%
2009-10	0.10%	3.21%	0.10%	3.21%	0.17%	3.42%
2008-09	-14.07%	4.46%	-14.19%	4.46%	-16.52%	-
2007-08	5.91%	6.30%	8.93%	6.30%	10.03%	-
2006-07	23.00%	-	17.67%	-	19.88%	-
2005-06	16.30%	-	13.51%	-	14.79%	-
2004-05	9.40%	-	12.86%	-	14.66%	-
2003-04	5.70%	-	13.87%	-	16.03%	-
2002-03	0.00%	-	0.42%	-	0.67%	-
2001-02	2.50%	-	-5.31%	-	-5.39%	-
Last 3 financial years	10.39%	2.28%	10.39%	2.28%	11.71%	2.74%
Last 5 financial years	9.11%	2.94%	9.11%	2.94%	10.60%	3.52%
Last 10 financial years	7.26%	n/a	6.81%	n/a	7.68%	n/a
Since inception	7.98%	3.58%	7.62%	3.58%	8.78%	3.56%

Important note: Past Crediting Rates are not necessarily indicative of future Crediting Rates. All rates shown are net of tax and investment costs (except for Pension Accounts which are not currently subject to tax on investment earnings).

Employee Member Savings and Spouse Accounts:

- [^] The actual compounded Market Return Crediting Rates are shown from the commencement date of Market Return Member Savings of 1 July 2007. Prior to 1 July 2007, all Capital Guaranteed Member Savings were invested in a similar investment strategy to the Market Return Portfolio. Therefore, the compounded average Crediting Rates covering periods prior to 1 July 2007 are based on the actual Crediting Rates for Capital Guaranteed Member Savings for those years.
- ^{*} The actual compounded Cash Return Member Savings Crediting Rates are shown from the commencement date of Cash Return Member Savings of 1 July 2007. Therefore there are no Cash Return Member Savings Crediting Rates prior to 1 July 2007.

Rollover

- [^] The actual compounded Market Return Crediting Rates are shown for financial years from 1 July 2008. Prior to 1 July 2008, the APSS Rollover used unit pricing rather than Crediting Rates. Therefore, the compounded average Crediting Rates covering periods prior to 1 July 2008 are based on the difference between the unit price for the APSS Rollover as at 30 June each year for those years.
- ^{*} Although Cash Return Member Savings were only made available to APSS Rollover members from 5 August 2009, Cash Return Member Savings commenced on 1 July 2007. Therefore, the table shows the actual compounded Cash Return Crediting Rates since the commencement date of 1 July 2007.

Pension

- [^] The actual compounded Market Return Crediting Rates are shown for financial years from 1 July 2008. Prior to 1 July 2008, the APSS Pension used unit pricing rather than Crediting Rates. Therefore, the compounded average Crediting Rates covering periods prior to 1 July 2008 are based on the difference between the unit prices for the APSS Pension as at 30 June each year for those years.
- ^{*} On 5 August 2009, Cash Return Member Savings were made available to APSS Pension members. Although Cash Return Member Savings commenced on 1 July 2007 (available only to APSS Employee and Spouse members), the actual Cash Return Crediting Rates since 1 July 2007 are not comparable to the returns that might have applied to your APSS Pension Account had Cash Return Member Savings been available prior to 5 August 2009. This is because the investment earnings of APSS Pension Accounts are not subject to tax. Therefore, the compounded Cash Return Crediting Rates shown for APSS Pension Members are for periods commencing from 5 August 2009.

Investment objectives

Investment objective for Defined Benefit assets

The Trustee's investment objective for Defined Benefit assets is to formulate and implement an investment strategy that will, in conjunction with the APSS sponsoring employers' funding strategies, enable the APSS to pay benefits as well as other costs as they become due. In particular, the Trustee aims to formulate a strategy that has:

- a high likelihood that the APSS will have adequate liquidity to pay benefits and costs at all times as they become due; and
- a relatively high expected long term average net

investment return (defined, until otherwise agreed, to be 7.25% per annum, measured over rolling five-year periods).

The Trustee accepts that, to achieve a relatively high long term investment return, the annual investment return is likely to be relatively volatile. In particular the Trustee accepts the likelihood that:

- the investment return may be negative once in every four to five years on average; and
- the APSS Vested Benefits Index (VBI) is likely to fluctuate in a tolerance range of 90% to 110%.

Investment objectives for Member Savings (Employee, Spouse, Rollover and Pension Accounts)

Market Return Member Savings

The Trustee's objective for Market Return Member Savings is to credit returns over the long term that both exceed the rate of inflation and exceed the rate of returns credited to Cash Return Member Savings, after all taxes and costs are allowed for, while accepting that the annual return will be relatively volatile.

The Crediting Rates for Market Return Member Savings are determined by reference to the investment returns of a diverse portfolio of assets in the APSS, known as the Market Return Portfolio. The Trustee expects that the Market Return Crediting Rates over the long term will exceed the Cash Return Crediting Rates by a margin of 3-4% each year, on average over the long term. The estimated number of negative annual returns is expected to be 4 to less than 6 out of every 20 years.

The Trustee cannot guarantee that its long term expectation will be met, because investment markets are unpredictable. Historically, the markets for long term investments like those in the Market Return Portfolio have had greater rises than falls in the long run, but this is not necessarily a guide to the future. You should consider your long term investment objectives and personal financial circumstances. You should consider whether you have enough time before you need to access your Market Return Member Savings to withstand any periods when the investment markets may go down.

Cash Return Member Savings

The Trustee's objective for Cash Return Member Savings is to avoid any reduction in the dollar value of your Member Savings at all times, while also earning a rate of return that aims to at least keep up with inflation over the long term.

The Crediting Rates for Cash Return Member Savings are determined by the investment returns of the Cash Portfolio.

The Trustee expects Crediting Rates for Cash Return Member Savings to be similar to the cash interest rates set by the Reserve Bank of Australia, less investment costs and tax, where applicable.

Cash Return Member Savings are protected by a Capital Guarantee provided by Australia Post, which means that the Crediting Rates for Cash Return Member Savings cannot be negative. However, the Capital Guarantee does not cover the risk that inflation may reduce the future purchasing power of your Member Savings.

Investment strategy

Trustee's investment strategy

The funds in the APSS are divided into two investment portfolios, the Market Return Portfolio and the Cash Portfolio. Member Savings are allocated between these two portfolios. The Defined Benefit assets are invested in the Market Return Portfolio.

The Market Return Portfolio is a diversified portfolio of assets that are invested mainly for the long term. The Trustee's investment strategy for the Market Return Portfolio involves making allocations between classes of the world's financial assets that have different degrees of financial risk (and therefore, different levels

of expected return) and ensuring that each allocation includes a wide array of financial assets in that asset class to reduce the overall impact if some investments fail. The main asset classes that the Trustee invests in are set out in the table below.

The Trustee's investment strategy for the Cash Portfolio is different from the Market Return Portfolio. The Cash Portfolio may include bank deposits or bills and short-term interest-bearing securities with very high credit quality. These may be held directly or through a managed investment trust.

Main asset classes

Asset Class	About the Asset Types
Bonds	Includes government and semi-government debt, high grade corporate debt and cash.
Shares	A combination of public market shares and private equity investments (through funds that invest in private market companies). The Trustee intends to scale down the private equity investments in the Market Return Portfolio over time, and this asset class will ultimately consist of public market shares only.
Private Market Assets	Investments in private market assets that are not included in Shares or Property asset types, are selected to enhance the long term returns and diversify the Market Return Portfolio to help reduce risk. In particular, it includes privately-traded debt and privately-traded non-core equity.
Property	Includes private market investments in real estate, infrastructure and similar assets. These include privately-traded buildings, including building developments. Infrastructure includes privately-traded assets.

Trustee-appointed investment managers

Vanguard Investments Australia Ltd
– public market shares, bonds and cash
Macquarie Investment Management Limited
– currency risk management

Use of derivatives

"Derivatives" are financial instruments that derive their value from an underlying asset (e.g. futures and options on shares or indexes). The APSS's investment managers may use derivatives to achieve their investment objectives, for example, to manage investment risks and costs.

The Trustee has established compliance and audit processes to ensure that the authorised use of derivatives by the APSS's investment managers complies with all relevant legal requirements and APRA directives.

Investment strategy (cont.)

Investments greater than 5% of total APSS assets

The table below shows the individual investments that held more than 5% of the total APSS assets during the 2014-15 financial year:

Investment fund	APSS assets as at 30 June 2015
Alternative Investment Private Syndicate	\$2,665,499,676.26
Vanguard Cash Reserve Fund	\$1,639,054,800.28
Vanguard International Shares Index Fund (Hedged)	\$849,385,897.83
Vanguard Cash Plus Index Fund	\$447,995,964.24
Vanguard Emerging Markets Share Index Fund	\$432,362,546.81

Each fund is a pooled investment vehicle (unit trust) that holds many underlying investments.

Operational Risk Reserve

Effective 1 July 2013, the APSS established an Operational Risk Reserve (ORR) in accordance with APRA prudential standards. This reserve is managed in accordance with the Trustee's Operational Risk Financial Requirement Strategy. The Trustee may use the reserve to make a payment to address an operational risk event. The target level of this reserve is 0.25% of the Scheme's assets.

The ORR is expected to initially be funded (over a three-year period) by a combination of:

- amounts deducted from the Defined Benefit assets (these amounts will be ultimately paid for by Australia Post and Associated Employers), and
- amounts deducted from the investment returns of the APSS before Crediting Rates for Member Savings are set. These amounts are not deducted directly from Member Savings or Pension accounts but form part of the management costs of the Market Return and Cash Return investment options for the 2014-15 year.

The Trustee's investment strategy for maintaining the ORR is to invest the assets of the ORR in the same manner as the APSS's Cash Portfolio. The Trustee's investment objective and strategy and asset allocation for the Cash Portfolio are set out on pages 8-9 and on page 11. The Trustee's objective is to ensure that the ORR does not experience negative investment returns and is highly liquid, thereby ensuring that these amounts will be readily available to satisfy the settlement of any operational losses in a timely manner. This investment strategy will be reviewed at least annually.

The ORR was established on and from 1 July 2013. The balance of the ORR was \$7.5 million as at 1 July 2014 and \$15.5 million as at 30 June 2015.

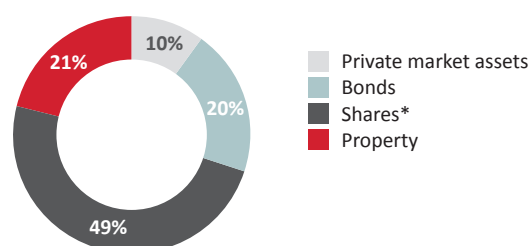
Asset allocation

The asset allocation is the distribution of assets in an investment portfolio between different asset classes. The charts below show the target and actual asset allocations for the Market Return and Cash Return Portfolio as at 30 June 2014 and 30 June 2015.

Market Return Portfolio - 2014

30 June 2014

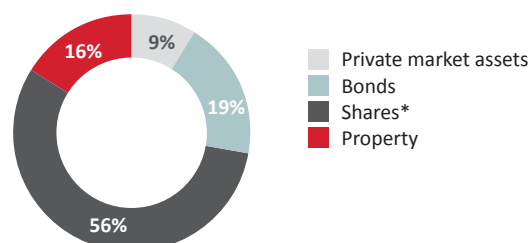
Market Return Portfolio	Target	Normal range [^]	Actual
Bonds	20%	18-22%	20%
Shares	55%	50-60%	49%
Private market assets	17.5%	15-20%	10%
Property	7.5%	5-10%	21%



Market Return Portfolio - 2015

30 June 2015

Market Return Portfolio	Target	Normal range [^]	Actual
Bonds	20%	18-22%	19%
Shares	55%	50-60%	56%
Private market assets	17.5%	15-20%	9%
Property	7.5%	5-10%	16%



* This asset class is made up of a combination of public market shares and private market opportunities. Remember, the Trustee intends to scale down the private equity investments in the Market Return Portfolio over time and this asset class will ultimately consist of public market shares only.

[^] The actual asset allocation is normally expected to fluctuate (go up or down) within these ranges over time. If it moves outside the normal ranges, the Trustee will take prudent and commercially responsible steps to re-balance to the target allocation. The Trustee is continuing to reduce the overall amount invested in private markets before making any new investments in private market assets.

Cash Portfolio

30 June 2014 30 June 2015

Cash Portfolio	Target	Actual	Target	Actual
Cash	100%	100%	100%	100%

More information

Detailed explanations of these asset classes are provided in APSS Product Disclosure Statements (and associated booklet, if applicable) for APSS Member Savings and APSS Pensions, available online at apss.com.au in the *Publications & Forms* section, or call SuperPhone on **1300 360 373** to request a copy.

Abridged financial information

Unaudited as at 16 August 2015*	\$ million	
APSS net assets as at 1 July 2014		7,047
<i>Plus</i>		<i>Plus</i>
Net earnings from APSS assets	444	1,070
Increase in value of APSS assets	342	
Employer payments	198	
Money saved by members	59	
Money transferred to the APSS	27	
<i>Less</i>		<i>Less</i>
Benefits paid to members	(578)	(697)
Expenses	(12)	
Tax expense/ (benefit)	(107)	
APSS net assets at 30 June 2015		7,420

* At the time of preparing this report, the APSS's approved auditor is in the process of auditing the financial statements of the APSS. Audited financial statements are submitted in September each year for adoption by the Trustee. When adopted by the Trustee, a copy of the audited financial statements and the Auditor's Report for the 2014-15 financial year will be available on written request.



More information

The APSS Product Disclosure Statements for each membership category are updated regularly to take into account changes. Copies of the most recent Product Disclosure Statements and other helpful publications can be downloaded from the website at apss.com.au or you can call SuperPhone on **1300 360 373**.

Your Trustee Directors

The legal entity responsible for operating a superannuation fund is known as the Trustee. This section provides information about PostSuper Pty Ltd, the APSS's Trustee.

Appointment and removal of Member Representative Directors

In accordance with rules approved by the Trustee, one Member Representative Director is nominated by each of:

- the Communications Electrical Plumbing Union of Australia
- the Community and Public Sector Union
- the Australian Council of Trade Unions.

Member Representative Directors are appointed for a term of no more than three years, at which time they are eligible for reappointment. They may be removed or replaced at any time by the relevant union or if they resign or retire.

Rules exist to deal with the process for the appointment and removal of Member Representative Directors.

A copy of the rules is available from the APSS Governance page at apss.com.au (under *About the Scheme*), or may be obtained by calling SuperPhone on **1300 360 373**.

Appointment and removal of Employer Representative Directors and Independent Directors

Employer Representative and Independent Directors are appointed for a term of no more than three years, at which time they are eligible for reappointment.

The three directors appointed by Australia Post may be removed or replaced at any time at Australia Post's discretion or if they resign or retire.

The directors can appoint an Independent Director (who will be the Chairman, as outlined in the Trust Deed). For an independent director to be removed or replaced, a two-thirds majority of directors must pass a resolution. The independent director may also resign or retire at any time.

Trustee Indemnity Insurance

Indemnity insurance has been taken out to protect the Trustee Directors and officers against certain financial losses arising from claims that may be lodged against the Trustee. The cost of this insurance is effectively borne by the APSS employer sponsors through their contribution obligations to the APSS.

Your Trustee Directors as at 30 June 2015

Mark Birrell

Independent Director and Chairman, appointed by other directors

MEMBER REPRESENTATIVE DIRECTORS:

Dan Dwyer

Appointed by the Communications Electrical Plumbing Union of Australia (CEPU)

Bryan Watkins

Appointed by the Australian Council of Trade Unions (ACTU)

Louise Persse

Appointed by the Community and Public Sector Union (CPSU)

EMPLOYER REPRESENTATIVE DIRECTORS:

Jim Marshall

Appointed by Australia Post

Michael Tenace

Appointed by Australia Post

Catherine Walsh

Appointed by Australia Post

CHANGES TO THE BOARD

Bryan Watkins was appointed by the ACTU on 4 December 2014, replacing Jim Metcher who resigned on 18 October 2014.

Eligible Rollover Fund

Employee and Spouse members

Once an employee member leaves employment with Australia Post or their Associated Employer, we will write to ask what they want to do with their superannuation. We do the same for Spouse members who cease to be eligible to hold a Spouse Account or whose spouse is no longer employed by Australia Post or the relevant Associated Employer.

If you do not tell us what you want to do with your benefit within 60 days of us writing to you, your superannuation will be paid automatically to the Eligible Rollover Fund (ERF). Your superannuation may be transferred to the ERF without your prior consent (unless we are prevented from doing so by law). You may only receive that one notification that your superannuation will be sent to the ERF.

Rollover members

Rollover members whose account balance has fallen below \$1,000 will be automatically transferred to the ERF. This is unless you give us payment instructions within 60 days or the APSS is prevented from doing so by law.

Once your superannuation has been transferred to the ERF

Once your superannuation is transferred to the ERF, you will no longer be a member of the APSS. The Trustee will no longer administer or pay your superannuation to you. In this event, you must contact the ERF to access your superannuation.

The ERF, appointed by the APSS, provides a capital guarantee that ensures returns will never be negative. It provides no insurance cover for death or total and permanent disablement.

You can arrange for superannuation that has been transferred to an ERF to be transferred to another approved fund or it can be paid to you subject to preservation requirements. It cannot be transferred back into the APSS.

An ERF is not generally considered to be a suitable investment vehicle for your superannuation over the long term because it generally invests in assets with limited potential for long term growth.

For APSS Pension members, the ERF does not apply. Please contact the ERF if you require further details:

AMP® Eligible Rollover Fund
Locked Bag 300
Parramatta NSW 2124
Phone: 131267
Fax: 1300 301 267
Online: amp.com.au/erf

®Registered trademark of
AMP Limited ABN 49 079 354 519.



More information



Surcharge tax

Employee and Spouse members

While surcharge tax was abolished from 1 July 2005, surcharge assessments from earlier financial years may still be outstanding. If you are affected by surcharge tax, you will owe the APSS an amount representing the surcharge tax the APSS has been required to pay on your behalf. The amount that you owe to the APSS as at 30 June 2015 is shown on your Surcharge Tax Account balance in your 2015 Benefit Statement (Periodic Statement Part 1). This amount accrues with interest at the 10-year Commonwealth Government Bond Rate.

The APSS deducts your Surcharge Tax Account balance from your benefit when it is paid to you. This will only take into account surcharge tax assessments that the APSS has received from the ATO as at that date.

Member Savings can be transferred to an APSS Surcharge Tax Account to reduce the balance. For details call SuperPhone on **1300 360 373**.

Rollover members

If the Trustee receives a surcharge tax assessment from the ATO in respect of you, an amount representing the surcharge tax that the APSS is required to pay to the ATO on your behalf will be deducted from your APSS Rollover Account balance at that time. Any deductions for surcharge tax that were made during the 2014-15 financial year will be shown in your 2015 Benefit Statement (Periodic Statement Part 1).

Tax File Number

It's important that you provide the APSS with your Tax File Number (TFN). We are authorised by law to ask you for your TFN. You don't have to provide it, but if you don't:

- the APSS cannot accept after-tax contributions made for you
- additional tax* may be deducted from any before-tax contributions made for you
- the APSS may be required to withhold tax at the top marginal rate (plus the Medicare levy) from the taxable portion of your APSS benefits (if applicable)
- it will be more difficult to trace different super accounts in your name.

* For the 2015-16 year, the rate of additional tax is 30% plus the Medicare levy of 2% plus an additional 'temporary budget repair' levy that applies for three years from 2014-15.

Your contact details

As an APSS member it is important that you keep the APSS updated with your contact details, including your email address and mobile phone number. These communication methods are increasingly being used by the APSS to enhance member communications.

More information (cont.)

Illegal early release of superannuation benefits

There has been an increase in the illegal early release of superannuation benefits. Legal restrictions apply for accessing your superannuation. For details, refer to the relevant APSS Product Disclosure Statement (and associated booklet, if applicable), available at apss.com.au in the *Publications & Forms* section or call *SuperPhone* on **1300 360 373**.

Protecting against identity theft

Your APSS Benefit Statement (Periodic Statement Part 1) contains sensitive identity information about you and personal financial information about your APSS benefits. It is extremely important that you protect it from misuse or identity theft. The APSS has a number of security measures in place, including proof-of-identity verification to protect your personal information.

Privacy Policy

The APSS has always respected your privacy, and has policies in place to make sure your personal information is kept private and confidential. These policies are aligned with the requirements of the Federal Government's privacy laws.

You can access the Trustee's Privacy Policy online at apss.com.au or by calling *SuperPhone* on **1300 360 373**.

We value your feedback

Send your ideas and suggestions anytime at apss.com.au, by clicking on *Contact Us* and completing the e-form or call *SuperPhone* on **1300 360 373**.

Procedures for inquiries and complaints

APSS members can call *SuperPhone* on **1300 360 373** with inquiries or to request information.

If you wish to make a complaint about a Trustee decision, please make it in writing, preferably using the APSS complaint form. Call *SuperPhone* if you would like us to send you an APSS complaint form. All complaints will be brought to the attention of the APSS Inquiry and Complaints Officer (ICO). Contact details for the ICO are as follows:

Inquiry and Complaints Officer
APSS
Locked Bag A5005
Sydney South NSW 1235

The Trustee has established a formal Inquiry and Complaints Procedure to make sure all inquiries and complaints are properly considered and are dealt with as required under the law.

If your complaint has not been resolved to your satisfaction under the APSS internal procedures within 90 days, you may have a right to lodge a complaint about the decision with the Superannuation Complaints Tribunal (SCT).

The SCT is an independent body set up by the Federal Government to review trustee decisions relating to members (as opposed to trustee decisions relating to the management of the super fund as a whole). Contact details for the SCT are as follows:

Superannuation
Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001

Phone: 1300 884 114
Fax: (03) 8635 5588
Email: info@sct.gov.au

Notes

[illegible]

2015

apss
AUSTRALIA POST SUPER SCHEME

Periodic Statement Part 2



Scan this image using your smartphone's camera to go directly to **apss.com.au** to learn more about your super in the APSS and check your current APSS balance. You may first need to download a free barcode reader 'app' that suits your brand of smartphone.

Australia Post Superannuation Scheme
(ABN 42 045 077 895)

Issuer: PostSuper Pty Ltd (ABN 85 064 225 841)

RSE Licence Number L0002714

APSS Registration Number R1056549

Issued: September 2015

