

PERIODIC STATEMENT PART 2

# Your Annual Report for 2010

14.3% AaE EMPLOYEES

***“A defined benefit  
that can never  
decrease in value”***



**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



# Your 2010 Annual Report

This part of your 2010 Periodic Statement provides information that must be reported to you annually by law, along with the personal information in Part 1.

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## HOW WE CAN HELP YOU

The APSS is at your service. If you require more information to understand your super benefit or other information regarding your investment in the APSS, you can do so by contacting us.



...online at **apss.com.au**, just log on and press *contact us*;



...call *SuperPhone* on **1300 360 373**. Speak with a Service Representative between 9am and 7pm (EST) Monday - Friday;



...by fax **(02) 9372 6288**;



...by mail at:  
**APSS, Locked Bag A5005,  
Sydney South NSW 1235.**

## Disclaimer

Part 1 of your Periodic Statement contains personal information prepared to help you understand your benefits. Part 2 of your Periodic Statement contains general information about the APSS, including the financial condition, the management and the investment performance.

The Periodic Statement does not contain financial product advice and should not be relied upon as such. Before making any decision on the basis of this information, you should obtain the relevant Product Disclosure Statement(s) for you and independent advice that takes into account your particular circumstances. The Trustee of the APSS, and the issuer of interests in the APSS, is PostSuper Pty Limited ABN 85 064 225 841 (RSE Licence Number L0002714). The Australia Post Superannuation Scheme (APSS) Registration Number is R1056549 and the APSS ABN is 42 045 077 895.

Neither PostSuper Pty Limited nor Australia Post holds an Australian Financial Services Licence and, therefore, neither can provide you with financial product advice.

## SAFE SUPER IN UNCERTAIN TIMES

The volatility of investment markets over the last three years has highlighted the value of the AaE-Financed Benefit. While working at Australian air Express Pty Ltd (AaE), rest assured you are building a secure and generous super benefit that grows with each working year.

*Your AaE-Financed Benefit in the APSS is not affected by investment markets and cannot reduce in value.*

You have peace of mind and certainty that your AaE-Financed Benefit grows each year that you work at AaE no matter what happens in the investment markets. It is a benefit based on your salary and length of service, not on investment returns. AaE bears the investment risk, not you.

AaE makes contributions to the APSS to pay for the defined benefits. The appropriate structures are in place to ensure sufficient funding of the benefits to take into account the rises and falls in assets relative to the defined benefits. The Trustee and the APSS's Actuary monitor this process in close consultation with Australia Post and Associated Employers (including AaE). At 30 June 2010 the value of the assets built up from the contributions made by Australia Post and Associated Employers to the APSS exceeded the value of the defined benefits.\*

Your AaE-Financed Benefit is not only free of investment risk, it is expected to grow at a higher rate than the minimum under Superannuation Guarantee legislation. There are also no expenses or management costs deducted from your AaE-Financed Benefit because they are met by AaE.

## MEMBER SAVINGS

If you have Member Savings in the APSS (a separate accumulation-style account that does not affect your defined benefit) they will be affected by investment returns. The fortnightly Crediting Rates on Member Savings are determined by reference to the investment returns of the underlying assets of the APSS. The Crediting Rates that applied to your Member Savings for the year ended 30 June 2010 depend on the combination you chose between Market Return Member Savings and Cash Return Member Savings.

### Market Return Member Savings

The Market Return Crediting Rates depend on the returns earned by the assets in the Market Return Portfolio. The Market Return Portfolio is designed to deliver on the expectation that economic activity creates wealth for investors in the long-term. The Trustee expects the Market Return Portfolio to benefit from the value created by economic activity in the long-term but over shorter intervals it can be affected by

economic cycles. In 2009-10 this resulted in a year of two halves. The first half was still dominated by falling asset values while the second half saw a gradual improvement in asset values as the world economy began to emerge from recession. The net result was a compounded Market Return Crediting Rate of 0.1% for the 12 months to 30 June 2010.

The Market Return Portfolio is mainly invested in privately-traded assets with smaller amounts held in publicly-listed shares and government bonds. Privately-traded assets include businesses, buildings and other commercial assets that form part of the world economy, just as publicly-listed companies do. Publicly-traded shares, which form the bulk of most other superannuation funds' investment strategies, recovered in value earlier and by more than privately-traded assets in the 12 months to 30 June 2010 – but only after falling further at the onset of the economic crisis in 2008. Over the three years to 30 June 2010 the differences between the compounded average Market Return Crediting Rates and the average superannuation fund returns drop away. This highlights the need to take a longer-term view of your Market Return Member Savings.

### Cash Return Member Savings

The Cash Return Crediting Rates are based on the returns earned by the Cash Portfolio and can never be negative. The Cash Portfolio is invested in a managed fund that holds bank-guaranteed cash securities. The returns are expected to be similar to the official cash interest rates set by the Reserve Bank of Australia (the RBA) after an adjustment for tax and investment expenses. The compounded Cash Return Crediting Rate for the 12 months to 30 June 2010 was 3.2%. This corresponds with the RBA's official cash rate through the year after allowing for tax. The RBA's cash rate was 3.0% per annum on 1 July 2009 but had risen to 4.5% per annum on 30 June 2010 after a series of rate increases declared by the RBA.

\*The Vested Benefits Index (VBI) measures this ratio of the market value of the APSS assets to the value of vested member benefits, and at 30 June 2010 the VBI was 102.7%.

**CREDITING RATES**

This section provides the compounded Crediting Rates for the 2009-10 year and for longer periods.

Your AaE-Financed Benefit is based on your salary and length of service with AaE and is not affected by Crediting Rates. If you have Member Savings in the APSS then the compounded Crediting Rates that you receive depend on whether from 1 July 2009, your Member Savings have been in Market Return Member Savings, Cash Return Member Savings or

a combination of both. They will also depend on when you made your Member Savings and other factors. Therefore, the compounded Crediting Rates shown below may not represent the actual rates that were credited to your Member Savings.

**PAST CREDITING RATES**

Period	Market Return ^	Cash Return*
2009–10	0.10%	3.21%
2008–09	-14.07%	4.46%
2007–08	5.91%	6.30%
<b>Capital Guaranteed Crediting Rate</b>		
2006–07	23.0%	–
2005–06	16.3%	–
2004–05	9.4%	–
2003–04	5.7%	–
2002–03	0.0%	–
2001–02	2.5%	–
2000–01	10.3%	–
1999–00	16.8%	–
Compounded average last 3 financial years	-3.1%	4.6%
Compounded average last 5 financial years	5.4%	–
Compounded average last 10 financial years	5.5%	–
Compounded average since inception	7.7%	4.6%

**Important Note:** Past Crediting Rates are not necessarily indicative of future Crediting Rates. Rates shown are net of investment tax.

^ The actual compounded Market Return Crediting Rate is shown for financial years from 1 July 2007. Market Return Member Savings commenced on 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 for the last three, five and ten financial years, and since inception, are calculated based on the actual Market Return Crediting Rates for the years 2007–08, 2008–09, 2009–10 and the actual Crediting Rates for Capital Guaranteed Member Savings for years prior to 1 July 2007.

\* The actual compounded Cash Return Crediting Rate is shown for financial years from 1 July 2007. Cash Return Member Savings commenced on 1 July 2007. Therefore there are no Cash Return Crediting Rates prior to 1 July 2007.

**FORTNIGHTLY CREDITING RATES 2009-10**

The fortnightly Crediting Rates for 2009–10 are shown below:

Fortnight	Market Return	Cash Return
24 Jun 09 to 07 Jul 09	-2.62%	0.10%
08 Jul 09 to 21 Jul 09	-1.29%	0.10%
22 Jul 09 to 04 Aug 09	0.06%	0.09%
05 Aug 09 to 18 Aug 09	0.05%	0.10%
19 Aug 09 to 01 Sep 09	0.10%	0.09%
02 Sep 09 to 15 Sep 09	-0.47%	0.11%
16 Sep 09 to 29 Sep 09	0.00%	0.12%
30 Sep 09 to 13 Oct 09	-0.30%	0.08%
14 Oct 09 to 27 Oct 09	-0.08%	0.11%
28 Oct 09 to 10 Nov 09	-0.15%	0.11%
11 Nov 09 to 24 Nov 09	0.18%	0.13%
25 Nov 09 to 08 Dec 09	-0.66%	0.09%
09 Dec 09 to 22 Dec 09	0.13%	0.14%
23 Dec 09 to 05 Jan 10	-0.03%	0.12%
06 Jan 10 to 19 Jan 10	1.59%	0.13%
20 Jan 10 to 02 Feb 10	0.06%	0.12%
03 Feb 10 to 16 Feb 10	0.39%†	0.15%
17 Feb 10 to 02 Mar 10	0.11%	0.12%
03 Mar 10 to 16 Mar 10	0.09%†	0.13%
17 Mar 10 to 30 Mar 10	0.00%	0.12%
31 Mar 10 to 13 Apr 10	-0.65%	0.12%
14 Apr 10 to 27 Apr 10	-0.03%	0.16%
28 Apr 10 to 11 May 10	1.19%	0.11%
12 May 10 to 25 May 10	0.13%	0.16%
26 May 10 to 08 Jun 10	1.07%	0.15%
09 Jun 10 to 22 Jun 10	-0.05%	0.16%
23 Jun 10 to 06 Jul 10	0.07%	0.15%

From 5 August 2009, fortnightly Crediting Rates, rather than interim rates, were used when members switched between Market Return Member Savings and Cash Return Member Savings.

† The Market Return Crediting Rate for the fortnight ended 16 February 2010 was lower than the investment return of the Market Return Portfolio. The Market Return Crediting Rate for the fortnight ended 16 March 2010 was correspondingly higher than the investment return on the Market Return Portfolio. This has had no material impact on the vast majority of APSS members.

For information about how Crediting Rates are applied, see the *Member Savings* PDS, available online at [apss.com.au](http://apss.com.au) in the *Publications & Forms* section, or you can call SuperPhone on **1300 360 373** and request a copy.

## INVESTMENT OBJECTIVES AND STRATEGY

The following pages provide information about how the Trustee invests the assets of the APSS.

### INVESTMENT OBJECTIVE FOR AaE-FINANCED ASSETS

Each year, AaE must meet the cost of providing your AaE-Financed Benefit. This is called AaE's superannuation expense. It is affected by investment returns on the AaE-Financed Assets in the APSS.

The Trustee's investment objective for the AaE-Financed Assets is to meet:

- Trust Deed requirements – to have investment arrangements that, together with AaE's future contributions, will be sufficient to pay your AaE-Financed Benefit when it becomes payable;
- Regulatory requirements – to maintain sufficient assets at all times to pay the total AaE-Financed Benefit entitlements of all Members at any time; and
- AaE's preferences – to invest in a way that results in an acceptable level of AaE's superannuation expense and does not give rise to undue fluctuations in AaE's superannuation expense each year.

The Trustee recognises that together these objectives cannot be met with certainty. Therefore the Trustee invests in a way that results in the greatest likelihood of achieving these outcomes in combination.

***You do not bear any investment risk associated with your defined benefit because AaE bears the risk.***

### INVESTMENT OBJECTIVE FOR MEMBER SAVINGS IN 2009-10

#### Investment objectives for 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 return credited to Cash Return Member Savings without incurring undue fluctuations in the short-term.

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 return credited to Market Return Member Savings over the long-term will be 3-4% per annum more than the return credited to Cash Return Member Savings.

The Trustee expects that fluctuations in the investment markets could cause the Market Return Portfolio to fall in value about one year in every five years on average, but that the Crediting Rate for Market Return Member Savings will exceed the rate of inflation, and be higher than the Crediting Rate for Cash Return Member Savings in the long run.

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. Of course, history is not necessarily a guide to what may happen from year to year in the future. You should consider whether you have enough time before you need to access your savings, to withstand periods when the investment markets may go down.

#### Investment objectives for 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 lets the value of your Member Savings at least keep up with inflation over the longer term.

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

The Trustee expects Crediting Rates for Cash Return Member Savings to be similar to the cash interest rate set by the Reserve Bank of Australia, less investment costs and 15% investment tax.

Cash Return Member Savings are protected by the Capital Guarantee, which means that the Crediting Rates and Interim Crediting Rates for Cash Return Member Savings cannot be negative. However, the Capital Guarantee does not cover the risk of inflation reducing the purchasing power of your Member Savings.

**TRUSTEE’S INVESTMENT STRATEGY**

The funds in the APSS are divided into two investment portfolios, those being the Market Return Portfolio; and the Cash Portfolio. Member Savings are allocated between these two portfolios.

Regardless of the actual allocation of Member Savings between the Market Return Portfolio and the Cash Portfolio at any particular time, the Market Return Member Savings Crediting Rates are determined by reference to the investment returns of the Market Return Portfolio and the Cash Return Member Savings Crediting Rates are determined by reference to the investment returns of the Cash Portfolio.

The Market Return Portfolio is a diversified portfolio of assets that are mainly invested 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 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 Trustee has defined four distinct asset classes:

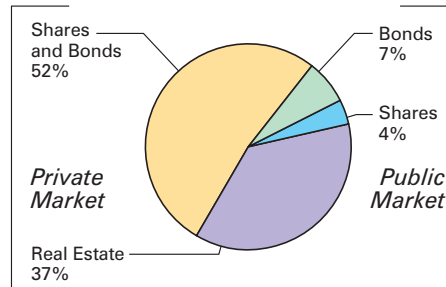
- public market Shares;
- public market Bonds;
- private market Real Estate; and
- private market Shares and Bonds.

The Cash Portfolio is invested separately from the Market Return Portfolio. It may include bank deposits or bills and short-term interest-bearing securities with very high credit quality. These may be held directly or via a managed investment trust.

Actual and target asset allocation for the Market Return Portfolio are provided in the next column.

**ASSET ALLOCATION – MARKET RETURN PORTFOLIO**

**Actual Allocation as at 30 June 2010**

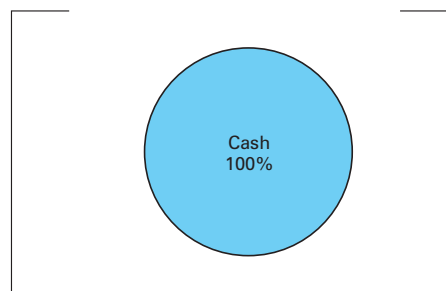


Market Return Portfolio	30 June 2010		30 June 2009	
	Target	Actual	Target	Actual
Private market Shares and Bonds	40%	52%	40%	47%
Private market Real Estate	30%	37%	30%	42%
Public market Bonds	20%	7%	20%	7%
Public market Shares	10%	4%	10%	4%

Actual and target asset allocations for the Cash Portfolio are shown below:

**ASSET ALLOCATION – CASH PORTFOLIO**

**Actual Allocation as at 30 June 2010**



Cash Portfolio	30 June 2010		30 June 2009	
	Target	Actual	Target	Actual
Cash	100%	100%	100%	100%

**INVESTMENT MANAGERS APPOINTED BY THE TRUSTEE**

Vanguard Investments Australia Ltd – Public market Shares, Bonds and Cash.

Macquarie Investment Management Limited – Currency risk management.

**INVESTMENTS GREATER THAN 5% OF TOTAL APSS ASSETS**

More than 5% of the total APSS assets are held in the Alternative Investment Private Syndicate Fund A and the Vanguard Cash Reserve Fund. Each of these entities is an investment vehicle holding a large number of underlying investments. None of the individual underlying investments exceeds 5% of the total assets of the APSS.

**USE OF DERIVATIVES**

Derivatives are financial securities which derive their value from another security (e.g. futures and options). The APSS's investment managers are permitted to use derivatives to achieve their investment objectives, for example, to control 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.

**ABRIDGED FINANCIAL STATEMENTS (UNAUDITED)\***

	\$million	\$million
<b>APSS assets at 1 July 2009</b>		<b>5,751</b>
Plus		
Net earnings from APSS assets	199	
Increase in value of APSS assets	87	
Employer payments	182	
Money saved by Members	61	
Money transferred to the APSS	35	564
Less		
Benefits paid to Members	336	
Expenses	16	
Tax expense	87	439
<b>APSS assets at 30 June 2010</b>		<b>5,876</b>

**\*Note:** At the time of printing this report, the APSS's Approved Auditor is in the process of auditing the financial statements of the APSS. Full audited financial statements are submitted in September each year for adoption by the Trustee. When adopted by the Trustee, a copy of the full audited financial statements and the Auditor's Report for the 2009-10 financial year will be available on written request.

## CHANGES IN THE APSS

This section tells you about any changes made to the APSS during the 2009-10 year and more recently.

### APSS TRUST DEED CHANGES

The following changes were made to the APSS Trust Deed during the year ended 30 June 2010:

An amendment to reflect legislative changes to superannuation law affecting members in same-sex relationships. These changes include amendments to the definition of 'Spouse' and 'Child' to include same-sex partners and their children. The effects of these changes is to provide members with:

- Greater flexibility in who they can nominate as their death benefit beneficiaries (including reversionary beneficiaries), as this may now include same-sex partners and their children; and
- The opportunity to open an APSS Spouse Account and request contribution splitting with same-sex partners.

These changes also provide the Trustee with greater flexibility to act on relevant superannuation agreements and court orders arising from the breakdown of de facto relationships (including same-sex relationships) under family law legislation.

### PROPOSED CHANGES RESULTING FROM FEDERAL BUDGET AND HENRY TAX REVIEW – 2010

The Federal Budget announced no further significant changes to those super reforms proposed on 2 May 2010 in response to the Henry Tax Review.

The main initiatives relating to Superannuation are outlined in further detail below:

- Superannuation Guarantee contributions to increase incrementally from 9% to 12%.
- Superannuation Guarantee age limit to increase from age 70 to 75.
- \$50,000 before-tax contribution limit for over 50s with less than \$500,000 in super.
- Low income earners to receive a Government contribution.
- Co-contribution income thresholds remain unchanged for 2010-11 and 2011-12 years.

It should be noted that at the date of printing the proposed changes (with the exception of the Co-contribution changes) had not been legislated. Members will be notified once any of the proposed changes become effective under law.

### Increase in the Superannuation Guarantee from 9% to 12%

The Government has announced it will increase the minimum Superannuation Guarantee rate from 9% to 12% of an employee's Ordinary Time Earnings (OTE) between 1 July 2013 to 1 July 2019 by small annual increments.

As a 14.3% AaE employee in the APSS, you already receive an AaE-Financed Benefit that accrues at 14.3% of your Final Average Salary for every year of service. This will generally be significantly more generous than a defined contribution at the proposed minimum Superannuation Guarantee rate of 12% of OTE.

The AaE-Financed Benefit provided during periods of probationary employment currently accrues at 9% of Final Average Salary for every year of service. This is expected to increase if the minimum Superannuation Guarantee rate increases.

### Increase in the Superannuation Guarantee age from 70 to 75

The Government has also indicated a commitment to provide mature workers an extra incentive to remain in the workforce by raising the Superannuation Guarantee age limit from 70 to 75 from 1 July 2013.

Your APSS benefit already continues to accrue past age 70 if permitted by law.

### Higher Concessional Contributions cap for certain individuals

Individuals aged 50 or over with "total superannuation balance" of less than \$500,000 will have a higher Concessional Contributions cap of \$50,000 (indexed) from 1 July 2012. This extends the current transitional Concessional Contributions cap of \$50,000 (which is not indexed) for those aged 50 or over, which is due to expire on 30 June 2012.

The higher cap will allow those with superannuation balances lower than \$500,000 to "catch up", and will particularly benefit those who have had periods outside the workforce.



### **Introduction of Government contributions for low income earners**

The Government will pay a rebate (by way of a contribution into a person's superannuation account in the following year) for low income earners to offset contributions tax payable on Concessional Contributions, from 1 July 2012 (although the first contribution from the Government, in relation to the 2012-13 year, will not be paid until 2013-14). The contribution will be equal to 15% of the Concessional Contributions made by or for individuals on adjusted taxable incomes of up to \$37,000 (therefore, aiming to match the 15% contributions tax paid on those contributions), subject to a maximum contribution of \$500 p.a. (not indexed).

Concessional Contributions are contributions made to superannuation that are taxed in the superannuation fund. They include the before-tax (salary sacrifice) contributions of employee members of the APSS and the amount the APSS notifies the Australian Taxation Office (ATO) as AaE's notional contribution to provide employee members with their AaE-Financed Benefit.

This contribution will be in addition to the current Government Co-contribution scheme, which applies to after-tax contributions for members on adjusted taxable incomes below the threshold described below.

### **Co-contribution income thresholds remain unchanged**

The Government will match Non-Concessional Contributions (generally after-tax contributions) made during the 2009-10 financial year at a rate of \$1 for every dollar, up to a maximum of \$1,000 p.a. for persons with total income below \$31,920. The amount of the Co-contribution phases down for total incomes up to \$61,920.

These total income thresholds will remain unchanged for the 2010-11 and 2011-12 financial years. The maximum matching rate will remain at \$1 for every dollar, up to a maximum Co-contribution of \$1,000.

### **MEMBER SAVINGS INVESTMENT ARRANGEMENTS**

As advised in the 2009 Annual Report, the Trustee made some improvements to Member Savings investment arrangements from 5 August 2009. As these changes came into effect during the 2009-10 year they are briefly outlined below:

#### **Cash Return Member Savings made available for APSS Rollover and APSS Pension members**

The Cash Return Member Savings option is now available to APSS Rollover and APSS Pension members. This means these members can have Member Savings in the APSS in Market Return Member Savings, Cash Return Member Savings, or a combination of both.

#### **Asset allocations**

All Member Savings in the APSS are allocated between two investment portfolios: the Market Return Portfolio and the Cash Portfolio.

From 5 August 2009, it was determined that the allocation of Member Savings between the Market Return and Cash Portfolios may vary from time to time, at the Trustee's discretion, according to factors including the value of the Employer-Financed Assets, the investment environment and how much members have in Market Return Member Savings and Cash Return Member Savings.

The changes enable the Trustee to invest the assets of the APSS in the most efficient possible way for both Market Return Member Savings and Cash Return Member Savings.

Regardless of the allocation of Member Savings between the Market Return Portfolio and the Cash Portfolio at any particular time:

- the Crediting Rates for Market Return Member Savings will be determined by reference to the Market Return Portfolio; and
- the Crediting Rates for Cash Return Member Savings will be determined by reference to the Cash Portfolio.

### **MINIMUM PENSION PAYMENTS**

The 50% reduction in the minimum pension payment amount that was introduced in 2008-09 and remained in place for 2009-10, has been extended to the 2010-11 year.

### **PRODUCT DISCLOSURE STATEMENTS**

The APSS Product Disclosure Statements (PDSs) are updated regularly to provide information on changes. Copies of the most recent PDSs can be downloaded from the website at [apss.com.au](http://apss.com.au) or you can call *SuperPhone* on **1300 360 373**.

## YOUR TRUSTEE DIRECTORS

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

### APPOINTMENT AND REMOVAL OF TRUSTEE DIRECTORS

All directors are appointed for a term of no more than three years, at which time they are eligible for re-appointment.

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

The three directors appointed by the sponsoring unions may be removed or replaced at any time at the discretion of the appointing union organisation or if they resign or retire.

The directors appoint the independent director who, as provided in the Trust Deed, is the Chairman. The removal or replacement of the independent director requires a resolution passed by at least a two-thirds majority of the directors.

On 28 February 2010, Mark Birrell ceased to be a Director and was replaced by Peter Carne, whose term commenced on 6 May 2010.

### YOUR TRUSTEE DIRECTORS AS AT 30 JUNE 2010

**Len Early:** Independent Director and Chairman.

**Ed Husic:** Appointed by the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU).

**Jim Metcher:** Appointed by the Australian Council of Trade Unions (ACTU).

**Louise Persse:** Appointed by the Community and Public Sector Union (CPSU).

**Mark Darras:** Appointed by Australia Post.

**Peter Carne:** Appointed by Australia Post.

**Peter Meehan:** Appointed by Australia Post.

### MEMBER REPRESENTATIVE DIRECTORS APPOINTMENT AND REMOVAL RULES

Member Representative Directors are appointed by each of:

- The Communication Electrical Plumbing Union of Australia;
- The Community and Public Sector Union; and
- The Australian Council of Trade Unions, as representing Members whose interests are represented by other Unions, in accordance with Rules approved by the Trustee.

These Rules also deal with the process for removal of Member Representative Directors. A copy of the Rules may be obtained by calling *SuperPhone* on **1300 360 373**.

### 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 your employer through its contribution obligations to the APSS.

## ELIGIBLE ROLLOVER FUND (ERF)

Once you leave AaE we will write to you asking you what you would like to do with your superannuation. If you do not tell us within 60 days of us writing to you, your superannuation will be paid automatically to the ERF. Your superannuation might be transferred to the ERF without your prior consent (unless we are prevented from doing so by law).

If your superannuation is transferred to the ERF, you will cease to be a Member of the APSS and the Trustee will cease to have a responsibility to administer your superannuation or to pay superannuation to you. In this event, you will need to contact the ERF in order to access your superannuation.

The ERF appointed by APSS provides a capital guarantee, which ensures that returns will never be negative. No death or total and permanent disablement insurance cover is provided.

Any superannuation transferred to an ERF can subsequently be transferred to another approved fund or, subject to preservation requirements, be paid to you, but cannot be transferred back into the APSS unless you are re-employed by AaE or an Associated Employer.

An ERF is not generally considered to be a suitable investment vehicle for your superannuation over the long term. This is because ERFs invest in assets that do not have much potential for longer-term growth.

The ERF appointed by APSS is the:

**AMP Eligible Rollover Fund,  
Locked Bag 5400,  
Parramatta, NSW 1741.**

**Phone: 1300 300 288.**

You should contact the ERF if you require further details.

## CONCESSIONAL CONTRIBUTIONS 2009-10

Concessional Contributions are contributions made to a superannuation fund from 1 July 2007 that are taxed in the superannuation fund. Additional superannuation tax is payable by employees who make Concessional Contributions in excess of the prescribed limits for a financial year.

If you were aged 50 or over as at 30 June 2010 the prescribed limit for 2009-10 was \$50,000. If you were aged under 50 as at 30 June 2010 the prescribed limit was \$25,000.

Concessional Contributions include your before-tax (i.e. salary sacrifice) contributions and the amount that the APSS has notified to the ATO as AaE's notional contribution to provide your AaE-Financed Benefit.

- **Notional Taxed Contributions (NTC)** – The Federal Government has prescribed a formula to determine a "notional contribution" for Employer-Financed Defined Benefits like the APSS. For most 14.3% AaE employees:

NTC = Superannuation Salary at 1 July 2009 adjusted for part time service x 10.8%\*.

*\*This rate applies for the 2009-10 financial year. A higher rate applies if your superannuation salary is less than \$36,000.*

- **Salary Sacrifice Contributions** – Represents the total before-tax superannuation contributions made on your behalf by agreement with your employer for the financial year.

**Note:** You may also have additional Concessional Contributions if you have other superannuation outside of the APSS.

Excess Concessional Contributions are subject to additional tax, payable by you, at the rate of 31.5% (including Medicare Levy). This tax is in addition to the 15% contributions tax that has already been applied.

Concessional Contributions should not be confused with Non-concessional Contributions, which are after-tax contributions and subject to an annual limit of \$150,000 that may be averaged over three years to allow persons under age 65 to make larger one-off contributions of up to \$450,000 every three years. Any Concessional Contributions that exceed your limit will also count towards your Non-concessional (after-tax) Contribution limit.

Further information about Concessional Contribution Limits, as well as details on Non-concessional Contribution Limits, are contained in the *Member Savings* Product Disclosure Statement (PDS) available on the APSS website (*Publications & Forms* section) or by calling SuperPhone on **1300 360 373**.

## SURCHARGE TAX

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If you are affected by Surcharge Tax, you owe the APSS an amount representing the Surcharge Tax that the APSS has been required to pay to the ATO on your behalf. The amount that you owe to the APSS as at 30 June 2010 is shown on your Surcharge Tax Account balance in your 2010 APSS Periodic Statement Part 1. This amount accrues with interest at the 10-year Commonwealth Government Bond Rate.

The APSS reclaims your Surcharge Tax Account balance when your benefit 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**.

## HOW TO ESTIMATE YOUR RETIREMENT BENEFIT

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Your estimated retirement benefit depends on a number of things – including how much of your pay you save, whether you save before or after-tax and the rate at which your salary grows.

Our Projected Benefits calculator at **apss.com.au** is a useful tool for estimating your retirement benefit. The purpose of this calculator is to illustrate how your APSS benefit might grow in the future based on certain assumptions.

## ILLEGAL EARLY RELEASE OF SUPER BENEFITS AND IDENTITY THEFT

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To help safeguard your interests the APSS has a number of security measures in place to ensure that it maintains security over your personal information.

These processes are designed to help protect your APSS superannuation benefits and include verification procedures such as the need to provide appropriate proof of identity in situations where personal information is being made available or a benefit payment or rollover to another superannuation fund is being made.

There are also legal restrictions imposed on when you may access your superannuation. Full details on these restrictions can be found in the APSS Product Disclosure Statements available online at **apss.com.au** in the *Publications & Forms* section, or by calling *SuperPhone* on **1300 360 373**.

As a result of increased criminal activity, including the illegal early release of superannuation benefits and identity theft, it is important that you safeguard your personal information and maintain some security over documents you receive from the APSS that contain your personal details.

## PROCEDURES FOR INQUIRIES & COMPLAINTS

You can make an inquiry, including a request for information, at any time by contacting us.

If you wish to make a complaint about a Trustee decision, please make it in writing, preferably using the APSS complaint form. By law you must specify the Trustee decision that you are making the complaint about. Complaint forms are available by contacting us.

All complaints will be brought to the attention of the APSS Inquiry and Complaints Officer (ICO). Contact details for the ICO are:

**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 you don't like the Trustee's decision and your complaint about the decision is not resolved to your satisfaction by 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.  
E-Mail: [info@sct.gov.au](mailto:info@sct.gov.au)**

## PRIVACY POLICY

The APSS has always respected your privacy, and has policies in place to make sure that your personal information is kept private and confidential. These policies are aligned with the Federal Government's "National Privacy Principles" (NPPs). You can access the Trustee's Privacy Policy:



...online at **[apss.com.au](http://apss.com.au)**;



...by calling *SuperPhone* on **1300 360 373**.

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