



**Local Authorities
Superannuation Fund
and its controlled
entities**

**Annual Financial Report
30 June 2011**

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Local Authorities Superannuation Fund and its controlled entities

Statement of net assets

As at 30 June 2011

	Note	Consolidated		Fund	
		2011	2010	2011	2010
		\$000	\$000	\$000	\$000
ASSETS					
Cash at bank		8,899	1,977	7,830	1,185
Contributions receivable	11	22,140	2,502	22,140	2,502
Other receivables		9,315	835	8,930	432
Prepayments		25	7	-	-
ATO tax refund receivable		19,074	5,014	-	-
Deferred tax assets	14	60,030	72,236	6	6
Investments					
Cash		676,906	526,831	-	-
Diversified bonds		672,856	434,423	-	-
Australian equities		1,079,231	910,813	-	-
International equities		862,041	759,352	-	-
Property		559,415	546,402	-	-
Private equity		473,066	446,424	-	-
Infrastructure		540,108	478,188	-	-
Absolute return		90,169	100,927	-	-
Units in Vision Pooled Superannuation Trust		-	-	4,400,807	3,934,526
Derivative assets		32,632	16,381	-	-
Total assets		5,105,907	4,302,312	4,439,713	3,938,651
LIABILITIES					
Benefits payable		15,356	7,192	15,356	7,192
Other payables		7,611	4,826	1,628	762
Amounts held in trust		464	300	464	300
Current tax liabilities	13	48,706	36,831	48,706	36,831
Deferred tax liabilities	14	4,446	931	4,446	143
Derivative liabilities		1,093	21,800	-	-
Net assets attributable to non-controlling interests	2(d)	659,118	342,009	-	-
Total liabilities (excluding net assets available to pay benefits)		736,794	408,889	70,600	45,228
Net assets available to pay benefits		4,369,113	3,893,423	4,369,113	3,893,423

The statement of net assets is to be read in conjunction with the accompanying notes.

Local Authorities Superannuation Fund and its controlled entities

Statement of changes in net assets

For the year ended 30 June 2011

	Note	Consolidated		Fund	
		2011	2010	2011	2010
		\$000	\$000	\$000	\$000
Investment revenue					
Interest		44,747	38,208	-	-
Dividends and trust distributions revenue		155,581	84,286	-	-
Other investment income		1,258	636	-	-
Changes in net market value of investments	8	233,527	217,602	349,970	281,640
		<u>435,113</u>	<u>340,732</u>	<u>349,970</u>	<u>281,640</u>
Direct investment expense	9	(26,608)	(22,071)	-	-
Net investment revenue		<u>408,505</u>	<u>318,661</u>	<u>349,970</u>	<u>281,640</u>
Contributions revenue					
Employer contributions		392,850	277,368	392,850	277,368
Member contributions		45,712	47,418	45,712	47,418
Transfer from other funds		79,742	69,510	79,742	69,510
		<u>518,304</u>	<u>394,296</u>	<u>518,304</u>	<u>394,296</u>
Other revenue					
Group life insurance proceeds		1,062	585	1,062	585
Other revenue		505	305	505	305
		<u>1,567</u>	<u>890</u>	<u>1,567</u>	<u>890</u>
Total revenue		<u>928,376</u>	<u>713,847</u>	<u>869,841</u>	<u>676,826</u>
Expenses					
Benefits paid		(312,731)	(253,722)	(312,731)	(253,722)
General administration expenses	10	(17,403)	(17,862)	(17,403)	(17,862)
Group life insurance premium expense	17	(11,737)	(6,062)	(11,737)	(6,062)
Superannuation contributions surcharge	2(n)	(1)	(1)	(1)	(1)
		<u>(341,872)</u>	<u>(277,647)</u>	<u>(341,872)</u>	<u>(277,647)</u>
Change in net assets before income tax		<u>586,504</u>	<u>436,200</u>	<u>527,969</u>	<u>399,179</u>
Income tax expense	12	(70,872)	(56,298)	(52,279)	(36,577)
		<u>515,632</u>	<u>379,902</u>	<u>475,690</u>	<u>362,602</u>
Change in net assets after income tax		<u>515,632</u>	<u>379,902</u>	<u>475,690</u>	<u>362,602</u>
Change in net assets after income tax attributable to non-controlling interests	2(d)	39,942	17,300		
Change in net assets after income tax & non-controlling interests available to pay benefits		<u>475,690</u>	<u>362,602</u>		
Net assets available to pay benefits at the beginning of the financial year		<u>3,893,423</u>	<u>3,530,821</u>	<u>3,893,423</u>	<u>3,530,821</u>
Net assets available to pay benefits at the end of the financial year		<u>4,369,113</u>	<u>3,893,423</u>	<u>4,369,113</u>	<u>3,893,423</u>

The above statement of changes in net assets is to be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2011

1. Operation of the Fund

Local Authorities Superannuation Fund (the "Fund") is a superannuation fund domiciled in Australia. The address of the Fund is Level 5, 1 Spring Street in Melbourne.

The Trustee of the Fund is Vision Super Pty Ltd (VSPL). The Fund is a standard employer-sponsored fund with both a defined benefit section and accumulation section. The defined benefits section of the Fund was closed to new entrants from 31 December 1993, with all new entrants joining the accumulation section of the Fund.

The Fund's governing rules are contained within the Local Authorities Superannuation Fund Trust Deed dated 26 June 1998. The majority of members and participating employees are drawn from the local government, water and community services sectors.

The Fund provides a range of benefits and services including defined benefit and defined contribution lump sums, pensions, and post retirement products.

The consolidated financial statements of the Fund as at and for the financial year ended 30 June 2011 comprises the Fund and its subsidiary, Vision Pooled Superannuation Trust (VPST) (together referred to as the "Group").

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AAS 25 Financial Reporting by Superannuation Plans, other applicable Accounting Standards, the provisions of the Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

The financial statements are presented in Australian Dollars and all values are rounded to the nearest thousand dollars except where otherwise stated.

(b) Statement of compliance

The financial statements comply with AAS 25. Since AAS 25 is the principal standard that applies to the financial statements, other standards, including AIFRS, are also applied where necessary except to the extent that they differ from AAS 25.

International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB. The financial statements of the Group do not comply with IFRS.

The financial statements were authorised for issue by the Directors of the Trustee, Vision Super Pty Ltd, on 30 September 2011.

(c) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of Accrued Benefits - The amount of accrued benefits has been actuarially determined. The key assumptions are discussed in Note 4.

Valuation of Investments and Derivatives - the key assumptions are set out in Note 2 (e).

Notes to the financial statements

For the year ended 30 June 2011

2. Summary of significant accounting policies (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Local Authorities Superannuation Fund (the Fund) and Vision Pooled Superannuation Trust (collectively referred to as "the Group") as at 30 June 2011.

Subsidiaries are all those entities over which the Fund has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Fund controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Fund. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intragroup transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Fund and cease to be consolidated from the date on which control is transferred out of the Fund.

Investments in subsidiaries held by the Fund are accounted for at net market value in the separate financial statements of the Fund.

(e) Investments

Investments of the Group are initially recorded at cost, being the fair value of the consideration given.

After initial recognition, investments are measured at net market value and movements in the net market value of investments are recognised in the Statement of Changes in Net Assets.

Estimated costs of disposal have been deducted in determining net market value. As disposal costs are generally immaterial, unless otherwise stated net market value is considered a reasonable approximation of fair value.

The Group recognises financial assets on the date it becomes a party to the contractual provisions of the asset. Financial assets are recognised using trade date accounting. From this date any gains and losses arising from changes in net market value are recorded.

Net market values have been determined as follows:

(i) Market quoted investments

Market quoted investments comprises short-term deposits and listed securities. The net market value of an investment for which there is a readily available market quotation is determined as the last quoted sale price as at the close of business on reporting date, less an appropriate allowance for costs expected to be incurred in realising the investments.

(ii) Non-market quoted investments

Investments for which market quotations are not readily available are valued at the net fair value determined by the Trustee as follows:

Unlisted investments and pooled funds – valued at the redemption price at reporting date as advised by the investment managers and are based on the net market value of the underlying investments. Unit values denominated in foreign currency are then translated to Australian dollars at the current exchange rates.

Derivative financial instruments including futures, options, warrants, swaps, forward foreign exchange contracts and forward rate agreements are recorded at market value at balance date.

Investment managers are mandated to use derivative instruments provided they do not gear the portfolios and have cash or securities to back their use.

Investments are maintained for the long-term purpose of providing benefits to members and retirement, death or disability. Due to the long-term objective the amount recoverable through sale within 12 months cannot be determined.

Notes to the financial statements

For the year ended 30 June 2011

2. Summary of significant accounting policies (continued)

(f) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to cash and subject to an insignificant risk of changes in value.

(g) Financial liabilities

The Group recognises financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

The Group recognises financial liabilities at net market value as at reporting date with any change in net market values of the Group's financial liabilities since the beginning of the reporting period included in the statement of changes in net assets for the reporting period.

(h) Benefits payable

Benefits payable comprises the entitlements of members who have claimed a benefit prior to the end of the year, and the entitlement had not been paid at reporting date. Benefits entitlements rolled over within the Fund are not included as benefits payable. Benefits payable are generally settled within 30 days.

(i) Other payables

Other payables are carried at nominal amounts which approximate net market value. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid when the Group becomes obliged to make future payments in respect of the purchase of these goods or services. Payables are normally settled on 30 day terms.

(j) Foreign currency

Both the functional and presentation currency of the Fund and Group are Australian dollars.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Change in Net Assets.

(k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Changes in net market values

Changes in the net market value of investments and derivatives are calculated as the difference between the net market value at sale, or at balance date, and the net market value at the previous valuation point and recognised in the Statement of Change in Net Assets.

(ii) Contributions revenue and transfers in

Contributions revenue and transfers in are recognised when control of the asset has been attained and are recorded, gross of any tax, in the period to which they relate.

(iii) Interest revenue

Interest income is recognised in the Statement of Change in Net Assets as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other difference between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(iv) Dividend revenue

Revenue from dividends is recognised on the date the shares are quoted ex-dividend and if not received at reporting date, is reflected in the Statement of Net Assets as a receivable at net market value.

Notes to the financial statements

For the year ended 30 June 2011

2. Summary of significant accounting policies (continued)

(k) Revenue recognition (continued)

(v) Distributions

Distributions from managed investment schemes are recognised as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the Statement of Net Assets as a receivable at net market value.

(l) Income tax

Income tax on the benefits accrued as a result of operations for the year comprises current and deferred tax. Income tax is recognised in the Statement of Changes in Net Assets except to the extent that it relates to items recognised directly in members' funds in which case it is recognised directly in members' funds.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in controlled entities to the extent that it is not probable they will reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realised.

Income tax has been provided in the current year at the rate of 15% as it is the expectation of the Trustee that the Fund will be treated as a complying superannuation fund and its subsidiary VPST's taxable income is "standard income". If the Fund is subsequently deemed to be a non-complying fund for the current year or VPST has "special income", then income tax will be payable at a rate of 47% on the Group's taxable income.

The expense (and any corresponding liability) is brought to account in the period in which the assessments are received by the Trustee and are payable by the Group.

(m) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group transfers substantially all the risks and rewards of the ownership of the assets; and
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group derecognises a financial liability when the obligation under the liability is discharged or cancelled or expires.

(n) Superannuation contributions surcharge

The Trustee recognises amounts paid or payable in respect of the surcharge tax as an expense of the Group.

Notes to the financial statements

For the year ended 30 June 2011

2. Summary of significant accounting policies (continued)

(n) Superannuation contributions surcharge (continued)

No estimate has been made for the balance of any tax payable in respect of surchargeable contributions received by the Group during the current year as the Trustee is unable to determine this amount until any receipt of applicable assessments.

The superannuation surcharge was abolished with effect from 1 July 2005 by the passing of the Superannuation Laws Amendment (Abolition of Surcharge) Act 2005. The last reporting of contributions for surcharge purposes was in respect of contributions made up to and including 30 June 2005.

(o) Excess contributions tax

The Australian Taxation Office may issue release authorities to members of the Fund relating to the relevant member's excess contributions tax that is payable in respect of the member's concessional and/or non-concessional contributions for a particular year. Where a member receives an excess contributions tax release authority, the member:

- May give the release authority relating to the member's concessional contributions to a fund for payment; and
- Must give the release authority relating to the member's non-concessional contributions to a fund for payment.

Release authorities may be issued by the Australian Taxation Office from 1 July 2007 in relation to transitional non-concessional contributions received by the Fund between 9 May 2006 and 30 June 2007. Release authorities in relation to concessional and/or non-concessional contributions received from 1 July 2007 may be issued from the Australian Taxation Office from 1 July 2008.

The liability for the excess contribution tax will be recognised when the relevant release authorities are received from the members, as the Trustee considers this is when it can be reliably measured.

The excess contributions tax liability recognised by the Fund will be charged to the relevant member's accounts.

(p) No-TFN contribution tax

Where a member does not provide their tax file number to a fund, the Fund may be required to pay no-TFN contributions tax at a rate of 31.50% which is in addition to the concessional tax rate of 15% which applies to the Fund's taxable income.

The no-TFN contributions tax liability recognised by the Fund will be charged to the relevant member's accounts. Where a tax offset is obtained by the Fund in relation to member's no-TFN contribution tax, the tax offset will be included in the relevant member's accounts.

(q) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO). In circumstances where the GST is not recoverable, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Net Assets.

(r) New accounting standards and interpretations

The following standards, amendments to standards or interpretations have been identified as those which may impact the Group in the period of initial application. They are available for early adoption at 30 June 2011, but have not been applied in preparing this financial statements:

Notes to the financial statements

For the year ended 30 June 2011

2. Summary of significant accounting policies (continued)

(r) New accounting standards and interpretations (continued)

- AASB 9 *Financial Instruments* requirements for the classification and measurement of financial asset resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 will become mandatory for the Fund's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the Fund adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.
- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* introduces a number of changes to the accounting for financial assets, the most significant of which includes:
 - two categories for financial assets being amortised cost or fair value
 - removal of the requirement to separate embedded derivatives in financial assets
 - strict requirements to determine which financial assets can be classified as amortised cost or fair value
 - an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition
 - reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes
 - changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income

The amendments, which become mandatory for the Fund's 30 June 2014 financial statements, are not expected to have a significant impact on the financial statements.

(s) Reclassification of financial information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(t) Valuation dates

The investment held in VPST has been valued at 30 June 2011 from valuations obtained from the Custodian taking into account information received post balance date. The Vested Benefits value has been calculated using the daily unit price applicable as at 30 June 2011.

3. Group entities

During the year ended 30 June 2011 Local Authorities Superannuation Fund controlled VPST with an ownership interest of 87.0% (2010: 92.1%). VPST was incorporated in Australia. The Fund has no jointly controlled entities.

4. Accrued benefits

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and pensioners.

In respect of all defined benefit members and pensioners, the liability for accrued benefits is measured by a qualified actuary and has been calculated on the basis of the present value of expected future payments arising from membership of the Fund up to the reporting date. The present value of expected future benefit payments was determined by discounting the gross benefit payments at a current market-determined, risk-adjusted discount rate appropriate to the Fund.

Notes to the financial statements

For the year ended 30 June 2011

4. Accrued benefits (continued)

The valuation of accrued benefits was undertaken by the Actuary as part of a comprehensive actuarial valuation as at 31 December 2008. Accrued benefits were previously valued as part of an actuarial review as at 31 December 2005. A summary of the Actuarial Report as at 31 December 2008, prepared by the Group's actuary from Russell Employee Benefits, is attached as an addendum.

	As at 31 December 2008 \$000	As at 31 December 2005 \$000
Accrued Benefits	3,616,422	3,118,911

The financial assumptions used to calculate the accrued benefits for the defined benefit category of the fund are as follows:

Net investment return – 8.50% p.a.

Salary inflation – 4.25% p.a.

Price inflation – 2.75% p.a.

The funding arrangements are disclosed in Note 7 below.

5. Vested benefits

Vested benefits are benefits which are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their Fund membership as at the reporting date.

	Consolidated		Fund	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Accumulation fund	2,837,173	2,468,435	2,837,173	2,468,435
Defined benefits fund	1,555,899	1,554,889	1,555,899	1,554,889
Total vested benefits	4,393,072	4,023,324	4,393,072	4,023,324

Total Vested Benefits exceeded the Fund's Net assets as at 30 June 2011. This is due to the financial position of the defined benefit plan which is discussed further in Funding Arrangements under Note 7.

6. Guaranteed benefits

No guarantees have been made in respect of any part of the liabilities for accrued benefits.

7. Funding arrangements

(a) LASF defined benefits

The actuarial investigation of the LASF defined benefit plan conducted as at 31 December 2008 showed that although an actuarial shortfall was identified, the funding arrangements were adequate for the expected defined benefit plan liabilities.

Following an actuarial review conducted by the Trustee in late 2010, as at 31 December 2008, a funding shortfall of \$71 million for the Fund was determined. A call to Employers for additional contributions was made for the financial year 30 June 2011 with commitment from Employers from 1 July 2011. A further actuarial review will be undertaken as at 31 December 2011 by mid 2012. Based on the result of this review, a detailed funding plan will be developed and implemented to achieve the target of full funding by 31 December 2013. The Employers will be notified of any additional required contributions by late 2012.

Notes to the financial statements

For the year ended 30 June 2011

7. Funding arrangements (continued)

(a) LASF defined benefits (continued)

Funding requirements for the defined benefit plan are impacted by various financial and demographic factors including earnings, salary growth, CPI, claims experience and pensioner mortality rates. The funding arrangements are primarily dependent upon investment performance relative to salary growth and inflation. The Fund has a current Funding and Solvency Certificate. For the financial year ended 30 June, the funding arrangements are:

Members – the member contribution rate is 6% of salary.

Employers – the authority contribution rate for active members is 9.25% of salaries, subject to on-going actuarial review. Authorities also fund separately their share of the Fund's 1997, 2002 and 2010 unfunded liability and any retrenchment increments paid by the Fund to their employees.

The Trustee maintains a 1997, 2002 and 2010 unfunded liability account for any authority with an outstanding balance. Account balances are:

- Reduced by payments (net of tax);
- Adjusted in accordance with the net earning rate of the LASF defined benefits plan;
- Increased by any retrenchment increments.

Authorities that have discharged their 1997, 2002 and 2010 unfunded liabilities continue to be contractually obligated to share in the Fund's favourable/unfavourable actuarial performance, as determined by the Trustee.

(b) City of Melbourne – defined benefits

Members – members contribute at rates between 0 and 9% of salaries.

Employer – by agreement dated 1 December 2006 between the Trustee and the City of Melbourne and on the advice of the actuary, the employer contribution rate is currently set at 4% of members' salaries. Prior to 1 December 2006, the employer contribution rate was 8% of members' salaries according to the agreement dated 1 April 2001 between the Trustee and the City of Melbourne.

(c) Parks Victoria – defined benefits

Members – members contribute at rates between 0 and 7.5% of salaries.

Employer – by agreement dated 1 April 2001 between the trustee and Parks Victoria and on the advice of the actuary, the employer contribution rate is currently set at 10% of members' salaries.

(d) Vision Super Saver

The Fund's Super Saver category receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the 9% required under Superannuation Guarantee Legislation. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Notes to the financial statements
For the year ended 30 June 2011

8. Changes in net market values

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Investments held at balance date				
Cash	199	-	-	-
Diversified bonds	(25,381)	8,408	-	-
Australian equities	33,192	35,530	-	-
International equities	29,506	18,857	-	-
Property	17,511	(13,237)	-	-
Private equity	(14,555)	11,478	-	-
Infrastructure	58,934	45,996	-	-
Absolute return	14,251	16,893	-	-
Units in VPST	-	-	349,970	281,639
Total unrealised gains/(losses)	113,657	123,925	349,970	281,639
Cash	33,909	90	-	-
Diversified bonds	56,891	14,667	-	-
Australian equities	85,178	18,960	-	-
International equities	58,456	34,634	-	-
Property	29,344	4,776	-	-
Private equity	44,734	15,271	-	-
Infrastructure	2,985	-	-	-
Absolute return	9,959	5,279	-	-
Total realised gains/(losses)	321,456	93,677	-	-
Total changes in net market values	435,113	217,602	349,970	281,639

Notes to the financial statements
For the year ended 30 June 2011

9. Direct investment expenses

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Custodian fees	2,257	1,951	-	-
Fund managers' fees	13,412	8,425	-	-
VPST's trustee services fees	7,567	8,662	-	-
Other investment expenses	3,372	3,033	-	-
	26,608	22,071	-	-

10. Administration expenses

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Annual lodgement fee - APRA	269	268	269	268
Banking & Regulatory Charges	55	40	55	40
External audit fees	32	57	32	57
Trustee services fees	16,959	17,434	16,959	17,434
Other administration expenses	88	65	88	65
Total	17,403	17,862	17,403	17,862

11. Contributions receivable

Contributions for outstanding 1997 defined benefit unfunded liability accounts are payable now or 2012 by agreement. Contributions for outstanding 2002 defined benefit unfunded liability accounts are payable by the year 2013. Contributions for outstanding 2010 defined benefits unfunded liability accounts are payable by the year 2021.

Contributions for defined benefits members' ongoing service are payable each quarter.

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Ongoing service	11	1,120	11	1,120
Past service	22,129	1,382	22,129	1,382
Contributions receivable	22,140	2,502	22,140	2,502

12. Income tax expense

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Current tax expense				
Current income tax	56,442	49,176	48,706	36,831
Adjustment of current income tax of previous years	(1,291)	(1,559)	(730)	(393)
	55,151	47,617	47,976	36,438
Deferred tax expense				
Relating to origination and reversal of temporary difference	18,727	10,065	4,303	139
Adjustment of deferred income tax of previous years	(3,006)	(1,384)	-	-
	70,872	56,298	52,279	36,577

Notes to the financial statements
For the year ended 30 June 2011

12. Income tax expense (continued)

Numerical reconciliation between tax expense and net change for the year before tax

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Benefits accrued before income tax	936,474	717,839	527,969	399,178
At the tax rate of 15%	140,471	107,676	79,195	59,877
Additional tax on no TFN contributions	-	16	-	16
Increase in tax expenses due to:				
Non-deductible benefits paid	46,910	38,058	46,910	38,058
Non-deductible superannuation contribution surcharge	-	-	-	-
Imputation credits from franked dividends received	3,302	1,321	-	-
Foreign tax credits	64	46	-	-
Deferred franking credit	286	225	-	-
Other	1,989	466	(159)	(86)
Decrease in tax expenses due to:				
Non-assessable contributions	(6,857)	(7,113)	(6,857)	(7,113)
Non-assessable rollovers	(11,934)	(10,336)	(11,934)	(10,336)
Death and disability insurance	(1,275)	(1,200)	(1,275)	(1,200)
Anti-detriment deduction	(376)	-	(376)	-
Non-taxable income/loss from PST	(61,661)	(50,226)	(52,495)	(42,246)
Pension exemption	(5,335)	(3,058)	-	-
Imputation and foreign tax credits	(23,798)	(10,242)	-	-
Adjustment to recognise losses at 10%	(6,616)	(6,392)	-	-
No TFN tax credit	-	-	-	-
Over provision in previous year	(4,298)	(2,943)	(730)	(393)
Income tax expense reported in operating statement	70,872	56,298	52,279	36,577

13. Tax assets and liabilities

The current tax liabilities for the Fund of \$48,706,000 (2010: \$36,831,000) represents the amount of income taxes payable in respect of current and prior financial years.

14. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Deferred tax assets				
Unrealised taxable capital losses	58,830	69,057	-	-
Investment liability	1,088	2,831	-	-
Other	112	348	6	6
	60,030	72,236	6	6
Deferred tax liabilities				
Contributions receivable	4,446	143	4,446	143
Unrealised investment income	-	788	-	-
Other	-	-	-	-
	4,446	931	4,446	143
Net deferred tax assets/(liabilities)	55,584	71,305	(4,440)	(137)

Notes to the financial statements

For the year ended 30 June 2011

14. Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year:

2011 Consolidated

	Opening balance \$000	Recognised in income \$000	Acquisition/ disposal \$000	Exchange differences \$000	Closing balance \$000
Deferred tax liabilities:					
Contribution receivable	143	4,303	-	-	4,446
Unrealised taxable capital gain	-	-	-	-	-
Investment income	788	(788)	-	-	-
Operating assets	-	-	-	-	-
Other	-	-	-	-	-
	931	3,515	-	-	4,446
Deferred tax assets:					
Employee entitlements	-	-	-	-	-
Investment liability	2,830	(1,743)	-	-	1,088
Unrealised taxable capital losses	69,058	(10,227)	-	-	58,830
Other	348	(236)	-	-	112
	72,236	(12,206)	-	-	60,030
	71,305	(15,721)	-	-	55,584

2010 Consolidated

	Opening balance \$000	Recognised in income \$000	Acquisition/ disposal \$000	Exchange differences \$000	Closing balance \$000
Deferred tax liabilities:					
Contribution receivable	8	135	-	-	143
Unrealised taxable capital gain	-	-	-	-	-
Investment income	3,754	(2,966)	-	-	788
Operating assets	-	-	-	-	-
Other	700	(700)	-	-	-
	4,462	(3,531)	-	-	931
Deferred tax assets:					
Employee entitlements	1,978	(1,978)	-	-	-
Investment liability	80,459	(77,629)	-	-	2,830
Unrealised taxable capital losses	2,013	67,045	-	-	69,058
Other	-	348	-	-	348
	84,450	(12,214)	-	-	72,236
	79,988	(8,683)	-	-	71,305

2011 Fund

	Opening balance \$000	Recognised in income \$000	Acquisition/ disposal \$000	Exchange differences \$000	Closing balance \$000
Gross deferred tax liabilities:					
Contribution receivable	143	4,303	-	-	4,446
Unrealised taxable capital gain	-	-	-	-	-
Investment income	-	-	-	-	-
Operating assets	-	-	-	-	-
Other	-	-	-	-	-
	143	4,303	-	-	4,446

Notes to the financial statements

For the year ended 30 June 2011

14. Deferred tax assets and liabilities (continued)

2011 Fund (continued)

	Opening balance \$000	Recognised in income \$000	Acquisition /disposal \$000	Exchange differences \$000	Closing balance \$000
Gross deferred tax assets:					
Employee entitlements	-	-	-	-	-
Investment liability	-	-	-	-	-
Other	6	-	-	-	6
	6	-	-	-	6
	(137)	(4,303)	-	-	(4,440)

2010 Fund

	Opening balance \$000	Recognised in income \$000	Acquisition/ disposal \$000	Exchange differences \$000	Closing balance \$000
Gross deferred tax liabilities:					
Contribution receivable	8	135	-	-	143
Unrealised taxable capital gain	-	-	-	-	-
Investment income	-	-	-	-	-
Operating assets	-	-	-	-	-
Other	-	-	-	-	-
	8	135	-	-	143
Gross deferred tax assets:					
Employee entitlements	-	-	-	-	-
Investment liability	-	-	-	-	-
Other	9	(3)	-	-	6
	9	(3)	-	-	6
	1	(138)	-	-	(137)

15. Related parties

(a) Trustee and key management personnel

The trustee of the Fund is Vision Super Pty Ltd. The trustee company comprised of eight Directors and five Alternates. The names of persons who were Directors and Alternates of the trustee company of the Group during the financial year are:

Member Directors:

Darrell Cochrane (resigned 30 June 2011)
Wendy Phillips
Tony Tuohey
Russell Atwood

Alternates:

Brian Parkinson
Bill Watton (resigned 25 May 2011)
Bill Watton (resigned 25 May 2011)
Brian Parkinson

Employer directors:

Michael Tilley
Angela Emslie
Rob Spence
Geoff Lake

Alternates:

Steve Bird
Leigh Harder
Alison Lyon
Alison Lyon

Darrell Cochrane retired as Director on 30 June 2011 and Brian Parkinson was appointed as his replacement from 1 July 2011. Rob Spence was appointed as Chairman and Brian Parkinson as Deputy Chairman from 1 July 2011. Lisa Darmanin was appointed as Alternate Director for Directors Parkinson, Phillips, Atwood and Tuohey on 26 August 2011.

Notes to the financial statements
For the year ended 30 June 2011

15. Related parties (continued)

(a) Trustee and key management personnel (continued)

Each Director attended the following meetings and Board Committees during the year as a member of the Board or relevant Committee.

Name	Board Meetings	
	Held	Attended
Darrell Cochrane	9	9
Wendy Phillips	9	8
Tony Tuohey	9	9
Russell Atwood	9	9
Michael Tilley	9	8
Angela Emslie	9	8
Geoff Lake	9	8
Rob Spence	9	9

Board Committees are open to all Directors and were attended by a quorum of Directors on all occasions. Apart from Directors of the Trustee Company, the Chief Executive Officer, General Manager Finance and Compliance, Chief Operating Officer, Manager Investments and General Manager Fund Development are considered to be Key Management Personnel (KMP) for the purpose of these financial statements.

(b) Key management personnel and executives compensation

The KMP's compensation is presented in the table below for year 2011. Total compensation received, or due and receivable, by key management personnel amounted to \$1,766,000 (2010: \$754,000). Note that in this financial year an additional four executives' compensation has been included with KMP.

The detail is as follows:

	2011 \$000	2010 \$000
Short-term employee benefits	1,618	691
Other long-term benefits	-	-
Post employment benefits	148	63
	1,766	754

Notes to the financial statements

For the year ended 30 June 2011

15. Related parties (continued)

(b) Key management personnel and executives compensation (continued)

The table below lists the number of Key Management Personnel and executive positions named above whose income falls within the following bands for the financial year ending 30 June:

Amounts falling between...	2011	2010
\$40,000 - \$49,999	7	7
\$70,000 - \$79,999	1	1
\$170,000 - \$179,999		1
\$210,000 - \$219,999	1	1
\$230,000 - \$239,999	1	1
\$250,000 - \$259,999		1
\$260,000 - \$269,999	2	
\$380,000 - \$389,999		1
\$400,000 - \$409,000	1	

Any Director of the Company or other key management personnel who is a member of the Fund contributes to the Fund on the same terms and conditions as other members. No retirement benefits were paid to Directors or key management personnel during the year.

The Trustee has not made, guaranteed or secured any loan to any Director or member of staff or to any other related party.

	2011 \$000	2010 \$000
Rollins and KMP to LASF/VSF	-	-
Benefits paid to KMPT and LASF/VSF	230	283
Vested Benefits of KMP	8,158	7,794

(c) Related party transactions

(i) Members Equity

The Group is a minority investor in Industry Super Holding Pty Ltd, the owner of Members Equity. Members Equity is the provider of Super Members Home Loans

(ii) Regional Infrastructure Fund

VPST is the sole shareholder in Regional Infrastructure Fund Pty Ltd (RIF).

RIF was established primarily to invest in regional infrastructure projects. RIF has four Directors, all of whom are current or former Directors of Vision Super Pty Ltd, namely, Tony Tuohey, Michael Tilley, James Coghlan and Darrell Cochrane.

The objective for RIF is to invest in infrastructure projects and it currently wholly owns Regional Wind Farms Pty Ltd.

(iii) Regional Wind Farms Pty Ltd

Regional Wind Farms Pty Ltd is wholly owned company and was established by RIF to invest in wind farms. Project development, construction and operations are contracted out to third party providers. Director Tony Tuohey is also a Director of Regional Wind Farms Pty Ltd. Other Directors are appointed by Industry Funds Management (IFM).

Notes to the financial statements

For the year ended 30 June 2011

15. Related parties (continued)

(c) Related party transactions (continued)

(iv) Vision Super Pty Ltd

As described in Note 1, Vision Super Pty Ltd is the trustee of the Fund.

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Trustee services fees payable/paid to VSPL	32,093	34,760	24,526	26,096

(v) Directors

Ms Emslie's partner, Garry Weaven, is Chair of IFM, which manages infrastructure and private equity investments for the Group and provides management services to RIF. Mr Weaven is also a Director of Members Equity.

Director Tony Tuohey has a commercial relationship with Bridgewater Associates, a fund manager engaged by the Group, and absented himself from any determination relating to this manager.

16. Auditor's remuneration

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Amounts received or due and receivable by Ernst & Young for:				
An audit of the financial statements of the Group	82	79	51	44
Other services in relation to the Group	12	8	-	-
Total	94	87	51	44

17. Insurance

The Fund has a group policy in place with CommInsure to provide both Death & Disability and Income Protection insurance cover for SuperSaver and Personal plan members. The Fund provides Death & Disability insurance cover for Defined Benefits plan members.

18. Investments and derivatives

(a) Classification of financial instruments under the Fair Value Hierarchy

AAS 25 requires investments to be measured using net market value. The following table shows financial instruments recorded at net market value, analysed between those whose net market value is based on quoted market prices, those involving valuation techniques where all the model inputs are observable in the market and those where the valuation technique involves the use of non-market observable inputs that are significant to the determination of net market value. Net market value is considered a reasonable approximation of fair value, and for the purposes of the "fair value hierarchy", estimated costs of disposal have been disregarded for Level 1 financial assets. Listed equities, listed trusts and cash and deposits have been disclosed within level 1 and 2 in the fair value hierarchy, as the Trustee considers this is the most appropriate treatment that reflects how listed equities, listed trusts and cash and deposits are valued.

The analysis is consistent for both the consolidated entity and Fund. The categorisation within the fair value hierarchy is the same for both the Fund and consolidated entity. Comparative information has not been provided as permitted by the transitional provisions of AASB 7.

Notes to the financial statements

For the year ended 30 June 2011

18. Investments and derivatives (continued)

(a) Classification of financial instruments under the Fair Value Hierarchy (continued)

	2011			Total
	Value at quoted market price (level 1)	Valuation technique – market observable inputs (level 2)	Valuation technique – non-market observable inputs (level 3)	
	\$'000	\$'000	\$'000	\$'000
Cash				
Cash & deposits	748,288	-	-	748,288
Mortgage backed securities	-	2	-	2
	748,288	2	-	748,290
Diversified bonds				
Fixed interest bonds	-	404,121	-	404,121
Indexed bonds	-	133,988	-	133,988
Other bonds	-	32,427	-	32,427
	-	570,536	-	570,536
Equities				
Listed equities	1,515,661	358	3	1,516,021
Preference share redeemable	3,048	-	-	3,048
	1,518,709	358	3	1,519,069
Alternative assets				
Unlisted managed investment schemes	47,712	311,747	1,354,189	1,713,648
Unlisted equities	-	78,122	140,671	218,793
Other alternative assets	-	-	42,535	42,535
	47,712	389,869	1,537,396	1,974,976
Life insurance policies				
Life insurance policies	-	-	132,013	132,013
	-	-	132,013	132,013
Other investments				
Other investments	6,723	596	1,587	8,907
	6,723	596	1,587	8,907
Derivative assets				
FFX contracts	-	1,542,805	-	1,542,805
Warrants	21,058	-	-	21,058
Options	-	1,043	-	1,043
Swaps	-	-	-	-
Futures	1,724	-	-	1,724
	22,782	1,543,848	-	1,566,630
Derivative liabilities				
FFX contracts	-	(1,534,533)	-	(1,534,533)
Options	-	(112)	-	(112)
Swaps	-	(408)	-	(408)
Futures	(39)	-	-	(39)
	(39)	(1,535,053)	-	(1,535,092)
Total investments	2,344,175	970,156	1,670,998	4,985,330

Notes to the financial statements
For the year ended 30 June 2011

18. Investments and derivatives (continued)

(a) Classification of financial instruments under the Fair Value Hierarchy (continued)

	2010			
	Value at quoted market price (level 1)	Valuation technique – market observable inputs (level 2)	Valuation technique – non-market observable inputs (level 3)	Total
	\$'000	\$'000	\$'000	\$'000
Cash				
Cash & deposits	526,004	7,055	-	533,060
Mortgage backed securities	-	-	50,167	50,167
	526,004	7,055	50,167	583,227
Diversified bonds				
Fixed interest bonds	-	249,086	-	249,086
Indexed bonds	-	37,566	-	37,566
Other bonds	-	3,044	-	3,044
	-	289,696	-	289,696
Equities				
Listed equities	1,228,303	1,202	-	1,229,505
Preference share redeemable	2,381	-	-	2,381
	1,230,684	1,202	-	1,231,886
Alternative assets				
Unlisted managed investment schemes	39,591	348,510	1,287,397	1,675,498
Unlisted equities	-	78,927	158,866	237,793
Other alternative assets	-	-	46,013	46,013
	39,591	427,437	1,492,276	1,959,304
Life insurance policies				
Life insurance policies	-	-	119,814	119,814
	-	-	119,814	119,814
Other investments				
Other investments	17,909	1,525	-	19,434
	17,909	1,525	-	19,434
Derivative assets				
FFX contracts	-	1,167,606	-	1,167,606
Warrants	13,089	-	-	13,089
Options	-	1,402	-	1,402
Swaps	-	944	-	944
Futures	-	-	-	-
	13,089	1,169,952	-	1,183,041
Derivative liabilities				
FFX contracts	-	(1,186,710)	-	(1,186,710)
Options	-	(650)	-	(650)
Swaps	-	-	-	-
Futures	(1,100)	-	-	(1,100)
	(1,100)	(1,187,360)	-	(1,188,460)
Total investments	1,826,177	709,507	1,662,257	4,197,941

Notes to the financial statements

For the year ended 30 June 2011

18. Investments and derivatives (continued)

(a) Classification of financial instruments under the Fair Value Hierarchy (continued)

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the net market value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

Disclosure of the method and assumptions applied in determining the net market value for each class of financial assets and financial liabilities are included in 2(e).

(b) Level 3 financial instruments transactions

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

30 June 2011

Consolidated

	Listed investment companies	Mortgage backed securities / Loan	Pooled development fund	Unlisted equities	Unlisted managed investment schemes	Unlisted partner -ships	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance	22,690	50,167	10,005	158,866	1,407,211	13,318	1,662,257
Total realised/unrealised gains and losses	-	-	-	(3,058)	52,810	(1,711)	48,041
Purchases/applications	4,552	-	-	13,717	80,185	2,065	100,519
Sales/redemptions	3	(50,000)	-	(38,853)	(37,800)	-	(126,650)
Accrued interests	3,023	146	-	-	-	-	3,169
Adjustments	(1,404)	-	(10,005)	9,999	(16,203)	-	(17,613)
Transfers into level 3	-	1,275	-	-	-	-	1,275
Transfers out of level 3	-	-	-	-	-	-	-
Closing balance	28,864	1,588	-	140,671	1,486,203	13,672	1,670,998

30 June 2010

Consolidated

	Listed investment companies	Mortgage backed securities / Loan	Pooled development fund	Unlisted equities	Unlisted managed investment schemes	Unlisted partner -ships	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance	19,023	50,124	9,000	167,819	1,314,508	7,868	1,568,342
Total realised/unrealised gains and losses	(1,999)	-	1,005	10,239	44,718	1,418	55,381
Purchases/applications	5,666	-	-	13,871	68,093	4,032	91,662
Sales/redemptions	-	-	-	(35,693)	(19,888)	-	(55,581)
Accrued interests	-	43	-	-	-	-	43
Adjustments	-	-	-	2,630	(220)	-	2,410
Transfers into level 3	-	-	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-	-	-
Closing balance	22,690	50,167	10,005	158,866	1,407,211	13,318	1,662,257

Notes to the financial statements

For the year ended 30 June 2011

18. Investments and derivatives (continued)

30 June 2011

Fund

	Listed investment companies	Mortgage backed securities	Pooled development fund	Unlisted equities	Unlisted managed investment schemes	Unlisted partner -ships	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance	20,899	46,209	9,215	146,331	1,296,187	12,268	1,531,109
Total realised/unrealised gains and losses	-	-	-	(3,949)	45,931	(1,488)	41,784
Purchases/applications	3,959	-	-	11,930	69,740	1,796	87,425
Sales/redemptions	2	(43,487)	-	(32,507)	(32,876)	-	(110,152)
Accrued interests	2,629	125	-	-	-	-	2,754
Adjustments	(1,219)	-	(9,215)	9,210	(14,093)	-	(15,317)
Transfers into level 3	-	1,109	-	-	-	-	1,109
Transfers out of level 3	-	-	-	-	-	-	-
Closing balance	26,270	3,957	-	131,020	1,364,889	12,576	1,538,712

30 June 2010

Fund

	Listed investment companies	Mortgage backed securities	Pooled development fund	Unlisted equities	Unlisted managed investment schemes	Unlisted partner -ships	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance	17,522	46,169	8,290	154,579	1,210,798	7,248	1,444,606
Total realised/unrealised gains and losses	(1,842)	-	925	9,431	41,190	1,306	51,010
Purchases/applications	5,219	-	-	12,776	62,721	3,714	84,430
Sales/redemptions	-	-	-	(32,877)	(18,319)	-	(51,196)
Accrued interests	-	40	-	-	-	-	40
Adjustments	-	-	-	2,422	(203)	-	2,219
Transfers into level 3	-	-	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-	-	-
Closing balance	20,899	46,209	9,215	146,331	1,296,187	12,268	1,531,109

Notes to the financial statements

For the year ended 30 June 2011

18. Investments and derivatives (continued)

Total gains/(losses) recognised in the Statement of Changes in Net Assets for Level 3 transactions are presented in the movement in net market value of investments as follows:

30 June 2011 Consolidated

	Non-traded listed company	Mortgage backed securities	Pooled development fund	Unlisted equities	Unlisted managed investment schemes	Unlisted partner -ships	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total gains/(losses) recognised in the Statement of Changes in Net Assets for the period	-	-	-	(3,058)	52,810	(1,710)	48,042
Total gains/(losses) recognised in the Statement of Changes in Net Assets for the period for assets held at the end of the reporting period	-	-	-	(4,541)	54,200	(1,710)	47,949

30 June 2010 Consolidated

	Non-traded listed company	Mortgage backed securities	Pooled development fund	Unlisted equities	Unlisted managed investment schemes	Unlisted partner -ships	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total gains/(losses) recognised in the Statement of Changes in Net Assets for the period	(1,999)	-	1,005	10,239	44,718	1,418	55,381
Total gains/(losses) recognised in the Statement of Changes in Net Assets for the period for assets held at the end of the reporting period	(1,999)	-	1,005	10,239	44,718	1,418	55,381

Notes to the financial statements

For the year ended 30 June 2011

18. Investments and derivatives (continued)

30 June 2011 Fund

	Non-traded listed company	Mortgage backed securities	Pooled development fund	Unlisted equities	Unlisted managed investment schemes	Unlisted partner -ships	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total gains/(losses) recognised in the Statement of Changes in Net Assets for the period	-	-	-	(2,659)	45,931	(1,487)	41,785
Total gains/(losses) recognised in the Statement of Changes in Net Assets for the period for assets held at the end of the reporting period	-	-	-	(3,949)	47,140	(1,487)	41,703

30 June 2010 Fund

	Non-traded listed company	Mortgage backed securities	Pooled development fund	Unlisted equities	Unlisted managed investment schemes	Unlisted partner -ships	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total gains/(losses) recognised in the Statement of Changes in Net Assets for the period	(1,842)	-	925	9,431	41,190	1,306	51,010
Total gains/(losses) recognised in the Statement of Changes in Net Assets for the period for assets held at the end of the reporting period	(1,842)	-	925	9,431	41,190	1,306	51,010

For financial instruments classified in Level 3 in the fair value hierarchy some of the inputs to the valuation models are unobservable and therefore subjective in nature. The use of reasonably possible alternative assumptions could possibly produce a different net market value measurement. If the impact of using those alternative assumptions would cause the fair value of Level 3 asset to be higher or lower by 5% the net assets of the Fund and the result for the year would have been higher or lower by \$84 million (2010: \$83 million).

(c) Transfers between hierarchy levels

There have been no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

Notes to the financial statements

For the year ended 30 June 2011

19. Risk management

(a) Financial risk management objectives, policies and processes

The Group's principle financial instruments, other than derivatives, comprise units in pooled superannuation trusts, unlisted investments, equity securities, insurance policies, fixed interest securities, cash and short-term deposits. The main purpose of these financial instruments is to generate a return on investment.

The Group also has various other financial instruments such as sundry receivable and payables, which arise directly from its operations. These are mainly current in nature.

Risks arising from holding financial instruments are inherent in the Group's activities, and are managed through a process of ongoing identification, measurement and compliance monitoring. The Group is exposed to credit risk, liquidity risk and market risk, including interest rate risk, equity price risk and foreign currency risk.

The Trustee is responsible for identifying and controlling the risks that arise from these financial instruments. The Trustee reviews and agrees policies for managing each of these risks as summarised below. The Group also monitors the market price risk arising from all financial instruments.

Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is monitored by the Trustee. These mandate limits reflect the investment strategy and market environment of the Group, as well as the level of risk that the Group is willing to accept.

This information is prepared and reported to the Trustee on a monthly basis.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or when a number of counterparties are engaged in similar business activities, have activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group monitors its exposure to ensure concentration of risk remain within acceptable levels in accordance with the Group mandate and either reduces exposure or uses derivative instruments to manage the excessive risk concentrations when they arise.

The Group's accounting policies in relation to derivatives are set out in note 2 (e).

(b) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss.

With respect to credit risk arising from the financial assets of the Group, other than derivatives, the Group's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Net Assets. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values. The risk associated with these contracts is minimised by undertaking transactions with high quality counterparties on recognised exchanges, and ensuring that transactions are undertaken with a number of counterparties.

Credit risk arising from investments is mitigated by extensive tax and legal due diligence undertaken by the Group prior to the appointment of fund managers to ensure fund managers have appropriate skills and expertise to manage the Group's allocated investments. In addition, the Group conducts annual review of derivative risk statements and internal controls and processes for all appointed fund managers to ensure fund managers maintain those skills and expertise.

The Group holds no collateral as security or any other credit enhancements. There are no significant financial assets that are past due or impaired. Credit risk is not considered to be significant to the Group except in relation to investments in debt securities.

Notes to the financial statements

For the year ended 30 June 2011

19. Risk management (continued)

(b) Credit risk (continued)

Credit quality per class of debt instruments

The credit quality of financial assets is managed by the Group using Standard & Poor's rating categories, in accordance with the investment strategy of the Trustee. The Group's exposure in each grade is monitored on a monthly basis. This review process allows the Trustee to assess the potential loss as a result of risks and take corrective action. The table below shows the credit quality by class of asset for debt instruments.

2011 – Consolidated and Fund

	AAA to AA-	A+ to A-	BBB+ to BBB-	CCC	Short term A-1+ to A2	Not rated or available	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Perpetual Securities	-	-	-	-	-	-	-
Loans	-	-	-	-	-	2,183	2,183
Fixed interest bonds	227,477	15,420	2,590	-	-	158,634	404,121
Indexed bonds	52,320	-	-	-	-	81,669	133,989
Floating rate notes	3,069	727	160	-	-	-	3,956
Zero coupon bonds	-	-	-	-	-	175	175
Mortgage backed securities	-	-	-	-	-	2	2
Discount securities	435	-	-	-	21,772	6,089	28,296
Cash & deposits	-	-	-	-	-	756,476	756,476
Pooled funds*	-	-	-	-	-	209,561	209,561
Total	283,301	16,147	2,750	-	21,772	1,214,789	1,538,759

2010 – Consolidated and Fund

	AAA to AA-	A+ to A-	BBB+ to BBB-	CCC	Short term A-1+ to A2	Not rated or available	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Perpetual Securities	-	-	-	-	-	-	-
Convertible Notes	-	-	-	-	-	-	-
Fixed interest bonds	204,977	18,156	5,209	74	-	20,671	249,087
Indexed bonds	32,827	912	83	-	-	3,743	37,565
Floating rate notes	1,040	1,487	187	-	-	1,525	4,239
Zero coupon bonds	114	-	-	-	-	-	114
Mortgage backed securities	50,167	-	-	-	-	-	50,167
Discount securities	216	-	-	-	-	-	216
Cash & deposits	-	-	-	-	-	533,060	533,060
Pooled funds*	-	-	-	-	-	201,392	201,392
Total	289,341	20,555	5,479	74	-	760,391	1,075,840

*Instruments are either not rated or ratings are not available at NAS.

Risk concentration of credit risk exposure

Concentration of credit risk is managed by counterparty, by geographical region and by industry sector.

Notes to the financial statements

For the year ended 30 June 2011

19. Risk management (continued)

(b) Credit risk (continued)

The Group's financial assets can be analysed by the following geographic regions:

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Australia	4,449,241	3,760,904	3,869,373	3,464,182
North America	334,323	280,291	290,773	258,177
Europe	158,691	116,876	138,019	107,655
Asia	39,721	27,321	34,547	25,165
Others	3,353	12,549	2,918	11,560
Total	4,985,330	4,197,941	4,335,930	3,866,739

Significant industry sector exposure exists as follows:

	Consolidated		Fund	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Financials	371,412	337,790	323,031	311,140
Materials	290,401	216,221	252,573	199,162
Industrials	168,364	118,080	146,433	108,764
Energy	139,958	89,174	121,726	82,139
Consumer discretionary	132,461	105,137	115,207	96,842
Consumer staples	121,044	112,530	105,277	103,652
Information technology	120,050	102,136	104,412	94,078
Health care	105,900	84,969	92,105	78,014
Telecommunication	49,721	52,673	43,245	48,517
Utilities	27,275	21,224	23,722	19,550

The above table does not include investments in unlisted trusts or pooled funds.

Notes to the financial statements

For the year ended 30 June 2011

19. Risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Group's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Group maintains sufficient cash and cash equivalents to meet normal operating requirements.

As at 30 June 2011 - Consolidated	Less than 1 month (\$000)	1 to 3 months (\$000)	3 to 12 months (\$000)	1 to 5 years (\$000)	Over 5 years (\$000)	No stated maturity (\$000)	Total (\$000)
Financial liabilities							
Benefits payable	15,356	-	-	-	-	-	15,356
Other payables	7,611	-	-	-	-	-	7,611
Vested benefits	4,393,072	-	-	-	-	-	4,393,072
Total undiscounted financial liabilities (excluding gross settled derivatives)							
Gross settled derivatives:							
Swaps							
Gross cash outflow	-	-	-	-	-	(407)	(407)
Warrants							
Gross cash inflow	-	-	14,213	6,845	-	-	21,058
Options							
Gross cash inflow	575	233	235	-	-	-	1,043
Gross cash outflow	(84)	(27)	-	-	-	-	(111)
Futures							
Gross cash inflow	-	-	1,723	-	-	-	1,723
Gross cash outflow	-	-	(39)	-	-	-	(39)
Forward foreign currency contracts							
Gross cash inflow	873,719	638,675	30,411	-	-	-	1,542,805
Gross cash outflow	(867,753)	(636,432)	(30,348)	-	-	-	(1,534,533)
Total undiscounted gross settled derivatives inflow/(outflow)	4,422,496	2,449	16,195	6,845	-	(407)	4,447,578

Notes to the financial statements
For the year ended 30 June 2011

19. Risk management (continued)

(c) Liquidity risk

As at 30 June 2010 - Consolidated	Less than 1 month (\$000)	1 to 3 months (\$000)	3 to 12 months (\$000)	1 to 5 years (\$000)	Over 5 years (\$000)	No stated maturity (\$000)	Total (\$000)
Financial liabilities							
Benefits payable	7,192	-	-	-	-	-	7,192
Other payables	4,826	-	-	-	-	-	4,826
Vested benefits	4,023,324	-	-	-	-	-	4,023,324
Total undiscounted financial liabilities (excluding gross settled derivatives)							
Gross settled derivatives:							
Swaps							
Gross cash inflow	-	-	-	-	-	944	944
Warrants							
Gross cash inflow	-	-	-	13,089	-	-	13,089
Options							
Gross cash inflow	371	1,031	-	-	-	-	1,402
Gross cash outflow	(15)	(635)	-	-	-	-	(650)
Futures							
Gross cash outflow	-	-	(1,100)	-	-	-	(1,100)
Forward foreign currency contracts							
Gross cash inflow	589,080	578,526	-	-	-	-	1,167,606
Gross cash outflow	(596,738)	(589,972)	-	-	-	-	(1,186,710)
Total undiscounted gross settled derivatives inflow/(outflow)	4,028,040	(11,050)	(1,100)	13,089	-	944	4,029,923

The Group undertakes cashflow projection analysis daily to ensure minimal exposure to liquidity risk. For unlisted investments, the Group also undertakes commitment cashflow projections as a part of monthly rebalancing review and understanding of liquid and illiquid components

The Group's significant financial liabilities are benefits payable to members.

In relation to vested superannuation benefits, these would be considered on demand, which payments comprise the entire defined contribution component and the vested portion of the defined benefit component.

The Group manages its obligation to pay the defined contribution component on an expected maturity basis based on management's estimates and actuarial assumptions of when such funds will be drawn down by members. The Group considers it is highly unlikely that all defined contribution members will request to roll over their superannuation fund account at the same time. Furthermore, in relation to the vested defined benefit component, the Group has adequate resources readily convertible to cash to satisfactorily meet these obligations when called upon.

Other financial liabilities of the Group comprise trade and other payables which are contractually due within 30 days and derivative liabilities comprising foreign exchange contracts payable within 12 months.

Notes to the financial statements

For the year ended 30 June 2011

19. Risk management (continued)

(d) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is diversified through ensuring that all investment activities are undertaken in accordance with established investment policies of the Group.

The Trustee employs diversification investment strategy to mitigate the market risk in each market segment. Further, the Fund also enters into forward foreign exchange contracts to hedge against adverse foreign exchange movements.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because changes in market interest rates.

In determining the reasonably possible change for interest rate risk, the sensitivity of the "official cash rate" as set by the Reserve Bank of Australia (RBA) from time to time is used.

Based on the NAS Accounting Policy Manual June 2011, a 50 basis points movement in interest rate is considered reasonably possible for the 2010/2011 reporting period. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

An increase/decrease of 50 basis points in interest rates at the reporting date would have increased/(decreased) the changes in net assets available to pay benefits by the amounts shown below:

2011 – Consolidated and Fund

Asset class sector	Change in basis points Increase/decrease	Sensitivity of interest income and changes in net assets
		\$000 Increase/decrease
Cash and cash equivalents	+/-50	-
Fixed interest securities	+/-50	354/(354)
Derivatives	+/-50	(18,634)/18,648

2010 – Consolidated and Fund

Currency	Change in basis points Increase/decrease	Sensitivity of interest income and changes in net assets
		\$000 Increase/decrease
Cash and cash equivalents	+/-75	-
Fixed interest securities	+/-75	(12,238)/12,262
Derivatives	+/-75	3,804/(232)

Notes to the financial statements

For the year ended 30 June 2011

19. Risk management (continued)

(d) Market risk (continued)

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Trustee manages its exposure to foreign currency risk and mitigates effects of its foreign currency translation exposure placing limits on the portion of the assets which can be invested in different currencies and by appointing specialist currency managers to implement passive hedge over foreign currency exposure. This foreign exchange policy is monitored against actual on an ongoing basis throughout the year.

Based on the NAS Accounting Policy Manual June 2011, the movement of main currency exchange rates below is considered reasonably possible for the 2010/2011 reporting period:

USD	10%
British pounds	5%
Euro	10%
Japanese Yen	5%

The percent strengthening/weakening of the AUD against the following basket of foreign currencies as 30 June would have increased/(decreased) the changes for the year in net assets available to pay benefits by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Currency	2011		2010	
	Change in	Effect on changes in	Change in	Effect on changes in
	Currency rate %	net assets \$000	currency Rate%	net assets \$000
USD	+/-10	29,768/(36,383)	+/-10	25,508/(31,177)
British pounds	+/-5	2,607/(2,881)	+/-5	1,284/(1,420)
Euro	+/-10	17,263/(21,099)	+/-10	12,296/(15,029)
Japanese Yen	+/-5	4,287/(4,739)	+/-20	9,981/(14,972)

(iii) Equity price risk

Equity price risk is the risk that the fair value of investments in equities decreases or increases as a result of changes in market prices, whether those changes are caused by factors specific to the individual share price or factors affecting all equity instruments in the market. Equity price risk exposure arises from the Group's investment portfolio.

To limit equity price risk the Trustee diversifies its investment portfolio in line with its investment strategy. The majority of equity investments are of a high quality and are publicly traded on recognised, reputable exchanges. The Trustee monitors the Group's exposure to various asset classes on an ongoing basis throughout the year ensuring its investment strategy is adhered to.

Based on the NAS Accounting Policy Manual June 2011, a 15% movement in equity price is considered reasonably possible for the 2010/2011 reporting period. This analysis assumes that all other variables, in particular, interest rates and foreign exchange rates, remain constant. The analysis is performed on the same basis for 2010.

The "15%" increase/decrease in the equity price against the investments of the Group at 30 June would have increased/(decreased) the changes for the year in net assets available to pay benefits by the amounts shown below:

Notes to the financial statements

For the year ended 30 June 2011

19. Risk management (continued)

(d) Market risk (continued)

(iii) Equity price risk (continued)

Consolidated and Fund

Asset class sector	2011		2010	
	Change in equity price	Effect on changes in net assets	Change in equity price	Effect on changes in net assets
	%	\$000	%	\$000
Life insurance policies	+/-15	19,801/(19,801)	+/-10	11,981/(11,981)
Listed equities	+/-15	219,738/(219,738)	+/-10	117,969/(117,969)
Listed property trusts	+/-15	5,037/(5,037)	+/-10	3,594/(3,594)
Listed units trust	+/-15	2,627/(2,627)	+/-10	1,387/(1,387)
Pooled development fund	+/-15	4,329/(4,329)	+/-10	1,000/(1,000)
Preference shares	+/-15	457/(457)	+/-10	238/(238)
Unlisted equities	+/-15	32,818/(32,818)	+/-10	23,779/(23,779)
Unlisted MIS	+/-15	257,047/(257,047)	+/-10	167,549/(167,549)
Others	+/-15	16,038/(16,038)	+/-10	6,853/(6,853)

20. Investment commitments

The Group has a private market commitment of \$1,749 million (2010: \$1,846million) as at the reporting date consists of the drawn commitment of \$1,506 million (2010: \$1,513 million) and undrawn commitment of \$243 million (2010: \$333 million).

21. Contingent liabilities/assets

The Group has no contingent liabilities/assets as at 30 June 2011.

22. Significant events after balance date

In April 2010 Vision Super announced that it intended to merge with Equipsuper Superannuation Fund by 1 July 2013. The decision to merge was taken after Directors were satisfied that the merger was in the best interests of members and employers. A memorandum and understanding has been agreed and a new Shareholders' Deed was executed on 24 June 2011.

Between 30 June 2011 and the date of approval of this financial report, there have been no matters or circumstances not otherwise dealt with in the financial period that have significantly affected or may significantly affect the Group.

LOCAL AUTHORITIES SUPERANNUATION FUND

Statement by Trustee

In the opinion of the Trustee:

- (a) The accompanying financial statements of the Local Authorities Superannuation Fund and its controlled entities are drawn up so as to present fairly the net assets of the Group as at 30 June 2011 and the changes in net assets for the year then ended;
- (b) The financial statements have been prepared in accordance with the Australian Accounting Standards, other mandatory professional reporting requirements and the provisions of the Trust Deed dated 26 June 1998; and
- (c) The operation of the Local Authorities Superannuation Fund has been carried out in accordance with its Trust Deed dated 26 June 1998 and in compliance with the provisions of the Superannuation Industry (Supervision) Act 1993 and Regulations, and the Corporations Act 2001 and Regulations and Guidelines during the year ended 30 June 2011.

Signed in accordance with a resolution of the Directors of the trustee company,
Vision Super Pty Ltd.



Rob Spence
Director



Brian Parkinson
Director

Melbourne, 30 September 2011

LOCAL AUTHORITIES SUPERANNUATION FUND (ABN: 24 496 637 884)

REPORT BY THE INDEPENDENT APPROVED AUDITOR TO THE TRUSTEE AND MEMBERS

Financial statements

I have audited the financial statements of Local Authorities Superannuation Fund for the year ended 30 June 2011 comprising the statement of net assets, statement of changes in net assets, summary of significant accounting policies, other explanatory notes and the Trustee statement.

Trustee's Responsibility for the Financial Statements

The superannuation entity's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the SIS Act and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted an independent audit of the financial statements in order to express an opinion on them to the trustee and members of Local Authorities Superannuation Fund.

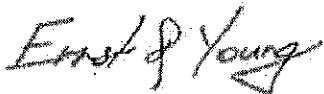
My audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's Opinion

In my opinion the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards, the net assets of Local Authorities Superannuation Fund as at 30 June 2011 and the changes in net assets for the year ended 30 June 2011.

A stylized, handwritten signature of 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature, likely of Martin Walsh, written in a cursive script.

Martin Walsh
Partner
Melbourne
Date: 6 October 2011

Review of systems to manage and monitor future compliance with Risk Management Strategy and Risk Management Plan

To the trustee of Local Authorities Superannuation Fund (the RSE licensee)

Trustee's Responsibility for systems to manage and monitor future compliance with Risk Management Strategy and Risk Management Plan

The trustee is responsible for the design, documentation, and operation and monitoring of the Risk Management Strategy and the Risk Management Plan, including the adequacy of risk assessments contained in the strategy and plan, including the relevant internal control systems, policies and procedures, and compliance, including future compliance therewith.

Auditor's Responsibility

My responsibility is to express a conclusion, based on my review, on the systems, being the relevant processes and procedures, used by Vision Super Pty Ltd to identify future risks arising from proposed future activities and to manage and monitor future (the twelve month period following the date of this review report) compliance with the Risk Management Strategy and Risk Management Plan. The contents of Risk Management Strategies and Risk Management Plans are prescribed in Sections 29H and 29P respectively of the SIS Act.

This review report was prepared for the RSE licensee in accordance with Sections 35C(5)(d)(ii) and 35C(5)(d)(iv) of the SIS Act. I disclaim any assumption of responsibility for any reliance on this review report to any person other than the trustee, or for any purpose other than that for which it was prepared.

I have conducted my review in accordance with applicable Standards on Assurance Engagements (ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information) in order to state whether, on the basis of my review as described, whether anything has come to my attention that causes me to believe that for the year ended 30 June 2011 Vision Super Pty Ltd does not have adequate systems to identify future risks arising from proposed future activities and to manage and monitor future compliance with the Risk Management Strategy of Local Authorities Superannuation Fund, and the Risk Management Plan of Local Authorities Superannuation Fund.

A review of systems consists of making enquiries of the RSE licensee and other procedures as are considered necessary in the circumstances. I have performed the review procedures having regard to relevant standards and guidance issued by the Auditing and Assurance Standards Board.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I am aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Because of the inherent limitations of any systems to ensure compliance, including future compliance, with any Risk Management Strategy or Risk Management Plan, it is possible that risks may arise which are not included in, or appropriately managed by, the Risk Management Strategy or Risk Management Plan, or that fraud, errors, or non-compliance with laws and regulations may occur and not be detected. A review is not designed to detect all instances of non-compliance, or weaknesses in the risk management measures in the Risk Management Strategy and Risk Management Plan, as a review is not performed continuously throughout the period and the review procedures performed in respect of compliance, including future compliance, with the Risk Management Strategy, and Risk Management Plan, are undertaken on a test basis.

Any projection of the systems to ensure compliance with the Risk Management Strategy and Risk Management Plan to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that, in all material respects, Vision Super Pty Ltd does not have adequate systems, being the relevant processes and procedures, to identify future risks arising from proposed future activities and to manage and monitor future (the twelve month period following the date of this review report) compliance with the Risk Management Strategy, and Risk Management Plan of Local Authorities Superannuation Fund.

A stylized, handwritten signature of 'Ernst & Young' in a cursive script.

Ernst & Young

A stylized, handwritten signature of 'Martin Walsh' in a cursive script.

Martin Walsh
Partner
Melbourne
Date: 6 October 2011