

MEMBER REPORT  
**2013**



This Vision Super Member Report 2013 and your Vision Super Member Statement with the investment flyer for the year ended June 2013, make up your Member Report and should be read together.



# Chairman's report

Welcome to the 2012/2013 Vision Super Member Report. This has been a year of intense "behind the scenes" activity as Vision Super specifically, and the super industry generally, negotiates its way through the greatest series of reforms in the last twenty years.

Peter Wilson - Chairman



The results of some of this work will be evident from 1 July 2013. There are broadly four main areas for change;

## MySuper

A default product designed for members who are not engaged with their superannuation.

## Future of Financial Advice

A new way of delivering advice ranging from general information, issues specific advice and the full financial advice. The new rules stop commissions (up front or on-going) from being charged.

## SuperStream

Establishes uniform rules for all Employers and Funds for the payment of contributions and rollovers using eCommerce.

## New Prudential Standards

Designed to improve the overall governance, security and risk management of the superannuation system.

Vision Super intends to be at the forefront of service delivery in all areas although, by the time each new standard becomes visible to members, months of planning and development will already have preceded it.

Whilst it would have been easy to focus predominantly on internal matters, I am pleased to report on a number of significant achievements for members during the last twelve months.

## Investment Update

While investment markets were challenging, members have received double-digit returns for the year in all investment options with a significant exposure to growth assets. Our default fund, Balanced Growth, returned 12.85% and 14.6% for super and allocated pension members respectively. Investors in more defensive options will have enjoyed positive, less volatile, performance.

## Fund update

Other significant achievements include the launch of our new website which, together with the release of membership cards, are designed to make super more accessible to our members.

The independent ratings company, SuperRatings, awarded Vision Super a Platinum rating; this is the eighth year in a row that they have ranked us within the top 15% of super funds in terms of offering "best value for money" to members. This is a significant and noteworthy achievement.

It is these achievements, amongst other things, that have led the Board to determine that it is appropriate and practical for Vision Super to continue as a sustainable, stand alone, fund that can continue to deliver benefits to members.

While about 90% of our member are in accumulation funds, we also have responsibility for a number of closed defined benefit plans; most notably the Local Authorities Defined Benefit Plan. With no new members, the funding of these plans is highly susceptible to investment markets. While the 2011 actuarial review revealed an unfunded liability of \$453 million, we are pleased to report that, by 30 June, we had received over 70% of this money from employers.

There has been some change to the Board over the year. I was nominated by the Victorian Water Industry Association and became a Director on 1 July 2012 and subsequently Chairman on 1 February 2013. Graham Sherry also joined the Board on 28 September on the nomination of VECCI. I would like to acknowledge the considerable contribution that our respective predecessors, Michael Tilley and Angela Emslie, made to the development of Vision Super over many years.

I would like to extend a sincere thank you to my fellow Directors, our employers and members for their continued support over the past year. We are very much looking forward to another very busy year of change and innovation.

# Investment management overview

Vision Super's assets are invested in The Vision Pooled Superannuation Trust. The pooled trust holds investments in a number of different single sector and premixed investment options.



The tables on the next two pages include approximately \$261 million that other super funds have invested in the Trust. The more money pooled together, the greater the return after fees and the more efficient the funds are to manage.

## Investment Strategy

Vision Super offers a complete range of Premixed and Single Sector Member Investment Choice Options. The investment objectives and risks for each option vary according to the asset class mix which makes up the option. The objectives are reviewed annually and involve careful consideration of past and expected future risks and returns. A key strategic objective is to ensure that each Investment Choice Option is invested in line with its target asset allocation ranges. At times this can be difficult during significant investment market movements.

Financial markets go up and down at different times for different reasons and a fund's investment assets can quickly get out of balance. Providing we are able to do so, we rebalance our portfolios regularly sometimes by way of redirecting contributions and at other times by reallocating cash between portfolios.

## Derivatives

Derivative instruments are used to assist with the efficient implementation of our asset allocation. We use an Implementation Manager for this purpose. External fund managers of discrete mandates are only authorised to use derivative instruments for the efficient management of their portfolios under agreed guidelines. These guidelines allow fund managers to use derivatives to control risk and reduce (or increase) exposure to investment markets. Fund managers are not authorised to use derivative instruments for the purposes of leveraging the portfolio or for speculation.

Vision Super invests in a number of pooled investment funds. As part of their active investment strategies, these pooled investment funds may use derivative instruments from time to time to leverage their portfolios. Vision Super does not have additional liability associated with these pooled funds beyond the amounts invested.

We do not use derivative instruments in managing the internal cash portfolio.

## Investment Manager Reviews

During the year the Board made changes to the appointed investment managers. Existing mandates of current investment managers also changed. As part of the annual review of the fund's investment strategy, the Board agreed to appoint two new Australian share managers; Industry Funds Management to manage a Tax Effective Enhanced Index mandate and Ellerston Capital Limited Overlay Benchmark Unaware mandate. This resulted in the termination of Macquarie Enhanced Index and Ibbotson Associates Australia Limited High Alpha Trust mandates.

# Investment managers

## Traditional investments

	30 June 2013		30 June 2012	
	\$million	%	\$million	%
<b>Growth investments</b>				
<b>Australian Shares</b>				
Citigroup Futures Overlay - Australian Equities Active and Passive	75.3	1.2	15.0	0.3
Ellerston Capital Ltd - Overlay Australian Share Fund	161.0	2.6	0.0	0.0
Ibbotson Associates - High Alpha Trust (Terminated)	0.0	0.0	131.3	2.6
Industry Funds Management - Enhanced Index Strategy	563.7	9.0	0.0	0.0
Integrity Investment Management - Australian Equities Fundamental	156.2	2.5	75.2	1.5
Invesco Australia Limited - Australian Small Companies	58.0	0.9	49.2	1.0
Kinetic Investment Partners Limited - Australian Small Companies	115.4	1.8	49.5	1.0
Macquarie Funds Group - Enhanced Index (Terminated)	0.0	0.0	511.1	9.9
Schroders Investment Management Australian Limited - Growth Tilt	347.1	5.5	246.4	4.7
<b>Total Australian Shares</b>	<b>1,476.7</b>	<b>23.5</b>	<b>1,077.8</b>	<b>21.0</b>
<b>International Shares</b>				
Baillie Gifford Overseas Ltd - Long-Term Global Growth Equities	213.4	3.4	133.3	2.6
Citigroup Futures Overlay - International Equities Active & Passive	42.1	0.7	0.3	0.0
Colonial First State - Global Emerging Markets Leaders Fund	112.3	1.8	89.1	1.7
Generation Investment Management - Global Equity Strategy	104.9	1.7	77.3	1.5
SSgA - Index Plus Strategy *	311.6	5.0	223.4	4.3
Tradewinds Global Investors, LLC - Value Approach Strategy (Terminated)	0.0	0.0	0.2	0.0
Turner Investment Partners - Global Growth	149.2	2.4	119.6	2.3
Wellington International Management Company Pte Ltd - Global Value	290.5	4.6	205.7	4.0
<b>Total International Shares</b>	<b>1,224.0</b>	<b>19.6</b>	<b>848.9</b>	<b>16.4</b>
<b>Currency</b>				
Millennium Global Investments Ltd - Active/Passive	-24.6	-0.4	8.4	0.2
<b>Total Currency</b>	<b>-24.6</b>	<b>-0.4</b>	<b>8.4</b>	<b>0.2</b>
<b>Property</b>				
AMP Capital Investors - Property Unit	156.6	2.5	142.4	2.8
Eureka Fund Management - Core Property Fund 3	58.0	0.9	61.6	1.2
Industry Super Property Trust - Core Fund	96.3	1.5	120.0	2.3
QIC Properties Pty Ltd - Shopping Centre Fund (Retail)	49.9	0.8	48.6	0.9
<b>Total Property</b>	<b>360.8</b>	<b>5.7</b>	<b>372.6</b>	<b>7.2</b>
<b>Defensive Investments</b>				
<b>Cash</b>				
Internal Management (Vision Super)	1,167.9	18.7	955.1	18.6
<b>Total Cash</b>	<b>1,167.9</b>	<b>18.7</b>	<b>955.1</b>	<b>18.6</b>
<b>Diversified Bonds</b>				
Brandywine Global Investment Management, LLC - Global Opportunistic Fixed Income	96.8	1.6	71.2	1.4
Citigroup Futures Overlay - Australian and International Diversified Bonds	0.0	0.0	0.0	0.0
Hastings Funds Management Limited - High Yield Fund	19.6	0.3	59.6	1.2
Members Equity Portfolio Management Limited - Super Loans Trust	9.0	0.1	10.9	0.2
SSgA - Australian & International Passive Fixed Interest *	483.1	7.7	308.1	6.0
Western Asset Management Company - Global Inflation Linked Bonds	73.3	1.2	73.0	1.4
<b>Total Diversified Bonds</b>	<b>681.8</b>	<b>10.9</b>	<b>522.8</b>	<b>10.2</b>
<b>Total Traditional Investments</b>	<b>4,886.6</b>	<b>78.0</b>	<b>\$3,785.5</b>	<b>73.6</b>

\* SSgA refers to State Street Global Advisors.



## Alternative investments

	30 June 2013		30 June 2012	
	\$million	%	\$million	%
<b>Infrastructure</b>				
IFM Australian & International Infrastructure	506.1	8.1	483.6	9.4
Hastings Funds Management Limited - Utility Trust of Australia	96.9	1.5	91.8	1.8
Regional Infrastructure Fund	12.2	0.2	11.3	0.2
<b>Total Infrastructure</b>	<b>615.2</b>	<b>9.8</b>	<b>586.7</b>	<b>11.4</b>
<b>Private Equity</b>				
IFM Australian Private Equity Funds II & III	25.7	0.4	28.7	0.6
Allegro Private Equity - Fund I	7.3	0.1	7.0	0.1
Generation Investment Management - Climate Solutions Fund	16.7	0.3	15.9	0.3
Greenspring Global Partners III & IV, L.P.	45.0	0.7	39.7	0.8
Hawkesbridge Private Equity Pty Ltd & Fund 3 (Trust C)	25.3	0.4	24.4	0.5
IFM International Private Equity Funds I, II & III	55.0	0.9	56.0	1.1
LGT Capital Partners AG - Crown European Private Equity PLC	32.3	0.5	31.5	0.6
Macquarie Alternative Investment Funds IV & V	35.5	0.6	39.7	0.8
Industry Super Holdings Pty Ltd and Members Equity Bank	22.1	0.4	19.8	0.4
Mid Europa Partners Emerging Europe Convergence Fund II, L.P.	26.0	0.4	41.4	0.8
Millenium Global Investments Ltd - Private Equity Europe & USD Hedge	-9.9	-0.2	0.1	0.0
Pomona Australia Pty Ltd - ING Private Capital Fund 1	0.1	0.0	0.5	0.0
Private Equity Trust #	120.3	1.9	119.0	2.3
Quay Partners Pty Ltd - Australia 2, 3 & 4 Funds	35.3	0.6	41.4	0.8
Vencap 12 Limited	41.7	0.7	34.1	0.7
<b>Total Private Equity</b>	<b>478.4</b>	<b>7.7</b>	<b>499.2</b>	<b>9.8</b>
<b>Property Opportunistic</b>				
APN Funds Management Ltd - Development Fund No. 1	3.3	0.1	6.9	0.1
Eureka Funds Management - Property Funds No. 1, 2 & Loan Note Facility	5.1	0.1	7.4	0.1
Gresham Partners Limited - Property Mezzanine Funds No. 2,3 & 4	16.2	0.3	11.4	0.2
Investa - Enhanced Fund	0.7	0.0	10.3	0.2
Macquarie Wanda Real Estate Fund	39.6	0.6	32.7	0.6
Millenium Global Investments Ltd - Property Opportunistic Europe & USD Hedge	-1.9	-0.0	1.7	0.0
Private Equity Trust - Property Opportunistic ##	102.2	1.6	83.7	1.6
Warakirri Asset Management Pty Ltd - Dairy Farm & Land Trust	39.2	0.6	45.9	0.9
<b>Total Property Opportunistic</b>	<b>204.4</b>	<b>3.3</b>	<b>200.0</b>	<b>3.7</b>
<b>Absolute Return Strategies</b>				
Bridgewater Associates Inc. - Pure Alpha Fund	74.1	1.2	75.0	1.5
Total Absolute Return Strategies	74.1	1.2	75.0	1.5
<b>Total Alternative Investments</b>	<b>1,372.1</b>	<b>22.0</b>	<b>1,360.9</b>	<b>26.4</b>
<b>Total</b>	<b>6,258.7</b>	<b>100.0</b>	<b>5,146.4</b>	<b>100.0</b>

# Adveq Management AG Europe III L.P., Lexington Capital Partners VI-B & Mesirow Financial Private Equity Partnership Fund III, L.P.

## Macquarie Global Property Advisors Asia & Europe Funds II & III

# Investment options

Tables on these pages show the asset allocations of Vision Super's Premixed and Single Sector investment options at 30 June 2013.

## Single sector options

### Cash

#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of CPI increases over at least two thirds of all rolling three year periods.

#### Probability of a negative return

The risk level of this option is very low. It is expected that there will be positive returns in almost 20 out of every 20 years. This means there is a risk of losing money in nil years in a 20 year period.

### Diversified Bonds

#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of CPI increases by 2% p.a. for super (3% p.a. for pensions) over at least two thirds of all rolling three year periods.

#### Probability of a negative return

The risk level of this option is low. It is expected that there will be positive returns in almost 19.5 out of every 20 years. This means there is a risk of losing money in 0.5 years in a 20 year period.

## Pre-mixed options

### Conservative

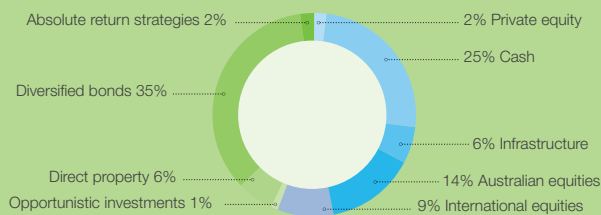
#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of increase in inflation as measured by the Consumer Price Index by 2.5% p.a. for super (3.5% p.a. for pensions) over at least two thirds of all rolling five-year periods.

#### Probability of a negative return

The risk level of this option is low. It is expected that there will be positive returns in almost 19 (ie. 19.2) out of every 20 years. This means there is a risk of losing money in around 1 (ie. 0.8) year in a 20 year period.

#### Benchmark allocations



### Balanced

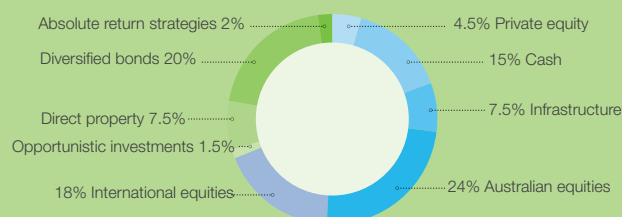
#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of increase in inflation as measured by the Consumer Price Index by 3.5% p.a. for super (4.5% p.a. for pensions) over at least two thirds of all rolling five-year periods.

#### Probability of a negative return

The risk level of this option is medium. It is expected that there will be positive returns in almost 18 out of every 20 years. This means there is a risk of losing money in a little over 2 years in a 20 year period.

#### Benchmark allocations



### Just Shares

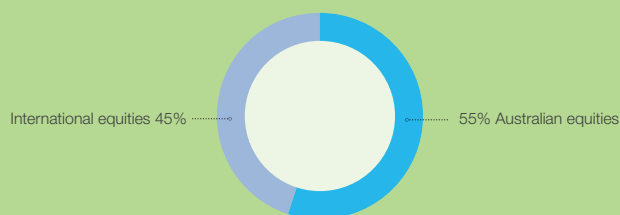
#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of increase in inflation as measured by the Consumer Price Index by 4.5% p.a. for super (5% p.a. for pensions) over at least two thirds of all rolling ten-year periods.

#### Probability of a negative return

The risk level of this option is high. It is expected that there will be positive returns in almost 15 out of every 20 years. This means there is a risk of losing money in a little over 5 years in a 20 year period.

#### Benchmark allocations



## Single sector options

### Australian Equities

#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of CPI increases by 4.5% p.a. for super (5% p.a. for pensions) over at least two thirds of all rolling ten year periods.

#### Probability of a negative return

The risk level of this option is high. It is expected that there will be positive returns in almost 15 (ie. 14.5) out of every 20 years. This means there is a risk of losing money in a little over 5 (ie. 5.5) years in a 20 year period.

### International Equities

#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of CPI increases by 4.5% p.a. for super (5% p.a. for pensions) over at least two thirds of all rolling ten year periods.

#### Probability of a negative return

The risk level of this option is high. It is expected that there will be positive returns in almost 15 (ie. 14.5) out of every 20 years. This means there is a risk of losing money in a little over 5 (ie. 5.5) years in a 20 year period.

## Pre-mixed options

### Balanced Growth (Default)

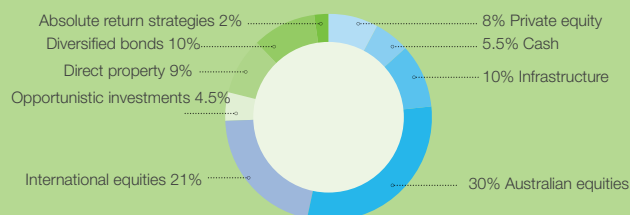
#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of increase in inflation as measured by the Consumer Price Index by 4% p.a. for super (5% p.a. for pensions) over at least two thirds of all rolling five-year periods.

#### Probability of a negative return

The risk level of this option is medium. It is expected that there will be positive returns in almost 18 (ie. 17.6) out of every 20 years. This means there is a risk of losing money in a little over 2 (ie. 2.4) years in a 20 year period.

#### Benchmark allocations



### Growth

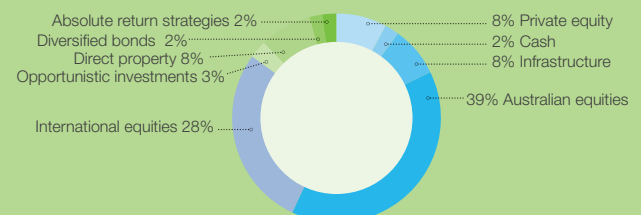
#### Performance objectives - Super\*, Pensions\*\*

To outperform (after fees and taxes) the rate of increase in inflation as measured by the Consumer Price Index by 4.5% p.a. for super (5.5% p.a. for pensions) over at least two thirds of all rolling ten-year periods.

#### Probability of a negative return

The risk level of this option is medium to high. It is expected that there will be positive returns in almost 17 (ie. 16.7) out of every 20 years. This means there is a risk of losing money in a little over 3 (ie. 3.3) years in a 20 year period.

#### Benchmark allocations



## Understanding the tables

Probability of a negative return allows members to select an option with a level of risk (sometimes called volatility) they are comfortable with. Figures in the tables are indications of long-term expectations. Investment markets go up and down and it is possible for negative returns to occur more frequently than shown.

Performance objectives are higher for pension than super products because they pay no tax on investment earnings.

The performance objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance. The negative returns are based on a Standard Risk Measure.

\* The earnings of super products are taxed.

\*\* The earnings of pension products are untaxed.

# Financial statements

To download the full audited financial statements when they are released in October, visit [www.visionsuper.com.au](http://www.visionsuper.com.au) and click **About Vision**, then **Financial Statements**. This is a summary of our unaudited financial statements. There are three sets of financial reports. One for the Local Authorities Superannuation Fund, one for the Vision Superannuation Fund and one combined report.

## Financial Report Combined

Incorporating Local Authorities Superannuation Fund  
and Vision Superannuation Fund.

### Net assets

As at 30 June 2013	FY2012/13 \$000	FY2011/12 \$000
<b>Assets</b>		
Investments	5,977,522	4,980,711
Other assets	220,032	513,451
Total assets	6,197,554	5,494,162
Less liabilities	137,001	139,590
Net assets	6,060,553	5,354,572

### Changes in net assets

For the reporting year ended 30 June 2013	FY2012/13 \$000	FY2011/12 \$000
Net assets at the beginning of the year	5,354,572	4,761,718
<b>Income</b>		
Investment revenue	639,740	113,383
Employer contributions	338,506	802,969
Member contribution	170,726	126,858
Other revenues	6,350	4,682
Total income	1,155,322	1,047,892
<b>Outgoings</b>		
Benefit payments	368,106	307,505
Administration expenses	22,441	18,930
Other outgoings	58,795	128,603
Total outgoings	449,341	455,038
Change in net assets	705,981	592,854
Net assets at end of the year	6,060,553	5,354,572



The full audited financial statements will be published on our website and will be available on request from October 2013.



## Financial Report Local Authorities Superannuation Fund

Generally incorporating Defined Benefit, Super Saver and Partner Plan plus Personal Plans and Pensions established before 1 February 2007.

### Net assets

As at 30 June 2013	FY2012/13 \$000	FY2011/12 \$000
<b>Assets</b>		
Investments	5,357,742	4,495,241
Other assets	218,171	512,509
<b>Total assets</b>	<b>5,575,913</b>	<b>5,007,750</b>
<b>Liabilities</b>		
Current tax liabilities	45,127	43,182
Deferred tax liability	75,698	75,698
Other liabilities	15,732	19,741
<b>Total liabilities</b>	<b>136,557</b>	<b>138,621</b>
<b>Net assets</b>	<b>5,439,356</b>	<b>4,869,129</b>

### Changes in net assets

For the reporting year ended 30 June 2013	FY2012/13 \$000	FY2011/12 \$000
Net assets at the beginning of the year	4,869,129	4,369,113
<b>Income</b>		
Investment revenue	583,493	84,789
Employer contributions	337,120	801,374
Member contribution	145,988	159,834
Other revenues	6,349	4,645
<b>Total income</b>	<b>1,072,950</b>	<b>1,050,642</b>
<b>Outgoings</b>		
Benefit payments	422,608	404,087
Administration expenses	21,361	18,026
Insurance premiums expense	14,360	13,576
Other expenses	7	3
Income tax expense	44,387	114,934
<b>Total outgoings</b>	<b>502,723</b>	<b>550,626</b>
<b>Change in net assets</b>	<b>570,227</b>	<b>500,016</b>
<b>Net assets at end of the year</b>	<b>5,439,356</b>	<b>4,869,129</b>

## Financial Report Vision Superannuation Fund

Incorporating Vision Personal Plan and Vision Income Stream plans (pensions) from 1 February 2007.

### Net assets

As at 30 June 2013	FY2012/13 \$000	FY2011/12 \$000
<b>Assets</b>		
Investments	619,780	485,470
Other assets	1,861	942
<b>Total</b>	<b>621,641</b>	<b>486,412</b>
<b>Liabilities</b>		
Current tax liabilities	40	35
Other liabilities	403	934
<b>Total liabilities</b>	<b>443</b>	<b>969</b>
<b>Net assets</b>	<b>621,198</b>	<b>485,443</b>

### Changes in net assets

For the reporting year ended 30 June 2013	FY2012/13 \$000	FY2011/12 \$000
Net assets at the beginning of the year	485,443	392,605
<b>Income</b>		
Investment revenue	56,247	28,594
Employer contributions	1,386	1,595
Member contribution	157,013	108,404
Other revenue	1	37
<b>Total income</b>	<b>214,647</b>	<b>138,630</b>
<b>Outgoings</b>		
Benefit payments	77,772	44,798
Administration expenses	1,080	904
Income tax expense	40	90
<b>Total outgoings</b>	<b>78,892</b>	<b>45,792</b>
<b>Change in net assets</b>	<b>135,755</b>	<b>92,838</b>
<b>Net assets at end of the year</b>	<b>621,198</b>	<b>485,443</b>

# Managing your fund



<b>Peter Wilson</b> Alt. Director Steve Bird Nominated by VWIA Appointed 2012	<b>Rob Spence</b> Alt. Director Alison Lyon Nominated by MAV Appointed 1993	<b>Brian Parkinson</b> Alt. Director Harriet Shing Nominated by ASU Appointed 2011	<b>Russell Atwood</b> Alt. Director Richard Duffy Nominated by ASU Appointed 2009	<b>Tony Tuohey</b> Alt. Director Harriet Shing Nominated by ASU Appointed 1995	<b>Geoff Lake</b> Alt. Director Alison Lyon Nominated by MAV Appointed 2009	<b>Graham Sherry</b> Alt. Director Leigh Harder Nominated by VECCI Appointed 2012	<b>Wendy Phillips</b> Alt. Director Richard Duffy Nominated by ASU Appointed 1998
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## Commonwealth superannuation law generally requires that fund trustees have equal representation of employer and member representatives.

Vision Super Pty Ltd is the Trustee and Administrator of the Local Authorities Superannuation Fund and the Vision Superannuation Fund. Vision Super has eight directors, four appointed on the nomination of the ASU, and four appointed on the nomination of the following employer associations:

- **Municipal Association of Victoria (MAV)** two directors
- **Victorian Water Industry Association (VWIA)** one director
- **Victorian Employers' Chamber of Commerce and Industry (VECCI)** one director

Each director has an alternate director appointed in the same manner. The term of appointment for directors and alternates is four years. See above for directors and their alternates as at 30 June 2013.

## Fund Administration

- **Chief Executive Officer** Peter Rowe (Acting)
- **Company Secretary** Julia Pryor
- **External Auditor** Ernst & Young
- **Internal Auditor** PWC

## Principal Advisors

- **Fund Actuary** Russell Investments
- **Investments** Frontier Investment Consulting
- **Lawyers** Rigby Cooke; K & L Gates; HWL Ebsworth
- **Tax** KPMG

## Committees of the Board

The Board has established a number of Committees comprising Vision Super Directors to deal with issues, and where applicable, to make recommendations to the Board.

## Audit, Risk and Compliance Committee

### **Rob Spence - Chair**

Reviews and makes recommendations to the Board on internal controls, corporate governance issues, statutory reporting and general audit performance.

## Benefits Committee

### **Wendy Phillips - Chair**

Assesses death and disability claims and makes recommendations to the Board on policies affecting benefits.

## Investment Committee

### **Russell Atwood - Chair**

Analyses, reviews and makes recommendations to the Board on investment strategy, performance and manager selection.

## Remuneration and Appointment Committee

### **Graham Sherry - Chair**

Makes annual recommendations to the Board on remuneration, appointments and candidate suitability, and ensures all regulatory obligations are met.

## Insurance

Vision Super Pty Ltd has taken out a policy of trustee indemnity insurance.

## Superannuation Surcharge

The Government Superannuation Surcharge Tax is a tax which applied to higher income earners prior to 1 July 2005. If the Trustee paid a surcharge on your behalf during the year it will appear on your Member Statement. The liability for any surcharge paid is borne by the affected members against their respective benefits.

## Insurance reserve

Effective from 1 July 2012, all Death and Disability (other than the cover provided by the Defined Benefit Plans) was outsourced to CommInsure. Existing Death and Disability reserves will be used only to meet the cost of claims that existed or arise from illnesses or injuries prior to the transfer of cover to CommInsure.

The balance of the insurance reserve as at 30 June 2013 was \$4,248,042.35 (\$4,888,108 in 2012 and \$4,152,945 in 2011).

# New faces on the Board

Over the year, there were some changes to the Board with Vision Super saying farewell to some directors at the end of their terms and welcome to their replacements.

Michael Tilley, Angela Emslie and Tony Tuohey, who all made significant contributions to the development of Vision Super over many years, all ended their terms. We thank them for their efforts and wish them well for the future.

Our new board members are as follows.

Peter Wilson, nominated by the Victorian Water Industry Association, became a Director on 1 July 2012 and Chairman on 1 February 2013. Peter has been involved with the water industry for several years. He has served as Chairman of Yarra Valley Water since 2008, is the National President of the Australian Human Resources Institute, and holds numerous public and private directorships and advisory roles. Peter replaced Michael Tilley.

Graham Sherry was nominated by Victorian Employers' Chamber of Commerce and Industry (VECCI) on 28 September 2012. Graham served as President of VECCI from 1999 to 2001. He has a long and continued involvement with employer organisations such as the Melbourne Chamber of Commerce and has practiced in many aspects of general commercial law for over 40 years. Graham replaced Angela Emslie.

Harriet Shing replaced Tony Tuohey on 1 July 2013. Harriet is a lawyer with, and was nominated by, the Australian Services Union. She previously worked as a Senior Policy Adviser and an industrial relations specialist. Harriet is highly experienced in industrial relations, employment law, equal opportunity, dispute prevention and resolution at local, State and Federal levels.



# Fund History

Vision Super is one of Australia's oldest super funds, with a history dating back to 1947. Key milestones in the history and development of the Fund are shown below.

1947	11 September; Local Authorities Superannuation (LAS) Act establishes LAS Board. Contributions invested in AMP endowment assurance policies
1961	LASB moves to benefit contracts invested in "trustee securities"
1971	Contributions extended to include disability benefits
1976	Lifetime pensions introduced; 25% of salary after 30 years service.
1982	LAS Defined Benefit Plan established
1986	"National Wage case" awards 3% productivity contribution to super pensions extended to 40 years service
1988	"New scheme" established; 21% of salary for each year of membership with improved retirement and retrenchment benefits.
1993	LAS Defined Benefit Plan closed to new members
1994	LASPLAN accumulation plan opens
1992	\$1 billion assets under management
1993	State Government review of Public Sector Superannuation
1996	LASF takes administration in-house
1998	LASF becomes a regulated super fund under Commonwealth law and becomes an industry fund, with equal member and employer representation on the board
1999	Member investment choice introduced
2000	Vision Super is a foundation investor in Members Equity Bank
2002	LASF changes name to Vision Super
2003	Vision Super receives financial planning licence
2004	Our accumulation plan, LASPLAN, renamed Super Saver
2005	<ul style="list-style-type: none"> <li>➔ Allocated pension launched</li> <li>➔ Single sector investment options launched giving members more control over their investment choice</li> <li>➔ Discounted health insurance offered through HBA</li> <li>➔ First Platinum rating from SuperRatings</li> </ul>
2006	Daily unit pricing of investments introduced allowing members to move to daily switching of their investment options
2007	<ul style="list-style-type: none"> <li>➔ Vision Superannuation Fund public offer fund opens</li> <li>➔ Clearing house offered to employers</li> </ul>
2008	Income protection insurance introduced
2008	Vision SuperVantage account launched allowing members to access their Allocated Pension money via direct debit or ATMs
2010	All insurance outsourced to Commlnsure
2011	\$5 billion assets under management reached
2011	New expanded financial planning services offered to members
2013	New website and member portal, Vision Online, launched to help members take better control of their super

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