

Super for everyone. It's your choice.

EXCEPTIONAL returns

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Fund assets
grow to over
\$3 BILLION!

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MAKE MORE of your super

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Meet your INVESTMENT TEAM

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More INVESTMENT CHOICE

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Exceptional returns. More choice.

I am very pleased to introduce my final Member Report as Chairman of Vision Super, now located in new premises at 1 Spring Street Melbourne. The move, including relocation of all our computer systems and 60 staff, was achieved with no disruption to our business or services to members, and is a credit to all involved.

After some very difficult years in investment markets, I am delighted to report that the Fund's excellent investment performance for the 2003/2004 financial year has continued, with the Balanced Growth option returning 12.95% net of tax and fees for the 2004/2005 financial year. This has been an exceptional result. Many commentators in the financial sector are predicting a return to more 'normal' levels of investment performance in coming years.

Vision Super is rightly proud of its record of achieving sustained investment performance within a

disciplined and structured investment process. However, we also recognise that members want more choice and more flexibility in how their super is invested. For this reason, we have improved and expanded our range of investment choice options. We have introduced a Balanced Conservative investment choice option and, for the first time, have given members the ability to structure their own portfolios using the new Member Mix facility.

Individual choice and flexibility demand fully informed decision-making. For this reason, we have continued to expand our Advisory Service and Member Education Program. Between January and June this year, our Superannuation Consultants conducted 193 worksite seminars, providing over 3,500 members with valuable information and advice regarding their investments and superannuation generally.

During the year, further changes to superannuation legislation occurred, including the introduction of a new class of non-commutable pension to take effect from 1 July 2005. The new pension product will allow members aged over 55 years to commence drawing an income, while continuing to work.

However, the most important change during the year was the introduction of Choice of Fund, taking effect from 1 July 2005. Importantly, the new rules mean that our members can

continue to use Vision Super as their fund of choice, both in the wider workforce, and in retirement. Choice of Fund also gives friends and family of Vision Super members the opportunity to pay their super into our Fund.

On behalf of my fellow directors, I acknowledge the support of our participating employers and the dedication and hard work of all Vision Super staff. Although my term as Chair ended on 30 June, I will continue as a director, and look forward to working with my fellow directors over the next year and beyond.

Your new Chairman will be Michael Tilley. Michael has been a Director of Vision Super since 1998, and has wide experience in the financial sector. He is Managing Director of Terrain Capital, a corporate advisory firm. Michael is also Chairman of Lower Murray Water. Michael was originally appointed on the nomination of the Victorian Water Industry Association.

I hope you enjoy reading your 2005 Member Report.

Darrell Cochrane
Chairman

"...the Fund's
excellent investment
performance has
continued."

Double digit growth for

Investment markets delivered another excellent return for the 2004/2005 financial year, the Balanced Growth option achieving 12.95% after fees and taxes. This represents a significant addition to members' retirement earnings, exceeding the Consumer Price Index

(CPI) by a sizeable 10.45%. CPI was 2.5% for the year to 30 June 2005. This is almost identical to last year's return, where Vision Super's Balanced investment option returned 12.94%, over and above CPI by 10.44%

The origins of this year's return were quite varied, coming from a number of

different investment sectors. The drivers of global economic growth change frequently and this again highlights the need to focus on longer-term goals. Without a flexible long-term investment strategy such as the one adopted by Vision Super, it is easy to be misled by short-term gains.

Performance: Vision Menu Options

All returns are quoted net of Investment Management fees and tax (where applicable)

VISION SUPER SAVER, PERSONAL PLAN, PARTNER PLAN & DEFERRED BENEFIT ACCOUNTS											
Quarter ended	Core Investment Choice Options						Sustainable Investment Choice Options				
	Cash	Fixed Interest Plus	Balanced Conservative ^d	Balanced Growth	Shares Plus	Just Shares ^a	Fixed Interest Plus ^c	Balanced Conservative ^d	Balanced Growth ^b	Shares Plus ^c	Just Shares ^c
September 2004	1.12%	1.79%	N/A	1.83%	1.76%	0.60%	1.58%	N/A	1.29%	1.06%	-0.27%
December 2004	1.16%	3.06%	N/A	4.67%	5.35%	5.77%	3.17%	N/A	5.10%	5.89%	6.34%
March 2005	1.18%	1.39%	N/A	1.80%	1.86%	1.66%	1.43%	N/A	1.97%	2.07%	1.77%
June 2005	1.40%	2.85%	3.20%	4.10%	3.71%	3.68%	2.68%	2.75%	2.96%	3.01%	2.71%
Year ending											
30 June 2005	4.95%	9.39%	N/A	12.95%	13.25%	12.16%	9.14%	N/A	11.76%	12.51%	10.87%
30 June 2004	4.41%	7.68%	N/A	12.94%	15.00%	18.48%	6.91%	N/A	10.91%	12.35%	14.74%
30 June 2003	4.46%	4.87%	N/A	0.82%	-1.45%	-6.93%	3.77%	N/A	-1.84%	-4.83%	-11.34%
30 June 2002	4.00%	2.11%	N/A	-2.51%	-4.84%	-10.23%	0.23%	N/A	1.32%	-4.67%	-9.12%
30 June 2001	5.16%	4.95%	N/A	3.76%	3.03%	-0.60%	N/A	N/A	N/A	N/A	N/A
3 year annualised	4.61%	7.30%	N/A	8.75%	8.68%	7.34%	6.59%	N/A	6.76%	6.36%	4.09%
5 year annualised [#]	4.59%	5.77%	N/A	5.40%	4.71%	1.99%	N/A	N/A	N/A	N/A	N/A
VISION SUPER ALLOCATED PENSION AND GROWTH PENSION ACCOUNTS											
Quarter ended	Core Investment Choice Options						Sustainable Investment Choice Options				
	Cash	Fixed Interest Plus	Balanced Conservative ^d	Balanced Growth	Shares Plus	Just Shares ^a	Fixed Interest Plus ^c	Balanced Conservative ^d	Balanced Growth ^b	Shares Plus ^c	Just Shares ^c
September 2004	1.32%	2.07%	N/A	2.03%	1.91%	0.53%	1.87%	N/A	1.52%	1.26%	-0.30%
December 2004	1.38%	3.56%	N/A	5.36%	6.14%	6.78%	3.65%	N/A	5.71%	6.55%	7.28%
March 2005	1.40%	1.45%	N/A	1.62%	1.60%	1.34%	1.41%	N/A	1.58%	1.55%	1.11%
June 2005	1.57%	3.21%	3.58%	4.46%	4.06%	3.92%	3.04%	3.10%	3.24%	3.27%	2.82%
Year ending											
30 June 2005	5.80%	10.68%	N/A	14.11%	14.36%	13.05%	10.32%	N/A	12.54%	13.15%	11.19%
30 June 2004	5.21%	8.78%	N/A	14.64%	16.99%	21.14%	7.90%	N/A	12.43%	14.09%	16.81%
30 June 2003	5.00%	5.53%	N/A	0.51%	-2.25%	-8.72%	4.59%	N/A	-1.64%	-4.98%	-12.45%
30 June 2002	4.75%	2.26%	N/A	-3.46%	-6.30%	-12.60%	N/A	N/A	N/A	N/A	N/A
30 June 2001	6.10%	5.57%	N/A	4.18%	3.37%	-0.65%	N/A	N/A	N/A	N/A	N/A
3 year annualised [#]	5.34%	8.31%	N/A	9.56%	9.36%	7.72%	7.58%	N/A	7.57%	7.05%	4.38%
5 year annualised [#]	5.37%	6.52%	N/A	5.75%	4.84%	N/A	N/A	N/A	N/A	N/A	N/A

(A) Just Shares commenced from 1 July 2000. (B) Sustainable Balanced commenced 1 October 2001. (C) Sustainable Fixed Interest Plus, Shares Plus and Just Shares commenced 1 January 2002. (D) Balanced Conservative Core & Sustainable Balanced Conservative commenced 1 April 2005. (#) If an option has been available for less than 3 or 5 years the figure quoted is the annualised rate for the period since inception.

the second year running.

How did we achieve our return?

Australian Shares

The Australian share market was again the largest contributor, the S&P/ASX200 returning 26.0%. In particular, demand for mineral resources boosted the mining sector, and small companies performed better than the overall market.

International Shares

International shares, however, struggled against the strong Australian dollar, with the MSCI World Ex-Australia un-hedged, the leading International Shares indicator, returning just 0.1%.

However, in local currency terms, International Shares returned 9.76% (MSCI World Ex-Australia, local currency). The Fund's hedging policy

was altered during the year and added 2.3% to the international share return, which is an excellent result from a currency management perspective.

Fixed Interest

While International Shares struggled with the strength of the Australian dollar, International and Australian Fixed Interest benefited. International Fixed Interest returned 12.33% (SB World ex Australia, hedged) and Australian Fixed Interest 7.8% (UBS Composite All Maturities Index).

Property and Infrastructure

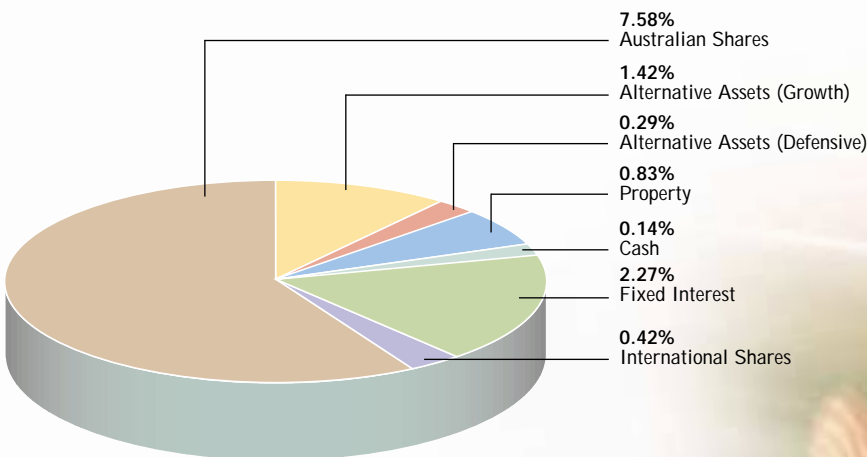
The Fund's core property exposure also provided a healthy 11.8% to the total return, as did investments in Infrastructure, which returned 19.1% over the year.

Minor contributors

Less significant contributions came from Cash 5.8%, Private Equity 4.0%, and Property Opportunities 1.2%.

Absolute return strategies also provided a steady contribution of 8.2%. Property Opportunities are in very early stages of development, and represent smaller investments of the total fund's asset allocation.

Performance Breakdown: Balanced Growth Option

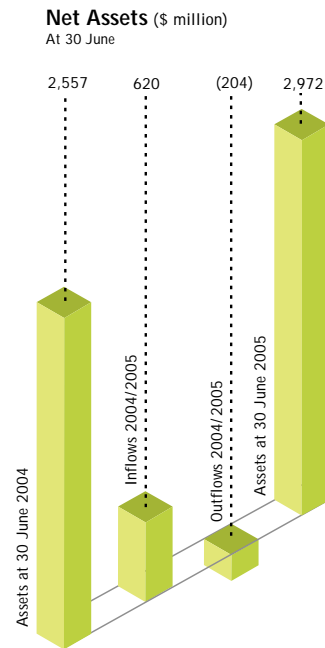
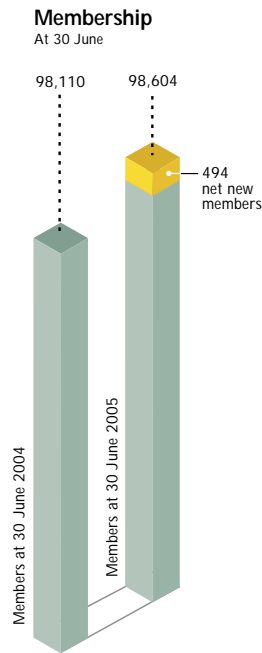


Member Mix

The Member Mix option commenced on 1 April 2005.

VISION SUPER SAVER, PERSONAL PLAN, PARTNER PLAN AND DEFERRED BENEFIT ACCOUNTS						
Quarter ended	Cash	Fixed Interest	Property	International Equities	Australian Equities	Alternative Assets
June 2005	1.40%	2.81%	2.10%	2.71%	4.60%	1.46%
VISION SUPER ALLOCATED PENSION AND GROWTH PENSION ACCOUNTS						
June 2005	1.58%	3.30%	2.45%	2.99%	4.80%	1.57%

Your Fund's total assets grow to more than \$3 billion.



Financial Report

To illustrate how the Fund performed in 2004/2005, we provide below a summary of the unaudited financial statements. The full Audited Financial Statements and the Auditor's Report will be available upon request from October 2005.

Changes in Net Assets

For year ended 30 June

	2004/2005 \$000	2003/2004 \$000
Net Assets at beginning of the year:	2,556,525	2,202,869
Income		
Investment revenue	372,541	318,083
Contributions by employers	181,139	175,203
Contributions by members	66,212	48,835
Other revenue	420	574
Total	620,312	542,695
Outgoings		
Benefit payments	146,341	122,874
Investment expenses	10,365	10,315
Administration expenses	8,562	7,749
Income tax	39,075	48,101
Total	204,343	189,039
Net Assets at end of the year:	2,972,494	2,556,525

Net Assets

As at 30 June

	2004/2005 \$000	2003/2004 \$000
Assets		
Investments	2,992,568	2,537,661
Other assets	19,834	62,933
Total	3,012,402	2,600,594
Less Liabilities		
Benefits payable	3,133	1,883
Income tax payable	5,654	15,339
Provision for deferred tax	28,870	21,567
Other liabilities	2,251	5,280
Total	39,908	44,069
Net Assets	2,972,494	2,556,525

Note: The 2003/2004 financial statements have been audited.

Employer contribution rates for defined benefit plans have been determined by the Trustee on the advice of the Actuary. Based on the assumptions made by the Actuary about the Fund's future experience, benefits are fully funded as they accrue. The Item 'Other assets' in the Statement of Net Assets includes contributions payable by employers for past service of members of the Vision Super Defined Benefit Plan.

What's new in super?

Fee change for Vision Super Saver members

Most members will have seen the TV adverts comparing the amount that industry funds charge their members compared to retail funds. Vision Super shares this low fee, members first philosophy with other industry funds, and we keep our fees as low as possible. The administration fee for Vision Super Saver members will change to \$1.50 per week from 1 October 2005. There are no other administration fees and we do not pay commissions to financial planners. The flat \$1.50 per member per week, replaces the current multi-level fee structure under which the fee was capped at \$30 per quarter.

The new fee structure will help us maintain our position as a low-charging fund, operating for the benefit of members, not shareholders. ASIC's Super Funds calculator is available at: www.fido.gov.au

Non – commutable pensions give work option

From July 1 2005, retirees will be able to access their preserved super money in the form of a non-commutable income stream after reaching preservation age, irrespective of their employment status.

This means that members can draw an income from their superannuation while continuing to work. However, lump sum benefits cannot be withdrawn while the member continues to work (up to age 65).

Vision Super's Allocated Pensions, Growth Pensions and Term Pensions are now offered on a non-commutable basis.

Presently you cannot use a Defined Benefit account to start a non-commutable pension. Vision Super continues to investigate options for its use with these members.

If you would like further information on non-commutable pensions, call our Super Hotline on (03) 9911 3222. Callers outside the Melbourne metropolitan area should use 1300 300 820.

Save time and money by rolling over

With Choice of Fund legislation now up and running, it is now easier than ever to use one fund for all your super needs.

One of the first things you should consider is rolling over benefits from other super funds into Vision Super. This is especially relevant if you have switched jobs frequently, because each employer may have contributed money on your behalf into different super accounts.

Here are some of the advantages of consolidating your super savings:

- Pay one set of fees – lower fees means more money working for you.
- Less hassle – receive less paperwork and deal with one super provider.
- Reduce the risk of your super being lost and ending up with the Australian Taxation Office (ATO).

How do you transfer your old super accounts into Vision Super?

Simply call our Super Hotline on (03) 9911 3222 or obtain a rollover form (Form 35) from our website at www.visionsuper.com.au

If you believe you may have unclaimed benefits in other funds, call your previous fund, or the ATO on 13 10 20.

Pay less tax by opening a Partner plan

If your spouse earns less than \$13,800 per year, you may be eligible for a tax rebate of up to \$540 on super contributions you make on their behalf. A Vision Super Partner plan is also a great way for you to secure a sound financial future for you and your spouse.

To find out more or to open a Vision Super Partner plan, visit our website at www.visionsuper.com.au or call the Super Hotline on (03) 9911 3222. Callers outside the Melbourne metropolitan area should use 1300 300 820.

Summary of budget changes

Two major superannuation changes were outlined in the 2005 Federal Budget:

- The abolition of the superannuation surcharge; and
- Giving members the option to split superannuation contributions with their spouse.

Superannuation surcharge ends

The Superannuation surcharge on higher income earners has been abolished from 1 July 2005. Before this date the surcharge rate was 12.5%. For the 2004- 2005 financial year, the surcharge is payable when a person's adjusted taxable income exceeds \$99,710.

After 1 July 2005, employer superannuation contributions will therefore become more tax-effective for members who earn \$99,710 or more. However, even though the surcharge has been abolished from the beginning of the 2005-2006 financial year, surcharge assessments from previous financial years will continue to be received by funds until the ATO catches up with the backlog of assessments.

Splitting super contributions with your spouse

Splitting superannuation contributions with your spouse will be available from 1 July 2006. The main benefit of contribution splitting is to enable both partners to fully utilize their ETP tax-free threshold and Reasonable Benefit Limit (RBL). Details of the proposed legislation are not yet available, but Vision Super will publish further information as soon as it comes to hand.



Make the most of life. It's your super.

If you thought your super was just for retirement, think again. From the time you get your first job, until you stop working and right through your retirement years, Vision Super has a range of products and services that will help you make the most of your super and your life.



Young and single

Retirement's not even on your radar, but a bit of planning now can make life easier down the track. Under Superannuation Guarantee legislation your employer is obliged to contribute 9% of your salary to superannuation, so why not get as much out of it as you can?

Vision Super Saver could be a plan for you because it has low fees, can change as your life changes and provides a range of support services.

Think about

- the tax advantages of super over other forms of saving
- topping up your Superannuation Guarantee payments with a few dollars every pay day
- the tax benefits of salary sacrifice where you contribute some of your salary (before it has been taxed) to super
- taking advantage of the co-contribution scheme where the government could contribute up to \$1500 to your super pa



Hi partner!

Now that you are in a partnership, your superannuation partnership is even more important. If you are thinking about settling down, buying a home, even starting a family, you need super that doesn't cost the earth, provides death and disability insurance cover, and has a good investment track record.

You can get more from your super by opening a Vision Partner Plan for your spouse.

It also pays to consider rolling other super accounts into Vision Super. You'll not only save on account fees but benefit from our investment experience, inexpensive insurance cover and a wide range of investment choice options.

Think about

- opening a Partner Plan and paying less tax
- saving account fees by rolling any other superannuation accounts into Vision Super
- look for Vision Super website seminars at your workplace (see back page)
- contacting Members Equity if you are thinking about getting a home loan (www.membersequity.com.au)



Growing together

With a growing family you need to make sure they are looked after in the future. Vision Super Saver gives you access to competitive insurance cover that can provide peace of mind for you and your family. You can even maintain cover for up to 1 year while on approved leave without pay.

Now that your career is on the move you might want to change jobs. You can maintain your superannuation with Vision Super, even if your new employer is not a participating employer.

And to help you get the most from your super, you can talk with our Advisory Service about which is the best approach for your needs.

Think about

- insuring for death and disability for \$1 per week per unit of cover through Vision Super Saver
- staying with Vision Super when you change jobs
- planning your super goals with our Advisory Service

Advisory Services

Whatever stage you are at, Vision Super's Advisory Services team can assist you by providing in-depth advice on your personal superannuation situation.

The Advisory Services team are superannuation specialists, chosen for their technical knowledge and practical 'hands on' ability to assist members. The team does not receive brokerage or commissions for recommending any products, and there are no fees charged or received for advice given. Just like you, our team are members of Vision Super.

For any queries or service information please call the Super Hotline on (03) 9911 3222 or email the Advisory Services team advisory@visionsuper.com.au. Regional members should call 1300 300 820.

More confident about retirement



For Vision Super members, Ted and Coreen Whittam, a meeting with an Advisory Services consultant left them feeling better informed, less intimidated and more confident of a comfortable retirement.

Ted, who has worked at Western Water for the past 18 years, said that they left the meeting knowing a lot more about the options available through co-contributions, lifetime pensions and Allocated Pensions.

"Although we haven't been building our super all of our working lives, we were advised we can still expect a reasonable retirement by maximising the financial benefits available in our situation," said Ted.

"Super can be very confusing. The meeting with Vision Super helped us allay our fears with the informative and friendly advice offered. My only regret is that we did not seek advice much earlier."



Life beyond work

Now that you've stopped working, it is important that your money doesn't. You now need your super to be in an effective investment environment that will meet your needs by providing a flexible and tax effective income stream.

Think about

- reviewing your investment options with Vision Advisory Service to ensure you have the right asset allocation to meet your needs
- decide which of the Vision Super pension plans will provide you with the most flexible and tax effective income package
- talk to our Advisory Service about income splitting, Centrelink benefits and income streams



Empty nesters

You are on your own again and there's so much you want to see and do before your retirement.

That's fine while you are earning a good wage and your costs are lower, but don't forget that retirement is only a few years away, and you need to think about how you will maintain your living standards without a wage.

Think about

- assessing how much you'll need to live on when you retire
- topping up your super now to make your retirement even more enjoyable
- Partner plans to improve your tax-free income after you retire
- attend a seminar to start planning for your retirement



Seminar had the answers

For one of Australia's business leaders, the switch to Vision Super came after attending

a seminar that answered many of the questions he had about superannuation.

Professor John Miller AO PhD FCPA, who has been a CEO in the public, private and academic sectors, said that getting sound, simple and comprehensive super advice can be difficult.

"As a CPA, I was aware of the issues – but not all the solutions. After attending many different seminars on the topic, I attended a Vision Super Seminar in 2004.

"This was the best seminar I had ever attended. As I was quite frustrated with the management of other major retirement vehicles, I did a complete rollover to Vision Super.

"In the process I was 150% delighted with the care, service and concern provided to myself- and I remain so.

"The management costs are low and the value provided is high, with the strategic investment choices offered in the Allocated Pension suitable for all needs."

"Overall, I am delighted with my change to Vision Super and heartily recommend it to others," he said.

Do you know how your money is managed?

Did you know that when your contributions are made to Vision Super they are invested according to a pre-determined investment strategy, by a team that manages the activities of over 30 different fund managers?

The starting point for looking after your retirement savings is the Trustee. The Trustee sets the big picture by setting the investment objectives and strategies for each plan, ensuring that any risks are properly identified, addressed, and managed.

The Trustee also appoints specialist fund managers with varying investment styles and configurations, or arranges, these managers according to the underlying investment objectives of each option.

Independent advice

Managing members' retirement savings is a huge responsibility, even more so when the amount involved is \$3 billion as is the case with Vision Super. In carrying out this responsibility, the Trustee engages expert independent advice from a variety of sources.

Providers of strategic investment advice to superannuation funds are known as asset consultants.

Vision Super's asset consultant is Frontier Investment Consulting. Frontier was originally appointed in

1999 and is subject to the same performance reviews that the Trustee imposes on individual fund managers.

The Trustee's decisions are implemented in turn by the Vision Super investment team, headed by Graeme Smith. Graeme has been involved with investments at Vision Super since 1989 and describes his team's role as 'managing the managers'.

Investment management strategy

Vision Super takes into account risk and return, the need for diversification and liquidity, and the current and future liabilities of the Fund when it formulates its investment strategies.

Through a competitive selection process, we appoint external fund managers to help us implement those strategies.

Vision Super invests in all of the major asset classes, including Australian and international shares, property, infrastructure and private equity (growth assets), and fixed interest and cash (defensive assets).

Derivatives

The Fund has a risk management strategy that allows derivatives to be used for hedging purposes but not for leveraging the Fund's assets.

Derivatives are not used internally but by external fund managers where appropriate in accordance with Vision Super's policies and strategy.

Performance and compliance

"We measure and report performance and compliance at both the individual manager and Fund level," said Graeme.

"In particular, we ensure managers act strictly in accordance with their assigned mandate or, in other words, 'stick to their knitting'.

"Reasons for over-performance are subject to the same investigation process we apply to under-performance. Managers form part of an overall strategy and we don't want them taking on risks outside their contractual obligations with members' money."

Strategic approach

Another important role of the investment team is to ensure that the Fund's actual invested position aligns with the investment strategy.

"Different financial markets go up and down at different times for different reasons," explained Graeme, "and a fund can quickly get out of balance.

Sometimes rebalancing can be achieved simply by redirecting contribution inflows. Sometimes it requires taking money from one manager and giving it to another manager."

In his role as Investment Manager, Graeme sees first hand what a large not-for-profit fund like Vision Super can achieve that members investing alone cannot.

Size matters

"Firstly, due to our size, we can invest with managers at wholesale rates, way below the retail prices, which normally apply to individual members doing their own thing," said Graeme. "Secondly, we can access specialist investment managers and investment products that are not available through retail funds, such as infrastructure and private equity."

Obtaining wholesale rates can make a huge difference to a fund's performance over time. Equally, spreading or diversifying investments between asset classes and managers with different, complementary investment styles is critical to any successful investment strategy.



Vision Super – Fund Manager Portfolio Valuations

Asset Class	Portfolio Fund Manager	Amount	Percentage	Amount	Percentage	
		\$Millions 30-Jun-04	of Fund 30-Jun-04	\$Millions 30-Jun-05	of Fund 30-Jun-05	
Australian Fixed Interest	Alliance Capital Management	201.4	7.9%	175.9	5.9%	
	Hastings Funds Management Limited (Yield Fund) [#]	-	-	59.2	2.0%	
	IFM The Super Loans Trust ^{**}	-	-	11.1	0.4%	
	SUB TOTAL	201.4	7.9%	246.2	8.2%	
Alternative Investments	Social Infrastructure	IFM Australian Social Infrastructure A	20.3	0.8%	21.7	0.7%
	SUB TOTAL		20.3	0.8%	21.7	0.7%
International Fixed Interest	Bridgewater	213.4	8.4%	194.0	6.5%	
	Western Asset Management	160.2	6.3%	167.1	5.6%	
	SUB TOTAL	373.6	14.7%	361.1	12.1%	
Alternative Investments	Absolute Return Strategies	Quellos Capital Management – KEL Fund [#]	-	-	52.7	1.8%
		Warakirri Absolute Strategy Fund [#]	-	-	53.3	1.8%
	SUB TOTAL		-	-	106.0	3.5%
Cash	Internal Management (Vision Super)	238.3	9.4%	140.9	4.7%	
	SUB TOTAL	238.3	9.4%	140.9	4.7%	
DEFENSIVE TOTAL		833.6	32.9%	875.9	29.3%	
Australian Equity	GMO Australia Limited	125.8	5.0%	137.5	4.6%	
	SAM Sustainability Leaders Australian Fund	3.7	0.1%	5.3	0.2%	
	Schroder Investment Management Australia Ltd	128.3	5.1%	140.3	4.7%	
	Macquarie Bank Investment Management Ltd	374.6	14.8%	443.8	14.8%	
	Warakirri Small Companies Fund	79.7	3.1%	90.9	3.0%	
	WestAM Equitised Long/Short Trust	95.5	3.8%	107.2	3.6%	
	SUB TOTAL	807.6	31.8%	925.0	30.9%	
International Equity	Bank of Ireland Asset Management	164.0	6.5%	133.0	4.4%	
	SAM Sustainability Leaders International Fund	2.6	0.1%	5.2	0.2%	
	State Street Global Advisors	271.8	10.7%	294.8	9.9%	
	Turner Investment Partners Small Cap Core Equity [#]	-	-	68.3	2.3%	
	Lloyd George Management (Europe) Ltd – Emerging Markets Fund [#]	-	-	52.8	1.8%	
	Nicholas Applegate [*]	88.4	3.5%	-	0.0%	
	Wellington International [#]	-	-	146.1	4.9%	
SUB TOTAL	526.8	20.8%	700.2	23.4%		
Currency Overlay	Bridgewater Associates Inc.	2.3	0.1%	5.9	0.2%	
	SUB TOTAL	2.3	0.1%	5.9	0.2%	
TOTAL INTERNATIONAL		529.1	20.9%	706.1	23.6%	
Alternative Investments	Infrastructure	IFM Australian Infrastructure ⁺	91.2	3.6%	113.5	3.8%
		IFM International Infrastructure ^{#+}	-	-	27.4	0.9%
		Regional Infrastructure Fund	1.3	0.1%	12.0	0.4%
		Regional Telecommunications	15.4	0.6%	5.4	0.2%
SUB TOTAL		107.9	4.3%	158.3	5.3%	
Private Equity	IFM Australian Private Equity Fund II ⁺	9.8	0.4%	11.0	0.4%	
	IFM Australian Private Equity Fund III ⁺	1.3	0.1%	2.5	0.1%	
	IFM International Private Equity Fund I ⁺	22.7	0.9%	40.3	1.3%	
	IFM International Private Equity Fund II ^{#+}	-	-	0.4	0.0%	
	IFBT – Industry Fund Banking Trust	7.2	0.3%	8.9	0.3%	
	ING – Private Capital Fund No.1	16.7	0.7%	13.0	0.4%	
	Quay Partners Australia 2 Fund	1.0	0.0%	2.7	0.1%	
SUB TOTAL	58.7	2.3%	78.8	2.6%		
Opportunistic Investments	APN Development Fund No.1 [#]	-	-	1.1	0.0%	
	Colonial First State Property Opportunistic Partnership No. 1	2.8	0.1%	2.2	0.1%	
	Eureka Property Fund No.1 [#]	-	-	1.1	0.0%	
	Gresham Property Mezzanine Fund No. 2	0.1	0.0%	1.7	0.1%	
	SUB TOTAL	2.9	0.1%	6.1	0.2%	
Absolute Return Strategies	Bridgewater All Weather Fund [#]	-	-	29.0	1.0%	
	SUB TOTAL	-	0.0%	29.0	1.0%	
TOTAL ALTERNATIVE ASSETS		169.5	6.7%	272.2	9.1%	
Property	AMP Property Unit	75.2	3.0%	82.7	2.8%	
	Colonial Direct Property Investment Fund - Retail	17.5	0.7%	19.1	0.6%	
	Industry Super Property Trust No.1	85.6	3.4%	89.8	3.0%	
	QIC Shopping Centre Fund	18.9	0.7%	21.8	0.7%	
	SUB TOTAL	197.2	7.8%	213.4	7.1%	
GROWTH TOTAL		1,703.4	67.1%	2,116.7	70.7%	
FUND TOTAL		2,537.0	100.0%	2,992.6	100.0%	

(+) Name change from Development Australia Fund Management Limited (DAF) to Industry Funds Management Limited (IFM). (**) Transition of product from Member Equity 'Super Members Home Loan Bond' to IFM's 'The Super Loans Trust'. (*) Terminated Managers (#) New Managers



More choice. More flexibility.

At Vision Super we have long recognised that members want more choice and flexibility in how their super is invested. Since it was introduced in 1999, Member Investment Choice (MIC), which enables members to direct how their super is invested, has been a popular initiative.

Now the degree of control and range of choices for your super has been improved yet again, with changes to MIC from 1 April 2005. So what has changed and how can you benefit?






Improved Vision Menu options

The first step involved introducing an improved range of investment choices under the Vision Menu range of options. A new Balanced Conservative option was introduced, and the existing options adjusted to provide a better spread of options across the risk/return spectrum.

The new range features six different 'core' options and five sustainable options. This means members now have even more choices from which to select a Vision Menu option that best suits their individual needs and preferences.

As always, the Vision Menu options are structured by Vision Super to provide the best possible return and the lowest possible risk for your chosen asset allocation, using our range of 30 hand-picked managers.

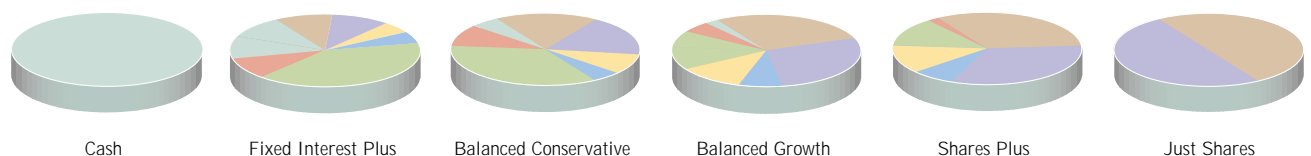
The asset allocations, and risk and return objectives for each of the Vision Super Menu options is shown on the right.








VISION MENU OPTIONS					
	Performance	Probability Objective return [#]	Asset Class of negative	Asset Allocation at 30 June 04 30 June 05	
 Cash	CPI	N/A	Cash	100.0	100.0
 Fixed Interest Plus	CPI + 2.0%	Low Probability	Cash	24.0	20.0
			Fixed Interest	43.0	40.0
			Alternative Assets (Defensive)	-	10.0
			Property	7.0	5.0
			International Shares	10.0	10.0
			Australian Shares	10.0	10.0
			Alternative Assets (Growth)	6.0	5.0
 Balanced Conservative	CPI + 3.5%	One year in 21 years	Cash	*	5.0
			Fixed Interest	*	35.0
			Alternative Assets (Defensive)	*	10.0
			Property	*	5.0
			International Shares	*	18.0
			Australian Shares	*	18.0
			Alternative Assets (Growth)	*	9.0
 Balanced Growth	CPI + 4.0%	One year in 11 years	Cash	2.5	2.5
			Fixed Interest	27.0	17.5
			Alternative Assets (Defensive)	-	5.0
			Property	8.0	7.5
			International Shares	20.0	28.0
			Australian Shares	30.0	28.0
			Alternative Assets (Growth)	12.5	11.5
 Shares Plus	CPI + 4.5%	One year in 8 years	Cash	-	-
			Fixed Interest	18.0	13.0
			Alternative Assets (Defensive)	-	2.0
			Property	7.5	7.5
			International Shares	25.0	32.5
			Australian Shares	39.0	32.5
			Alternative Assets (Growth)	10.5	12.5
 Just Shares	CPI + 5.0%	One year in 6 years	Cash	-	-
			Fixed Interest	-	-
			Alternative Assets (Defensive)	-	-
			Property	2.5	-
			International Shares	44.5	50.0
			Australian Shares	44.5	50.0
			Alternative Assets (Growth)	8.5	-

[#] Members should note that the probabilities of a negative return are long-term expectations. It is possible for more than one year of negative returns to occur within the time frame stipulated for each option.

* Option not available at 30 June 2004

Defensive Asset Allocation Growth Asset Allocation



LEGEND					
	Cash		International Equities		Alternative Assets (Growth)
	Property		Australian Equities		Alternative Assets (Defensive)
	Fixed Interest				

New Member Mix option

The second major change this year was the introduction of a totally new option called Member Mix.

Member Mix enables you to structure your own super investment portfolio from six components, each based on an individual asset class. Each component features a carefully selected sub group of our managers.

While Member Mix gives you the freedom to put asset classes together however you want, you'll need to exercise that power carefully, to make sure you maintain appropriate diversification in your portfolio. Vision Super recommends that you seek professional financial advice before using the Member Mix option.

The asset allocations, and risk and return objectives for each of the Member Mix components, is shown in the table at right.

MEMBER MIX COMPONENTS			
	Performance Objective	Probability of negative return*	Asset Composition (Growth/Defensive)
Cash	CPI	N/A	100% Defensive
Fixed Interest Plus	CPI + 2.0%	Less than one year in 25 years	100% Defensive
Property	CPI + 3.0%	Less than one year in 10 years	100% Growth
International Equities	CPI + 5.0%	Less than one year in 4 years	100% Growth
Australian Equities	CPI + 5.0%	Less than one year in 4 years	100% Growth
Alternative Assets (Defensive)	CPI + 3.0%	Less than one year in 20 years	100% Defensive

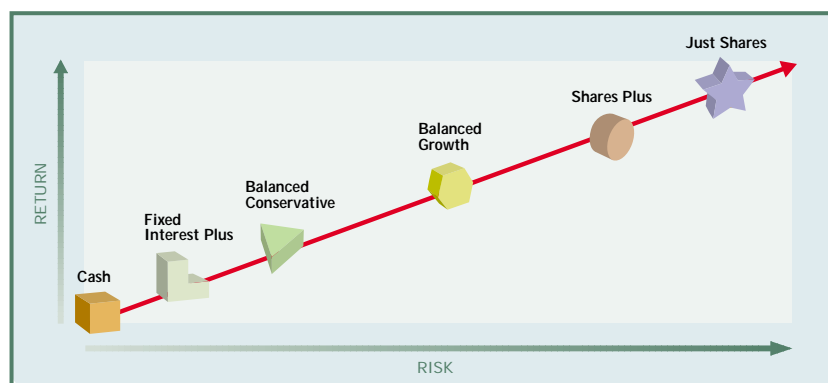
Defensive Asset Allocation Growth Asset Allocation

Making the right choice

Investment performance is vitally important in ensuring you meet your retirement goals. Therefore, making sure you make the right choice of investment is of paramount importance to Vision Super.

That's why we offer a range of services to help you understand investments and make the right choice. You can get basic information about investments and Investment Choice from our Product Disclosure Statements for each plan, or you can visit our website at www.visionsuper.com.au

If you can't find what you're looking for, ring our Super Hotline to talk it through, or arrange to meet one of our consultants. Vision Super held over 200 seminars for 3500 members in the first half of 2005, so watch out for a poster, e-mail, or invitation to a seminar in your workplace.



Our retirement seminars are held after business hours so both you and your spouse can find out more about super and retirement in a relaxed atmosphere.

You can also talk to our qualified financial advisers. If you are ready to make an appointment to see an adviser, ring our Super Hotline on (03) 9911 3222, or 1300 300 820 for callers outside the Melbourne Metropolitan area.

Managing your Fund.

Commonwealth superannuation law 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.

Vision Super has eight directors, four elected by the members, 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. Each of our directors brings a unique skill set to the governance of the Fund.

Under new rules for the licensing of superannuation fund trustees, Vision Super directors have been required to demonstrate that they meet 'Fit and Proper' standards stipulated by industry regulator APRA.

The directors and their alternates as at 30 June 2005, are detailed in the table on the right.

Director changes

All four member elected directors have been re-elected for a four year term commencing from 1 July 2005. From 1 July 2005, the member directors and their alternates will be:

Director	Alternate
Darrell Cochrane	Brian Parkinson
Wendy Phillips	Dean Barnett
Tony Tuohey	Robyn Glascott
Bill Watton	Russell Atwood

During the year, Shaun Strachan was nominated as alternate for Angela Emslie, following the resignation of Steve Wilson. Both Ms Emslie and Mr Strachan have been re-appointed for a further four years from 1 July 2005. Steve Bird was nominated as alternate for Michael Tilley, following the resignation of Mark Harvey.



Fund administration

Chief Executive Officer	Rob Brooks
Company Secretary	Andrew Barr
External auditor	Ernst & Young
Internal auditor	KPMG
Master Custodian	National Custodian Services Ltd
Trustee Indemnity	Vision Super Pty Ltd has taken out a policy of trustee indemnity insurance.

Principal advisors

Actuarial	Russell Employee Benefits
Investments	Frontier Investment Consulting
Property	Pinnacle Property
Lawyers	Freehills Phillips Fox Rigby Cooke
Tax	PricewaterhouseCoopers

Committees of the Board

The Board has a number of Committees comprising directors, management and external advisors.

Audit and Compliance Committee

(Chair – John Warburton)
Reviews and makes recommendations to the Board on the Fund's internal controls, organisational risks, corporate governance issues, statutory reporting and general audit performance.

Benefits Committee

(Chair – Angela Emslie)
Assesses applications for death and disability benefits and makes recommendations to the Board on policies affecting benefits.

Investment Committee

(Chair – Michael Tilley)
Analyses, reviews and makes recommendations to the Board on investment strategy, performance and manager appointments.

Name	Alternate Director	Method of appointment	Director since
▲ Michael Tilley	Steve Bird	Nominated by VWIA	1998
▲ Bill Watton	Wendy McManus	Elected by members	1991
▲ Darrell Cochrane	Brian Parkinson	Elected by members	1993
▲ Tony Tuohey	Wendy McManus	Elected by members	1995
▲ John Warburton	Mark Anderson	Nominated by MAV	1997
▲ Angela Emslie	Shaun Strachan	Nominated by VECCI	1998
▲ Wendy Phillips	Russell Atwood	Elected by members	1998
▲ Rob Spence	Les Willmott	Nominated by MAV	2003

Legend: ▲ Employee Director ▲ Employer Director

Protecting your interests.

Vision Super is a 'Regulated Superannuation Fund' under the Superannuation Industry (Supervision) Act 1993 (SIS), and is a complying fund for Superannuation Guarantee and taxation purposes. The Fund's governing rules are contained within the Local Authorities Superannuation Fund Trust Deed, a copy of which is available on our website at www.visionsuper.com.au

Complaints

We hope that you never have cause to complain, however, if you (or any person making a claim in respect of your membership of the fund) wish to make a formal complaint regarding any aspect of the operation of the Fund (including privacy issues) please write to:

The Complaints Officer
Vision Super
Level 5
1 Spring Street
Melbourne VIC 3000

The letter of complaint should include:

- Your name, address and telephone number;
- Your membership number;
- A short description of the complaint;
- The names of the Vision Super staff you dealt with up to the date of the complaint; and
- Any relevant supporting documentation.

If you have any difficulty writing a letter of complaint, telephone the Complaints Officer on (03) 9911 3183. The Complaints Officer can help you formulate your complaint or assist you by some other means. Superannuation legislation prescribes that your complaint should be dealt with within 90 days. If necessary, your complaint will be referred to the Trustee.

Superannuation Complaints Tribunal

The Superannuation Complaints Tribunal (SCT) is an independent body established by the Federal Government to assist members and beneficiaries to resolve superannuation complaints.

The SCT can only hear a complaint once the matter has been dealt with through the Fund's complaints resolution process, and the member or beneficiary concerned is not satisfied with the outcome. The SCT cannot deal with a complaint that:

- Concerns the management of the fund as a whole; or
- Is subject to court proceedings.

You can call the SCT on 1300 780 808 or visit their website at www.sct.gov.au

Privacy complaints

If your complaint relates to a breach of privacy that is not resolved by our internal complaints process, you can refer it to the Privacy Commissioner. The Privacy Commissioner can be contacted on 1300 363 992.

Member protection

If your account balance is below \$1,000, Vision Super will not charge administration fees in excess of the earnings credited to your account in any one year. Fees do not include taxes and insurance premiums. Member protection applies only to administration fees and does not protect against negative earnings.

Privacy policy statement

In the course of conducting its normal business activities, Vision Super collects, records, maintains and uses personal information, which members rightly expect to be relevant, accurate, verifiable, and secure.

Vision Super understands and accepts this responsibility of trust and is committed to upholding the National Privacy Principles covering the collection, use, storage, and disclosure of personal information.

All personal information is collected by lawful and fair means, and only for the purposes of providing, protecting, assessing, reporting and paying superannuation and insurance benefits.

We do not collect unnecessary personal information or collect medical information without the member's prior consent. Vision Super makes every effort to protect personal information from misuse, loss,

unauthorised access, modification or disclosure. Subject to certain restrictions, which are detailed in our Member Access Policy, members will be granted access to their records for the purposes of verification or correction. Other than as permitted by law, Vision Super will not disclose or use personal information for any purpose other than that for which the information is collected.

This Policy Statement is supported by the following policies:

- Member Access Policy;
- Maintaining Data security policy;
- Using and disclosing personal information policy; and
- Personal information collection policy.

Please contact the Super Hotline on **9911 3222** or visit our website at www.visionsuper.com.au for details of these policies.

How to contact us!



Vision Super Pty Ltd
ABN 50 082 924 561
Australian Financial Services Licence 225054

Level 5
1 Spring Street
Melbourne Victoria 3000

PO Box 18041
Collins Street East
Melbourne Victoria 8003



P (03) 9911 3111
F (03) 9911 3299
Super Hotline 9911 3222
Regional Hotline 1300 300 820



vision@visionsuper.com.au



www.visionsuper.com.au

Vision Super's Retirement Seminars

Vision Super's Advisory Services team will be presenting Pre-Retirement and Retirement seminars at a range of venues throughout Melbourne. Below are dates and locations for confirmed seminars. If you would like to attend a seminar in your area, simply contact us on (03) 9911 3111.

No.	Date	Suburb	Venue
7	31 August	Footscray	Reception Room Footscray Town Hall Cnr Napier & Hyde Streets Footscray
8	8 September	Glen Waverley	Council Chambers Monash City Council 293 Springvale Road Glen Waverley
9	14 September	Coburg	Concert Hall Council Offices 90 Bell Street Coburg
10	21 September	South Morang	Fountainview Room Civic Centre Ferres Boulevard South Morang
11	28 September	Brighton	Function Room Brighton Town Hall Wilson Street Brighton
12	6 October	Doncaster	Council Chambers Council Offices 699 Doncaster Road Doncaster
13	13 October	Geelong	Council Chambers Council Offices 30 Gheringhap Street Geelong
14	20 October	Broadmeadows	Hume Global Learning Centre 1093 Pascoe Vale Road Broadmeadows

Upcoming seminar locations

Pre-Retirement and Retirement seminars are planned for the following regional centres. Letters will be posted to regional members detailing seminar dates and venues in due course. If you wish to attend a seminar in your area, please call 1300 300 820.

- Alexandra
- Ballarat
- Bairnsdale
- Bendigo
- Colac
- Echuca
- Hamilton
- Horsham
- Kerang
- Leongatha
- Mildura
- Sale
- Shepparton
- Swan Hill
- Wangaratta
- Warrnambool

The information in this report was current at the time of publication. Vision Super believes the statements are correct and not misleading but we give no warrant in relation to them. Save for any statutory liability, we disclaim all liability for any loss or damage that may arise from anyone acting on these statements. All services and products detailed in this report are subject to Australian laws that may change from time to time.

IDEA #6654 August 2005