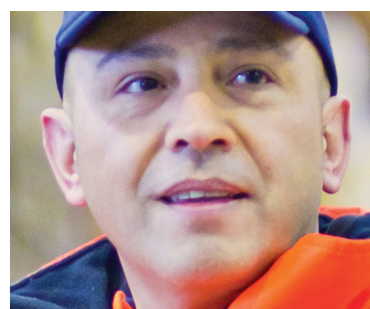
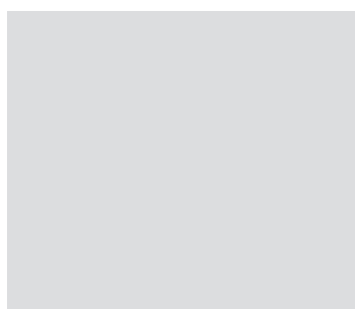


Your APSS Annual Report



Contents

About this report

Your Australia Post Superannuation Scheme (APSS) 2016 Periodic Statement is made up of two parts:

PART 1: 2016 BENEFIT STATEMENT

Contains personal information to help you understand your benefits over the 2015-16 financial year. You will receive this separately in the mail.

PART 2: 2016 ANNUAL REPORT

This document which contains general information about the APSS including its financial condition, management and investment performance over the 2015-16 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?

Contact an APSS Service Representative:

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

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A message from your Trustee

We are delighted to introduce your Annual Report for the 2015-16 financial year. This report provides an update on APSS enhancements, investment performance and other important developments over the year to 30 June 2016.

During the 2015-16 financial year, we added a range of improvements to make it easier for you to transact with the APSS, learn more about its features and benefits, and understand how to use super to improve your financial security in retirement. We simplified many forms, standard letters and Product Disclosure Statements, as well as introducing multi-lingual fact sheets. We ran a series of articles in our quarterly *Insight* newsletter explaining the key super issues at different life stages, and helped many of you to track down your 'lost' super.

We also offered you the option to make legally binding death benefit nominations on your APSS account. With effect from 1 April 2016, binding nominations now provide you with greater certainty and control over precisely who will receive your APSS death benefit. Almost a quarter of members took up this option, which remains open to any member who may wish to make a binding nomination in future. For more details, please refer to the *Choosing your beneficiaries* fact sheet at apss.com.au.

On the investment front, the APSS maintained positive returns in choppy market conditions. The Market Return Crediting Rate ended the financial year at 3.3%, lower than in the previous few years but still above the range of returns achieved by most super funds. Meanwhile, the Cash Return Crediting Rate continued to track Australia's official cash interest rate and provide a capital guarantee, protecting members from any negative returns. See pages 5-6 for more information.

Those of you who have an APSS defined benefit are also protected from financial market fluctuations like those seen over 2015-16. Market volatility has no bearing on your APSS defined benefit, which is determined by a formula based on your length of service and super salary. Australia Post contributes to the APSS to provide the funds to pay for defined benefits. We can report that the APSS DB ended the financial year with more than enough assets to pay out all benefits to members, if needed.

Finally, although it will impact the next financial year more so than the one this report reviews, the May 2016 Federal Budget included a raft of proposed changes to super. These are yet to be passed in law at the time of writing but can be expected to be legislated over the coming year. We provided an update on these changes in your September edition of the *Insight* newsletter.

Keep visiting the website, read the *Insight* newsletter and *Latest News* pages for updates, and remember to stay in touch with your super. We look forward to introducing more changes in 2017 to help you better plan for your future and build up financial security for your retirement.

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

When reviewing the 2015-16 financial year, it's important to keep in mind that the investment returns of the APSS only affect Member Savings (Employee, Spouse, Rollover) and Pension Accounts, and not your Defined Benefit entitlements in the APSS.

Market Return Member Savings

For most super funds, the year to 30 June 2016 was a period of generally lower returns, typically in the range of 2% to 3%.¹ By comparison, money saved by members in the Market Return Member Savings option grew by 3.3% after tax and investment costs. Pension account members, who are exempt from tax on investment earnings, received a slightly higher return, with 3.4% credited to their account for the financial year.

Crediting Rates are determined by the investment returns of a diverse mix of Australian and international investments including public market shares, private market assets and bonds held in the APSS Market Return Portfolio.

It was quite a volatile year for financial markets in 2015-16, following several years of stronger returns. As the financial year unfolded, markets reacted negatively to concerns about China's economic health, poor economic data coming out of the US, falling oil prices and, almost on the eve of a new financial year, the so-called 'Brexit' vote in the UK to leave the European Union. In the background, central banks across the world's main economies kept interest rates low to stimulate investment; in some cases even moving interest rates into negative territory. While this succeeded in propping up financial markets after bouts of volatility, it proved less successful in driving the genuine economic activity that fuels stronger long term returns from growth assets like shares.

Consequently, public market shares held by the APSS fell 0.5% in value over the 2015-16 financial year. This fall was, however, offset by a 4.1% gain in value from bonds, and a 4.5% gain in the value of private market investments.

The Market Return Member Savings option is designed to achieve growth in the long term that both exceeds the rate of inflation and the rate of return earned in Cash Return Member Savings, after all taxes and costs are allowed for.

To meet this aim, the Market Return portfolio is invested in assets that move up and down in value, often significantly and sometimes even delivering negative returns. When assessing the Market Return option, it is important to assess the long term returns. Consider the returns² over five years to 30 June 2016. In this period, the Market Return option earned an average crediting rate of 8.3% per annum, nearly 6% above the Cash Return option over the same period. This is consistent with the Trustee's expectation that the annual Market Return Crediting Rates should, on average, exceed the annual Cash Return Crediting Rates by a margin of 3% to 4% over the long term.

¹As quoted in various media referring to superannuation surveys including Chant West and Rainmaker Information.

²Returns shown are after tax and do not apply to members with Pension Accounts.

Crediting rates

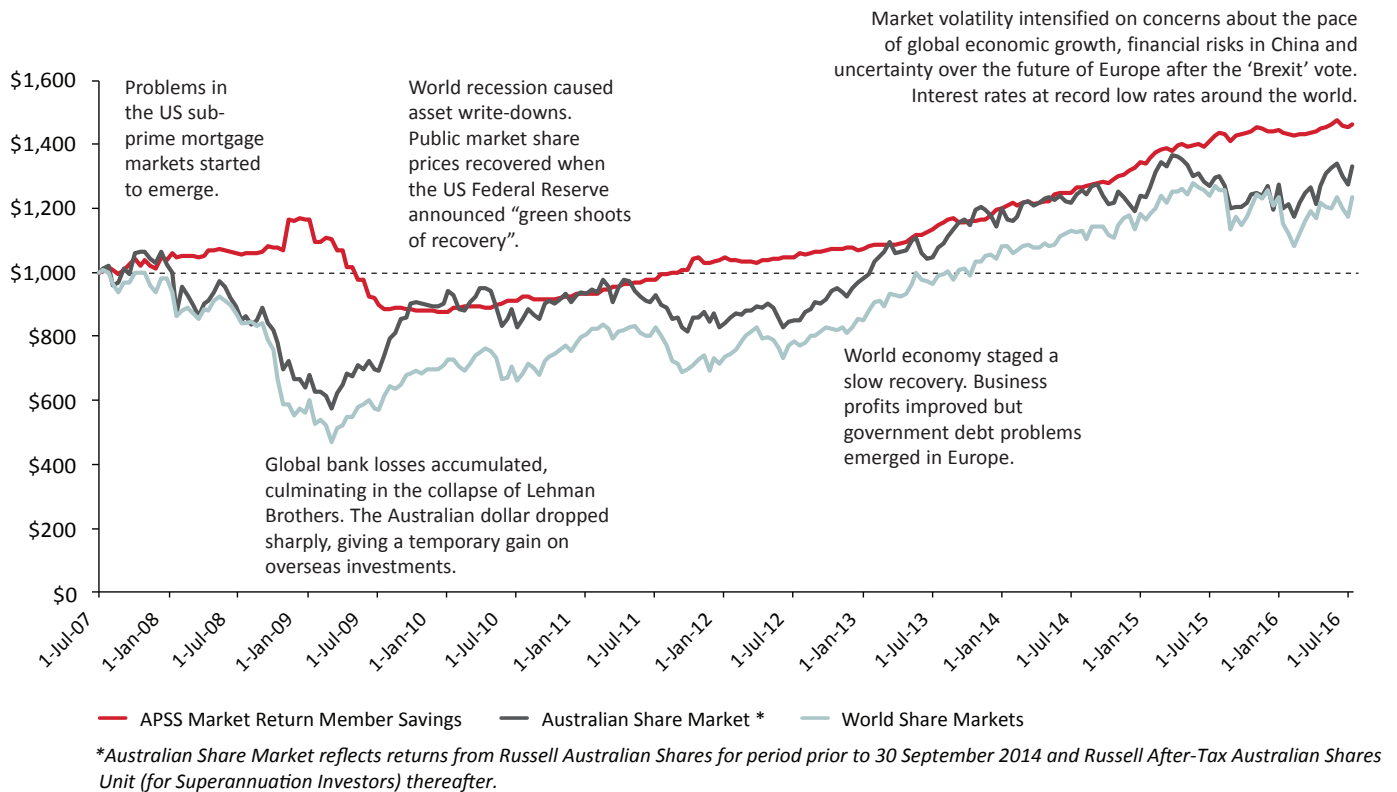
Crediting Rates are used to allocate investment returns to Member Savings in the APSS. There are different Crediting Rates for Market Return Member Savings and Cash Return Member Savings. Crediting Rates for each investment option are declared fortnightly and interim Crediting Rates are generally applied 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 nine years compared to the same amount invested in publicly traded Australian and overseas share markets.



Values used in this chart are based on Russell Investments' Australian Shares and International Shares (Hedged) PST sector funds.

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

Cash Return Member Savings

Despite an extremely low interest rate environment in the year to 30 June 2016, the Cash Return Crediting Rate for 2015-16 was about in line with Australia's official cash interest rate, set by the Reserve Bank of Australia (RBA), after allowing for tax. The cumulative Crediting Rate for Cash Return Member Savings for the 2015-16 financial year was 1.7%, net of tax and investment costs. The Crediting Rate for Pension accounts, which are exempt from tax on investment earnings, was slightly higher at 2.0% for the same period.

The RBA maintained the cash rate at 2% for most of the financial year, before lowering it to 1.75% in May in response to the release of very low inflation data.

Throughout the financial year, the RBA's statements reflected its objective to support Australia's economy as it transitions out of the mining boom in a fragile and volatile global financial environment. In August 2016, the RBA cut interest rates again, to a record-low of 1.5% per annum.

The Trustee's overall objective for Cash Return Member Savings is to ensure the value of these savings will not reduce. Achieving this objective means avoiding investments that may offer a higher interest rate but carry a higher risk of losing value.

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 2015-16 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 2015-16

Fortnight ending:	Employee, Rollover and Spouse Account		Pension Account	
	Market Return	Cash Return	Market Return	Cash Return
14/07/2015	1.41%	0.07%	1.58%	0.08%
28/07/2015	0.42%	0.09%	0.47%	0.11%
11/08/2015	-0.25%	0.06%	-0.28%	0.08%
25/08/2015	-1.56%	0.07%	-1.76%	0.08%
8/09/2015	1.32%	0.06%	1.48%	0.07%
22/09/2015	0.23%	0.06%	0.26%	0.08%
6/10/2015	0.51%	0.06%	0.58%	0.08%
20/10/2015	0.32%	0.09%	0.36%	0.10%
3/11/2015	0.80%	0.07%	0.90%	0.08%
17/11/2015	-0.41%	0.06%	-0.46%	0.07%
1/12/2015	-0.54%	0.07%	-0.61%	0.08%
15/12/2015	0.09%	0.07%	0.10%	0.08%
29/12/2015	0.16%	0.07%	0.18%	0.08%
12/01/2016	-0.45%	0.08%	-0.51%	0.10%
26/01/2016	-0.25%	0.09%	-0.29%	0.10%
9/02/2016	-0.42%	0.07%	-0.47%	0.08%
23/02/2016	0.18%	0.06%	0.21%	0.07%
8/03/2016	0.14%	0.05%	0.16%	0.06%
22/03/2016	0.37%	0.06%	0.41%	0.06%
5/04/2016	0.09%	0.06%	0.11%	0.07%
19/04/2016	0.84%	0.07%	0.64%	0.08%
3/05/2016	0.21%	0.06%	0.24%	0.07%
17/05/2016	0.69%	0.06%	0.78%	0.07%
31/05/2016	0.71%	0.04%	0.80%	0.05%
14/06/2016	-1.00%	0.05%	-1.14%	0.05%
28/06/2016	-0.41%	0.05%	-0.46%	0.06%
12/07/2016	0.65%	0.04%	0.74%	0.05%

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 to Defined Benefits.

Period ending:	Employee and Spouse Account		Rollover Account		Pension Account	
	Market Return [^]	Cash Return [*]	Market Return [^]	Cash Return [*]	Market Return [^]	Cash Return [*]
2015-16	3.27%	1.69%	3.27%	1.69%	3.38%	1.99%
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	8.63%	1.99%	8.63%	1.99%	9.67%	2.34%
Last 5 financial years	8.25%	2.47%	8.25%	2.47%	9.31%	2.95%
Last 10 financial years	5.99%	n/a	5.81%	n/a	6.56%	n/a
Since inception	7.78%	3.37%	7.39%	3.37%	8.50%	3.33%

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 6.5% 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 – as at 30 June 2015

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.

Main asset classes – as at 30 June 2016

Asset Class	About the Asset Types
Bonds	A bond is where an investor makes a loan to an organisation (the issuer of the bond), and the organisation agrees to make regular interest payments over a set period, with full repayment of the initial investment at an agreed date in the future.
Public Market Shares	Are investments in companies. When shares are listed on the Australian and international stock exchanges, they are called public market shares.
Private Market Assets	This asset group includes investments in companies and assets that are not listed on a stock exchange. Private market investments can include private equity, real estate (or property), infrastructure and private debt (loans to businesses).

Investment strategy (cont.)

Use of derivatives

Derivatives derive their value from an underlying asset (e.g. futures and options on shares or indexes). The Trustee's policy is to allow its appointed investment managers to use derivatives to gain economic exposure in certain situations, provided they have the requisite skills and operating capability. The use of derivatives for speculative trading is not permitted.

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.

Trustee-appointed investment managers at 30 June 2016

Public Shares Investment Managers:

AQR Capital Management; Northcape Capital; Paradise Investment Management; State Street Global Advisors; Vanguard Investments Australia; Veritas Asset Management, and Vontobel Asset Management. In August 2016, Vontobel ceased.

Bonds and Cash:

Vanguard Investments Australia.

Currency Hedging Manager:

Macquarie Investment Management Global.

Investments greater than 5% of total APSS assets

Individual investments that held more than 5% of the total APSS assets during the 2015-16 financial year.

Asset name	APSS asset value (AUD)
Alternative Investment Private Syndicate Fund A	\$2,988,776,307
Vanguard® Cash Reserve Fund	\$1,651,148,222
Vanguard® International Shares Index Fund (Hedged)	\$850,935,723
Vanguard® Cash Plus Fund	\$451,869,319
Vanguard® Emerging Market Shares Index Fund	\$413,398,297
Pantheon International Plc (PIP)	\$390,992,800

Each Vanguard® 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 and the Trustee's Operational Risk Financial Requirement Strategy, enabling the Trustee to use the ORR to make a payment to address an operational risk event. The target level of this reserve is 0.25% of the Scheme's assets, a target achieved at the end of the 2015 calendar year. The ORR has been funded by a combination of:

- amounts deducted from the Defined Benefit assets (ultimately paid for by Australia Post and Associated Employers), and
- amounts deducted from the investment returns of the APSS before setting the Crediting Rates for Member Savings.

Amounts deducted from investment returns have not been deducted directly from Member Savings

or Pension accounts but have formed part of the management costs of the Market Return and Cash Return investment options for the 2015-16 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 of this document. 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 and grew to \$7.5 million at 30 June 2014. The balance of the ORR was \$15.5 million as at 1 July 2015 and \$19.2 million as at 30 June 2016.

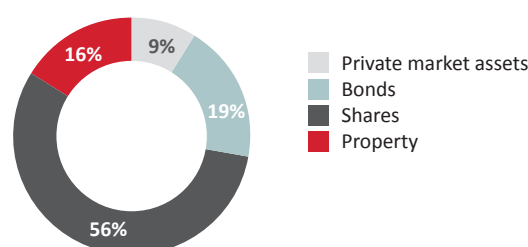
Asset allocation

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 Portfolios as at 30 June 2015 and 30 June 2016.

Market Return Portfolio - 2015

30 June 2015

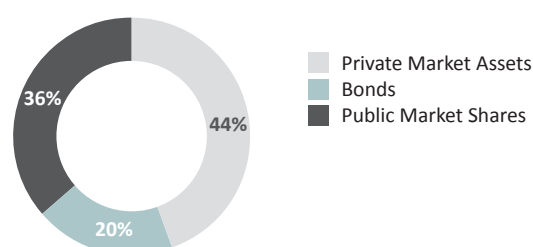
Market Return Portfolio	Target	Target range ⁴	Actual
Bonds	20%	18-22%	19%
Shares ¹	55%	50-60%	56%
Private market assets	17.5%	15-20%	9%
Property	7.5%	5-10%	16%



Market Return Portfolio - 2016

30 June 2016

Market Return Portfolio	Target	Target range ⁴	Actual
Bonds ³	20%	10-30%	20%
Public market shares	50%	30-70%	36%
Private market assets ²	30%	20-60%	44%



Notes to the tables above:

1. This asset class classification was made up of a combination of public market shares and private market shares. This classification was changed in 2016.
2. Private Market Asset class is made up of private equity, real estate, infrastructure and private debt.
3. Actual allocation included 1% in cash as at 30 June 2016.
4. 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 market assets before making any new investments in this asset class.

Cash Return Portfolio

30 June 2015 30 June 2016

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

More information

Detailed explanations of these asset classes are provided on page 9 of this Annual Report.

Abridged financial information

	\$ million	
APSS net assets as at 1 July 2015		7,420
<i>Plus</i>		<i>Plus</i>
Net earnings from APSS assets	491	528
Increase/(decrease) in value of APSS assets	(230)	
Employer payments	193	
Money saved by members	53	
Money transferred to the APSS	21	
<i>Less</i>		<i>Less</i>
Benefits paid to members	(427)	(493)
Expenses	(11)	
Tax expense/ (benefit)	(55)	
APSS net assets as at 30 June 2016		7,455

A copy of the 2016 APSS Annual Financial Report is available on the APSS website under Policies, reports & rules.



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 2016

Mark Birrell

Independent Director and Chairman, appointed by other directors

MEMBER REPRESENTATIVE DIRECTORS:

Gregory Rayner

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

Bryan Watkins

Appointed by the Australian Council of Trade Unions (ACTU)

Michael Tull

Appointed by the Community and Public Sector Union (CPSU)

EMPLOYER REPRESENTATIVE DIRECTORS:

James Marshall

Appointed by Australia Post

Michael Tenace

Appointed by Australia Post

Catherine Walsh

Appointed by Australia Post

CHANGES TO THE BOARD:

Ms Louise Persse ceased as a Director on 3 July 2015. Louise was succeeded by Mr Michael Tull who commenced as a Director on 7 July 2015.

Mr Daniel Dwyer ceased as Director on 22 October 2015. Daniel was succeeded by Mr Gregory Rayner who joined the Board of PostSuper Pty Ltd on 18 May 2016.

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 account balances that fall below \$1,000 may be transferred to the ERF, depending on the reason the account balance has fallen under \$1,000. Rollover members affected by this will have 60 days to provide the APSS with payment instructions before a transfer to the ERF takes place.

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.

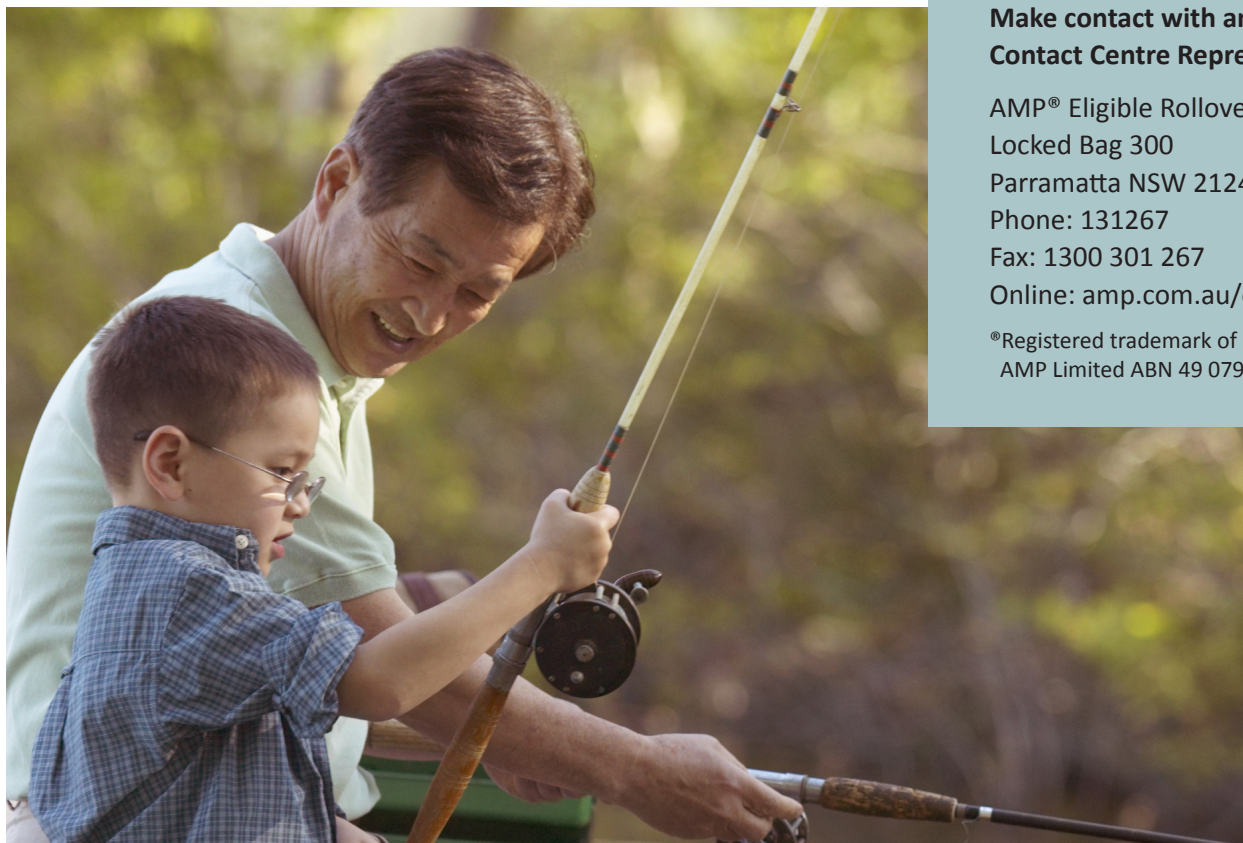
An ERF is not generally considered to be a suitable investment vehicle for your superannuation over the long term because it generally invests in assets with limited potential for long term growth.

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

Make contact with an AMP Contact Centre Representative:

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

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AMP Limited ABN 49 079 354 519.



More information



Surcharge tax

Surcharge tax doesn't apply to the majority of APSS members. It's a tax that was abolished more than a decade ago (from 1 July 2005). However, surcharge tax assessments from earlier financial years may still be outstanding, and therefore may be noted on your 2016 Benefit Statement (Periodic Statement Part 1).

If you are an Employee or Spouse member affected by surcharge tax, then any surcharge tax you owe has already been paid by the APSS on your behalf, but it will be reclaimed from you as a deduction or offset from your APSS benefit when that benefit is eventually paid to you. That deduction will be the balance of your 'Surcharge Tax Account', which accrues with interest at the 10-year Commonwealth Government Bond Rate. If your 2016 Benefit Statement does not include a Surcharge Tax Account, then you were not affected by this old tax at 30 June 2016.

If you have an APSS Rollover Account, we will deduct your surcharge tax liabilities from the account balance upon receipt of the ATO surcharge tax assessment.

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

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2016

apss
AUSTRALIA POST SUPER SCHEME

Periodic Statement Part 2

Australia Post Superannuation Scheme
(ABN 42 045 077 895)

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

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