



STATE SUPER
SAS Trustee Corporation

ABN: 29 239 066 746

REPORT TO MEMBERS

2009 / 2010

www.statesuper.nsw.gov.au

KEY FACTS

AT 30 JUNE 2010

MEMBER SERVICES

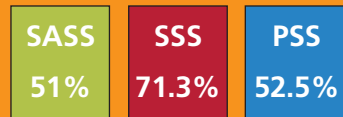
- 2,777 personal interviews conducted
- 5,064 members attended a seminar
- 5,152 items of correspondence received by post
- 9,438 items of correspondence received by email
- 106,378 telephone calls from members

MEMBER STATISTICS

- 44,022 active members in SASS
- 17,855 active members in SSS
- 2,138 members in PSS
- 14,217 deferred benefit members
- 57,790 pensioners

SALARY SACRIFICE CONTRIBUTIONS

% of members salary sacrificing in:



TAX FILE NUMBERS: TIME HAS RUN OUT

There are still 630 members who have not provided our administrator with their TFN, or who have an invalid TFN recorded against their personal details.

These members will be taxed an additional 31.5% on all employer contributions (including salary sacrifice contributions) received after 1 July 2007. Scheme legislation has been amended to allow the Trustee to recover the additional tax from members. The provisions will be effective from the date of proclamation (likely to be in early October 2010).

Please check the Personal Details of your annual benefit statement to ensure a valid TFN has been recorded for you.

We recommend that you discuss the effects of not providing your TFN with your financial planner or accountant.

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**Trustee Board means the Board of the Trustee, SAS Trustee Corporation (STC). STC is the Trustee of the closed NSW Public Sector superannuation schemes – SSS, SASS, PSS and SANCS.*

CHAIRPERSON'S REPORT



THE YEAR IN REVIEW

There was encouraging news last year.

Markets continued to be very volatile but overall the Pooled Fund earned a significant positive return being 9.5% for the year to 30 June 2010¹. Early on, valuations surged ahead as equity markets rebounded. However late in the year there was something of a correction as it became apparent that markets had been too optimistic about the strength of the recovery in the world economy.

The Trustee Board had the Fund positioned to benefit from a recovery in global markets but the Fund also had defensive qualities to provide a degree of protection if markets were to fall. Notwithstanding the funds defensive positions, we were able to earn a return not that different from the 9.9% earned by similar super funds². Over longer periods, the Fund remains comfortably ahead of the median super fund.

We can anticipate continued volatility as markets come to grips with a global recovery that at times may look patchy and uncertain, particularly in developed countries. We are more optimistic about emerging economies. Notwithstanding the uncertainties, we continue to believe that a well diversified growth oriented portfolio with a range of defensive assets strikes the right balance. The Board is working hard to provide better services to

¹ The investment return is 9.5%. The declared rate is 9.2% after taking into account fund assets and liabilities not under investment custody such as tax obligations and operating cash.

² Mercer Survey of Superannuation Funds (60-80% growth assets)

ABOUT YOUR CHAIRPERSON

As well as being Chairperson of State Super, Dr Don Russell is also the Independent Chair of the Investment Committee of LUCRF a Melbourne based superannuation fund. Until March 2010, he was Global Investment Strategist at BNY Mellon Asset Management Australia. He joined WestLB Mellon Asset Management (Australia) in 2001. Between 1997 and 2000, Dr Russell worked in New York for Sanford C. Bernstein, a money management and research company. Between 1985 and 1993 and again in 1996, he was Principal Adviser to the Hon Paul Keating during his time as Treasurer and Prime Minister. Between 1993 and 1995 he served as Australia's Ambassador to the US in Washington. Dr Russell worked for the Commonwealth Treasury; when he joined Paul Keating's Office in 1983 he was Assistant Secretary, Economic Branch where he was responsible for economic forecasts and assessments of the Australian economy. Dr Russell was at various times a consultant to the World Bank, Bankers Trust, Westpac Bank and Counsellor in the Australian delegation to the OECD in Paris. Dr Russell has a PhD from the London School of Economics, a MEd from ANU and a BEc (Hons) from Flinders University. Dr Russell also holds the Chartered Financial Analyst designation (CFA) 2007.

members. In April 2010 we introduced Multiple Investment Choice for SASS members and SASS members were able to access benefit quotes online from September 2010. We are doing further work on our new advice model. Late last year we became a 100% owner of State Super Financial Services (SSFS), purchasing the remaining equity held by ARIA, the large super fund for Commonwealth public servants. SSFS now has a key role in providing advice to our

members about their State Super entitlements. And when it comes to retirement, SSFS is able to advise our members on how they might structure their investments.

I would like to welcome Bob Lipscombe who is the President of the NSW Teachers Federation and joins the Board as a new employee representative. Bob replaced Maree O'Halloran. I particularly want to acknowledge the very important contribution that

Maree made to the Board and wish her well in her new activities.



Dr Don Russell
Chairperson
September 2010

CEO'S REPORT



STC PERFORMANCE

STC's investment performance over the last year reflected much stronger investment conditions in growth asset (shares and property) markets compared to the previous year. The declared crediting rate for the Growth Strategy of 9.2% represented a positive turnaround of nearly 20% on the previous year's return of -10.3%. While this outcome is more pleasing in an absolute sense, in the ten years to 30 June 2010, the return for the Growth Strategy was below the primary objective of achieving CPI+4.5% p.a. In fact, four of the last ten financial year returns have been negative which makes the experience of the last decade unusually poor. While this experience has been common across growth funds for the industry, STC remains very competitive when measured next to similar funds over this period, with STC being ranked in the second quartile of growth funds for 3, 5, 7 and 10 year periods to 30 June 2010.

As a long term investor, STC has

also taken steps to ensure adequate downside protection strategies are built into the strategic asset allocation. A key initiative in this regard is the Board's quarterly review of the ongoing appropriateness of the strategic asset allocation in relation to prevailing market conditions and to capitalise on relative value opportunities.

STC continues to produce absolute return volatility lower than comparable funds and has made more explicit its objective to provide a pattern of returns that is more defensive when markets are falling. This has been achieved in practice through:

- The establishment of a program for alternative assets, which do not tend to behave with the same level of volatility as listed equity markets;
- The maintenance of a fixed income allocation, predominantly comprised of sovereign bonds and cash which produces absolute capital protection in falling markets; and
- The development of further

diversification of assets and strategies within the Pooled Fund.

The investment implementation program has seen a number of manager changes over the last year with the major equities asset classes reviewed for performance and value. The number of managers in these asset classes has been slightly reduced overall with meaningful improvement to cost outcomes and conviction in the managers retained by STC.

KEY ENHANCEMENTS

During late 2009, the STC Board approved an expansion of STC's seminar program through the introduction of "Understanding Your Superannuation" seminars as a pilot program in 2010. The objective of these seminars is to extend the availability of seminars with relevant content to all STC members. Member response has been favourable so STC will continue to offer these seminars in 2011.

STC implemented multiple investment choice for SASS

ABOUT YOUR CEO

Chris Durack trained as an economist at Melbourne University (undergrad) and Sydney University (post grad) and is also a Fellow of FINSIA.

Mr Durack started his career in Canberra working for the Australian Bureau of Statistics eventually moving to Sydney working as a research economist. He then moved into asset consulting where he ran research functions and consulted to large superannuation and investment clients. From there, he progressed into funds management where he managed investment teams and external relationships. Mr Durack joined State Super in February 2009 as the CEO.

members in April 2010 enabling members to select investment options in the proportions of their choice. (See page 19)

Provision of online benefit quotes for SASS members was another initiative implemented during the year with members able to access online quotes from September 2010.

STC also increased its ownership of State Super Financial Services (SSFS) to 100% during the year. SSFS offers financial planning services to STC's members under an access agreement to ensure members continue to have access to high quality and cost competitive advice in relation to their superannuation and retirement planning.

REVIEW OF MEMBER SERVICES

In 2009, STC reviewed the advice services it provides to its members and established the following principles:

- All members of STC Schemes should have access to information and advice in relation to investment

decisions related to their super.

- STC outsources the provision of its advice services to SSFS – the quality of the advice provided is paramount and alignment of planners with the best interest of clients is critical.
- STC offers at no charge to members, access to seminars and other resources, including an expanded range of self-help tools, to assist in understanding their benefits and Scheme rules.
- STC offers at no charge to members, advice services through SSFS to members to assist their decision making around their benefits.
- STC offers commercially competitive advice services through SSFS to members to assist them to make decisions in relation to their overall financial needs.

THE YEAR AHEAD

STC retains a steady focus on meeting its core objectives:

- Achieving the investment objectives set by the Board to

generate real returns for members in an environment that will continue to challenge investors; and

- Providing relevant and quality services to members cost effectively.

Our team continues to apply itself to delivering these objectives efficiently, with a strong focus on risk management and in a collaborative manner with all our stakeholders and service providers. As always we welcome the feedback from our members and one of our key initiatives for the coming year includes surveying members in early 2011 to ensure that the services offered (including the new initiatives rolled out and the way in which they are delivered) meet members' requirements. We will continue to pursue relative value in markets where dislocation is generating both risk and opportunities and address the Commonwealth Government's new industry requirements following its response to the Cooper Review.

YOUR TRUSTEE BOARD

YOUR TRUSTEE BOARD

The SAS Trustee Corporation (STC) is the Trustee of the group of closed NSW Public Sector superannuation schemes known as the STC Schemes. The Board of the Trustee (the Trustee Board) is required to act in the best interests of scheme members.

The functions of the Trustee Board include the administration of the schemes, the determination of disputes, payment of benefits, and the investment and management of funds. The Trustee Board and each Director are covered by professional indemnity insurance.

The STC Schemes are:

SASS - State Authorities Superannuation Scheme

SSS - State Superannuation Scheme

PSS - Police Superannuation Scheme

SANCS - State Authorities Non-contributory Superannuation Scheme

The assets of the STC Schemes are known as the Pooled Fund. STC holds all assets of the Pooled Fund in trust.

HOW YOUR TRUSTEE BOARD IS APPOINTED

The Directors of the Trustee Board are appointed by the Minister (currently the Treasurer of NSW). The Trustee Board consists of:

- An independent chairperson;
- Four employer representatives; and
- Four employee representatives, nominated by Unions NSW.

To be eligible for appointment as Chairperson, a person must have significant knowledge of, and experience in, the conduct

of superannuation schemes, investments, financial management or public administration and be independent of employers and employees and their respective interests.

To be eligible for appointment as an employer representative, a person must have a knowledge of, and experience in, the conduct of superannuation schemes, investments, financial management or public administration.

DR DON RUSSELL



Chairperson,
Independent Chair of the
Investment Committee of
LUCRF Super

IAN BLAIR



Employer Representative,
Company Director.

RON DAVIS



Employee Representative,
Full-time Board Member.

ROD HARTY



Employee Representative,
Advocate and Industrial
Officer for the Police
Association of NSW.

MICHAEL LAMBERT



Employer Representative,
Company Director.

NICK LEWOCKI



Employee Representative,
Retired Secretary of the
Rail, Tram and Bus Union.

BOB LIPSCOMBE



Employee Representative,
President, NSW Teachers
Federation.

ANNE DE SALIS



Employer Representative,
Company Director.

PAUL SCULLY



Employer Representative,
Company Director.

YOUR STC SCHEMES AT A GLANCE . . .

All STC Schemes – SSS, SASS, PSS and SANCS – are **defined benefit** schemes governed under NSW legislation (see page 26). This means the retirement, retrenchment/disengagement, death and disablement benefits are primarily calculated using a formula based on a percentage of your salary for each year of scheme membership. SSS and PSS members do not have investment choice with all funds – including any Commonwealth Government Co-contribution account – invested in the Growth Investment Strategy.

HOW SASS WORKS

Your compulsory personal contribution “buys” a percentage of your salary at retirement for each year of scheme membership. For example, a net 6% contribution in any year provides the maximum employer-financed benefit of 15% of your Final Average Salary at retirement for that year (less 15% contribution tax). A 1% contribution “buys” 2.5%.

Importantly, an average 6% contribution rate throughout your period of scheme membership provides the maximum employer-financed benefit on retirement.

You also receive your Personal Account balance.

HOW SASS INVESTMENT CHOICE WORKS

Only SASS members have investment choice.

For SASS contributory members, investment choice applies to their Personal Account.

For SASS deferred benefit members, investment choice applies to their whole deferred benefit.

Investment choice does not apply to:

- the lump sum SANCS Basic Benefit
- any Commonwealth Government Co-contribution account
- any superannuation guarantee shortfall amount

The Growth Strategy is the default strategy that applies if a SASS member does not make an investment choice.

HOW SSS WORKS

The amount of pension you receive depends on your salary and the number of units you contributed towards. While SSS primarily provides a pension on retirement, there are various lump sum options. The pension is payable for life and is indexed each year in line with CPI movements. It also contains valuable reversionary entitlements for eligible spouses/defacto partners and children. Apart from the cash resignation benefit, investment performance does not affect scheme benefits as they are defined benefits.

HOW PSS WORKS

The amount of pension you receive when you retire depends on your salary at retirement and your years of membership. While PSS primarily provides a pension on retirement, there are various lump sum options. The pension is payable for life and is indexed each year in line with CPI movements. It also contains valuable reversionary entitlements for eligible spouses and children as well as significant disability provisions. Apart from the cash resignation benefit, investment performance does not affect scheme benefits as they are defined benefits.

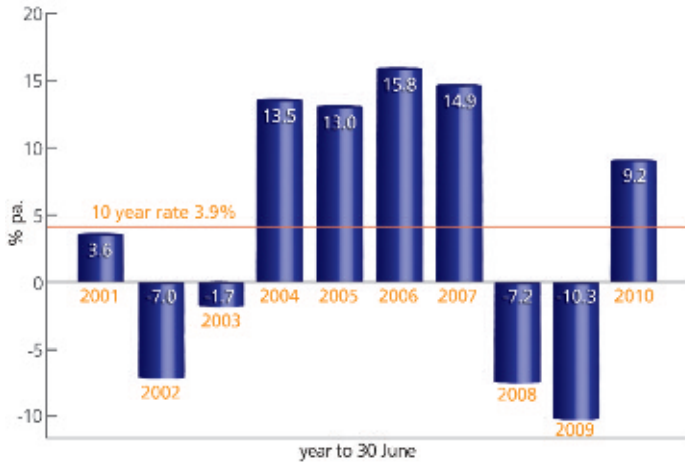
HOW SANCS WORKS

In addition to the scheme benefits outlined above, all members receive the lump sum SANCS Basic Benefit.

Please note that the information above is not intended as a comprehensive summary of the STC Schemes. Further details are included in the Fact Sheets (on our website) and the Scheme Acts.

INVESTMENT PERFORMANCE

GROWTH STRATEGY DECLARED RATES



Compound declared rate per annum over 10 years to 30 June 2010 is 3.9%

Past performance is no guarantee of future performance.

DECLARED RATES

Year Ended 30 June	Growth	Balanced	Conservative Growth	Cash	CPI
	% pa	% pa	% pa	% pa	% pa
2006	15.8	11.4	8.1	4.9	4.0
2007	14.9	11.6	8.9	5.4	2.1
2008	-7.2	-3.2	0.7	6.1	4.5
2009	-10.3	-4.2	0.6	4.7	1.5
2010	9.2	8.4	7.1	3.4	3.1
Compound rate:					
Over 2 Years	-1.0	1.9	3.8	4.1	2.3
Over 3 Years	-3.2	0.2	2.7	4.7	3.0
Over 4 years	1.1	2.9	4.2	4.9	2.8
Over 5 years	3.9	4.6	5.0	4.9	3.0
Over 10 years	3.9	These strategies were introduced in December 2003, therefore there are no 10 year crediting rates.			3.2

Note: The figures above are after allowance for tax and investment management expenses. Past returns are no guarantee of future returns. The value of a Personal Account balance of a SASS member, Commonwealth Government Co-contribution accounts and deferred benefits are not guaranteed and can go up or down with investment gains or losses. SASS members should seek professional financial advice to help them select an investment strategy that best suits their personal circumstances.

HOW IS THE POOLED FUND INVESTED?

GROWTH STRATEGY

Investment objective:

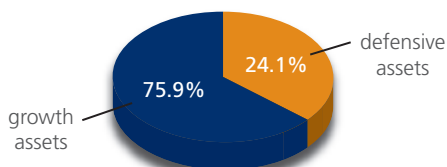
To exceed the CPI plus 4.5%pa. over rolling 10 year periods.

Risk:

There may be volatility in annual returns and there is a chance that a negative return may be recorded, on average 2 years in 8 years. This means that on average the risk of a negative return in any one year is 25%.

Net Asset Value of Growth Strategy at 30 June 2010: \$30,328.3 million

Asset Allocation at 30 June 2010



ASSET SECTOR ALLOCATION

	2009 %	2010 %
Australian Equities	32.3	29.7
International Equities	26.1	26.8
Property	9.7	9.5
Alternative Assets	12.8	14.2
Australian Fixed Interest	6.3	6.0
International Fixed Interest	4.7	4.2
Cash	8.1	9.5
	100.0	100.0

BALANCED STRATEGY

Investment objective:

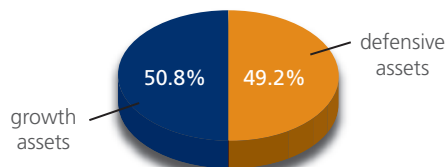
To exceed the CPI plus 3.0%pa. over rolling 7 year periods.

Risk:

There may be volatility in annual returns and there is a chance that a negative return may be recorded, on average 2 years in 12 years. This means that on average the risk of a negative return in any one year is 17%.

Net Asset Value of Balanced Strategy at 30 June 2010: \$158.6 million

Asset Allocation at 30 June 2010



ASSET SECTOR ALLOCATION

	2009 %	2010 %
Australian Equities	25.0	23.0
International Equities	18.3	16.5
Property	5.2	5.6
Alternative Assets	4.7	7.7
Australian Fixed Interest	17.9	15.7
International Fixed Interest	9.8	8.9
Cash	19.1	22.7
	100.0	100.0

ASSET ALLOCATION

The proportions allocated to growth and defensive assets remain within a margin of plus or minus 5% of the percentages shown. However, the allocation to the asset sectors that make up these broader categories may change. Asset allocations are formally reviewed at least once a year and are monitored throughout the year.

CONSERVATIVE GROWTH STRATEGY

Investment objective:

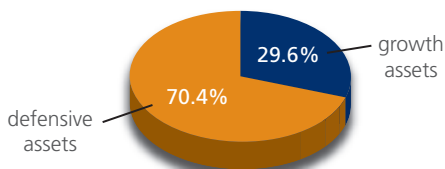
To exceed the CPI plus 2.0%pa. over rolling 4 year periods.

Risk:

There may be volatility in annual returns and there is a chance that a negative return may be recorded, on average 1 year in 9 years. This means that on average the risk of a negative return in any one year is 11%.

Net Asset Value of Conservative Growth Strategy at 30 June 2010: \$88.6 million

Asset Allocation at 30 June 2010



ASSET SECTOR ALLOCATION

	2009 %	2010 %
Australian Equities	13.9	13.6
International Equities	9.1	8.3
Property	5.3	5.4
Alternative Assets	2.5	5.0
Australian Fixed Interest	19.1	15.5
International Fixed Interest	15.0	12.2
Cash	35.1	40.0
	100.0	100.0

Growth assets include equities, property and 50% of alternative assets.*

Defensive assets include cash deposits, fixed interest securities and 50% of alternative assets.*

* alternative assets include unlisted equities, infrastructure and absolute return funds.

CASH STRATEGY

Investment objective:

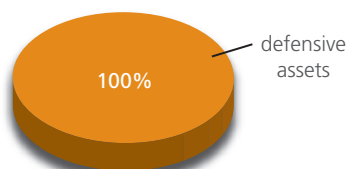
To exceed the CPI plus 1.5%pa. over rolling 3 year periods.

Risk:

N/A.

Net Asset Value of Cash Strategy at 30 June 2010: \$167.7 million

Asset Allocation at 30 June 2010



ASSET SECTOR ALLOCATION

	2009 %	2010 %
Australian Equities	0.0	0.0
International Equities	0.0	0.0
Property	0.0	0.0
Alternative Assets	0.0	0.0
Australian Fixed Interest	0.0	0.0
International Fixed Interest	0.0	0.0
Cash	100.0	100.0
	100.0	100.0

Notes: The return objectives for the various investment strategies are expected to be earned with reasonable likelihood over the rolling periods specified. However, annual returns may be volatile and negative returns may occur in consecutive years. The above indicative likelihood of negative returns has been determined over a number of years.

INVESTMENT UPDATE

What has happened to the Global Financial Crisis – Is it over?

The Global Financial Crisis was like a financial earthquake, which was stronger than any previous episodes experienced by people of working age. Although the epicentre was in the US, the integration of the global economy meant that it reverberated around the world and caused a lot of destruction and fear.

If it had been a real earthquake, it would take years to repair the damage and this financial crisis was no different. It will take years for the global economy to recover. There are no quick and easy solutions. It will take time, hard work and patience for the global economy to recover, but a recovery is underway. It will be very uneven across the world, as some countries including Australia have come through the crisis relatively unscathed whilst others are still mired in problems, Greece is a case in point.

Although the “clean-up” process still has a long way to go, governments will have to start to

repair their balance sheets, which in some cases were severely damaged as a result of the crisis. However, it is unlikely that this part of the “clean-up” process will start until there are clear signs that the recovery is self-sustaining and no longer reliant on government assistance. At the moment the signals are mixed.

How did the investment markets perform in 2009/2010?

The financial year started very strongly, there was optimism surrounding the recovery and that was reflected in a strong investor appetite for growth assets. In the September quarter 2009, the Australian share market returned 21.5%, the listed property sector returned 30.5% whereas Australian bonds and cash returned a more modest 1.8% and 0.8% respectively.

The recovery continued at a more moderate pace in the December 2009 and part of the March 2010 quarters, and by the June 2010 quarter the optimism had been replaced by fear that the recovery would take much longer than anticipated to come through. In

that quarter Australian and International equity markets (hedged) lost around 11% and the moderate returns from Australian bonds (+3.6%) and cash (+1.1%) looked attractive.

Looking back on the year, all the returns were generated in the first quarter of the financial year.

The performance of investment markets in a longer-term perspective

The financial year 2009/2010 was a good year. The returns available from the various asset classes, which are the building blocks for strategies like Growth, Balanced or Conservative Growth, compared very favourably with the average returns available over the past 3, 5 and 10 years. As an example, Australian shares returned 13.1% for the year ended 30 June 2010, but despite the strong one year return, the asset class delivered an average negative return of 7.9% p.a. for the 3 years. Over the past 10 years the return from Australian shares averaged 7.0%, which was roughly in line with the long-term expected return for that asset class. Most of the other growth related asset classes have generated disappointing returns over the past 10 years. By contrast, both Australian and International bonds did well through the decade. These asset classes did not experience the volatility that the growth assets did. In fact, they benefitted from the volatility in the equity markets.

Table A shows asset class returns over various periods.

Table A

Asset class	*Returns % per annum			
	1 year	3 year	5 year	10 year
Australian shares	13.1	-7.9	4.5	7.0
International shares (unhedged)	5.2	-11.5	-2.2	-4.6
International shares (hedged)	11.5	-11.6	-0.7	-2.1
Australian listed property	20.4	-23.8	-8.0	2.9
Australian fixed interest	7.9	7.7	6.1	6.4
International fixed interest (hedged)	10.0	8.2	6.1	8.0
Cash	3.9	5.6	5.8	5.5

* Returns quoted are before allowance for tax and fees and taken from commonly reported indices.

INVESTMENT UPDATE

How is State Super money invested?

There are four investment strategies in the Pooled Fund – Growth, Balanced, Conservative Growth and Cash. Details of the asset classes and weightings in each strategy are provided on pages 12-13 of this Report and can be found in the Investment section of the State Super website.

Investment Choice is only available to SASS members (with the Growth Strategy as the default strategy where members do not make an investment choice). For other members, all member and employer contributions are invested in the Growth strategy to provide the defined benefit specified by the scheme rules. The defined benefit is not affected by investment results.

How did State Super perform in 2009/2010?

At the end of June 2010, the Growth strategy accounted for 98.7% of funds under management for the Pooled Fund. For the 2009/2010 year, the declared rate was 9.2%.

The declared rates for all strategies were as follows:

- Growth: 9.2%
- Balanced: 8.4%
- Conservative Growth: 7.1%
- Cash: 3.4%

As superannuation is a long term investment, you need to view this year's returns in the context of performance over a longer time horizon.

The short term and compound State Super member returns are shown on page 11 of this Report.

Are other superannuation funds posting similar returns?

This year STC's defensive investment policy, which served it very well during the last 2 years caused it to fall slightly behind the median Growth Fund for the 12 months to 30 June 2010. However, for the last 3 years STC's Growth strategy has generated 2nd quartile performance relative to a universe of around 65 other growth funds in the Mercer Survey of Superannuation Funds (60-80% growth assets).

	1 year ended 30 June 2010	3 years ended 30 June 2010	5 years ended 30 June 2010
Growth Strategy return**	9.5%	-3.1%	4.0%
 Mercer Median Return*	9.9%	-3.6%	3.0%
Quartile Ranking	3rd	2nd	2nd

**The investment return is 9.5%. The declared rate is 9.2% after taking into account fund assets and liabilities not under investment custody such as tax obligations and operating cash.

*The Mercer Growth Survey covers a wide selection of Australian superannuation funds with a similar risk profile. At 30 June 2010, 65 funds had reported their returns.

How is my benefit affected?

Some members have a Co-contribution account (which is an accumulation account invested in SANCS). The Co-contribution account is invested in the Growth strategy.

For SSS and PSS members, your scheme benefits (other than the cash resignation benefit) are not affected by investment returns as they are defined benefits under the scheme rules.

If you are an active SASS member, in addition to your employer-financed defined benefit, you receive an accumulation benefit of your compulsory personal contributions plus investment gains or losses at the declared rate based on your chosen investment strategy/strategies. (Personal Account balance.)

If you are a deferred SASS member, your entire benefit is an accumulation benefit and is directly affected by fluctuations in investment returns and therefore dependent on your chosen investment strategy/strategies.

Time reduces risk:

For the part of the benefit subject to investment risk, the balance will fluctuate in line with market movements. It is great, when investment markets generate strong returns, but painful when investment markets turn negative. It is very easy to get caught up in short-term volatility and forget the long-term. **Graph A** on page 16 shows the movement in a \$100 investment in the Growth Strategy from 31 July 1992 (around the time SASS closed to new members) to 30 June 2010.

The Balanced, Conservative Growth and Cash strategies have been offered to members since November 2003 and the growth of \$100 invested in those products since inception is shown in **Graph B**. (page 16)

We recommend that you seek professional financial advice before you make decisions in relation to your investment strategy or your superannuation benefit.

INVESTMENT UPDATE

Should I alter my SASS contribution?

As a member of SASS, every time you contribute 1% of your annual salary for one year, your employer provides a further 2.5% (or in some cases 3%) of your Final Average Salary at retirement. The employer does this up to a maximum average of 6% for each year of membership.

If you reduce your contribution rate below an average of 6% each year, you will not only reduce your savings in your Personal Account, but you will also reduce your entitlement to benefits paid by your employer.

Again, we recommend you obtain professional financial advice to ensure that you maximise your benefit entitlements in SASS.

What is expected in the markets in 2010/2011?

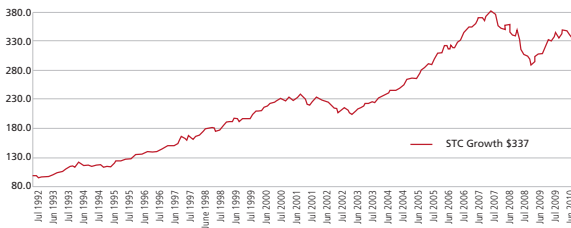
There are signs that global growth is losing momentum, but it was always expected that the global recovery would occur at an uneven pace. At this point in the recovery the signals are mixed and that often leads to very volatile investment conditions. There remain significant downside risks to the growth outlook, but there are also risks to the upside. Currently, the biggest risk appears to be that confidence in the recovery falters in advanced economies, resulting in lower demand, tighter credit conditions and continued weakness in the labour market. However, the focus could quickly change should growth recover faster than anticipated

leading to stronger employment growth and an easing of pressure on government balance sheets.

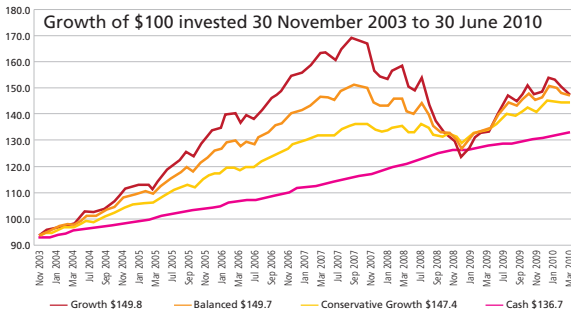
The challenge for the Trustee Board is to remain disciplined and to continue to invest in keeping with its long-term investment objectives. In doing so, STC, with the assistance of its asset consultant, closely monitors the global and domestic investment markets for opportunities and the investment strategy is reviewed on an ongoing basis to assess the relative merits of such opportunities.

The performance of fund managers is also monitored throughout the year and managers may be added or replaced as deemed appropriate.

Graph A Value of \$100 invested 31 July 1992 to 30 June 2010



Graph B Growth of \$100 invested 30 November 2003 to 30 June 2010



HOW IS THE POOLED FUND MANAGED?

INVESTMENT RESERVES

The Trustee Board has determined investment earnings will not be placed in an investment reserve. Therefore all available investment gains or losses, after providing for tax and investment expenses, are distributed to employers and members, based on a declared rate which is determined monthly. When a member leaves their STC Scheme, a daily interim rate is applied, where appropriate.

DERIVATIVES

Derivatives, including futures and options, can be used by fund managers. However, investment mandates clearly state that derivatives may only be used to facilitate efficient cash flow management or to hedge the portfolio against adverse market movements and cannot be used for speculative purposes or gearing the investment portfolio. During the year to 30 June 2010, the managers made limited use of derivatives, except for the passive rebalancing programme which makes extensive use of index futures.

HEDGING

The Trustee Board's policy in regard to currency hedging is:

International fixed interest: 100% hedged into Australian dollars.

International equities:

Specialist currency managers have been engaged to manage the currency exposure of international equities. During the year ended 30 June 2010, the level of hedging was able to vary from 0% up to 70%.

Other international assets and securities:

To 31 December 2009, 100% hedged into Australian dollars. From 1 January 2010, the level of hedging was able to vary from 50% up to 100%.

CUSTODIAN

The Trustee Board engages JPMorgan Chase Bank, NA, as custodian to hold Pooled Fund assets. The custodian values assets daily and monitors each fund manager's daily activity to ensure compliance with their investment mandate.

LARGE INVESTMENTS

During the year, there was no individual investment directly held by the Pooled Fund that exceeded 5% of total investments.

PASSIVE REBALANCING

The tradeable asset classes of the Pooled Fund are passively rebalanced in a disciplined manner. Each day after the portfolio is valued, the index manager - State Street Global Advisors, Australia, Limited - reviews the asset allocation for each strategy. If a sector has deviated outside a set range relative to the target allocation, the manager reallocates funds between sectors to return allocations within the agreed range. This rebalancing process may involve the use of derivatives.

ASSET CONSULTANT

The Trustee Board engages Frontier Investment Consulting Pty Ltd as investment consultant advising on strategic asset allocation and fund manager selection.

POOLED FUND INVESTMENT MANAGERS

INVESTMENT MANAGERS

The assets of the STC Schemes are held in trust by STC in what is known as the Pooled Fund. The Pooled Fund's assets are managed by external fund managers appointed by the Trustee Board on the advice of the asset consultant, Frontier Investment Consulting Pty Ltd. The performance of each fund manager is monitored throughout the year and managers may be added or replaced. The fund managers at 30 June 2010 were:

Australian Equities

AllianceBernstein Investment Management Australia Ltd
BlackRock Investment Management (Australia) Limited
BT Investment Management (RE) Limited
GMO Australia Limited
Lazard Asset Management Pacific Co
Macquarie Investment Management Limited
Maple-Brown Abbott Limited
Northcape Capital
Perennial Value Management Limited
Platypus Asset Management Pty Ltd
State Street Global Advisors, Australia, Limited
Wallara Asset Management Pty Limited

International Equities (and currency)

AllianceBernstein Investment Management Australia Ltd
Altrinsic Global Advisors LLC
AQR Capital Management, LLC
Arrowstreet Capital L.P.

AXA Rosenberg Investment Management Asia Pacific Ltd
Axiom International Investors LLC
BlackRock Investment Management (Australia) Limited
Capital International, Inc
Fidelity International Limited
Lazard Asset Management Pacific Co
Pareto Investment Management Limited
State Street Global Advisors, Australia, Limited
Trilogy Global Advisors, LLC

Property

DEXUS Funds Management Limited
EG Funds Management Pty Ltd
Franklin Templeton Investments Australia Limited
LaSalle Investment Management (Securities) L.P.
Vanguard Investments Australia Ltd

Australian Fixed Interest & Cash

Deutsche Asset Management (Australia) Limited
New South Wales Treasury Corporation
State Street Global Advisors, Australia, Limited

International Fixed Interest

State Street Global Advisors, Australia, Limited

Alternative Assets

Access Capital Advisers Pty Ltd
Deutsche Asset Management (Australia) Limited
GMO Australia Limited
Kaplan Funds Management Pty Limited
Propel Investments Pty Ltd
RARE Infrastructure Limited
Siguler Guff & Company
State Street Global Advisors, Australia, Limited
Vanguard Investments Australia Ltd

COMMONWEALTH & SCHEME UPDATE

HENRY REVIEW*

On 2 May 2010, the Commonwealth Government released the first phase of its tax plan in response to the Henry Review's Report on Australia's Future Tax System.

The key superannuation proposals are:

- The superannuation guarantee will increase from the current 9% to 12%, with increments of 0.25% effective from the 2013/14 year, increasing to 0.5% from 2015/16 and reaching 12% by 2019/20.
- From 1 July 2013, the superannuation guarantee age limit will be raised from age 70 to age 75.
- Persons earning less than \$37,000 per annum will be eligible for a contribution of up to \$500 from the Government.
- From 1 July 2012, the concessional contributions cap will be \$50,000 for those who are over the age of 50 years, with total superannuation of less than \$500,000.

COMMONWEALTH BUDGET*

In the 2009/10 budget, the Commonwealth Government announced a temporary reduction in the Commonwealth Government Co-contribution.

However, this reduction was made permanent in the 2010/11 Budget. This means that the matching rate will remain at 100%, with the maximum Co-contribution amount being \$1,000.

The Government has also announced that the Co-contribution income thresholds that determine whether an individual qualifies for any portion of the Co-contribution will be frozen for 2 years (lower threshold of \$31,920 and higher threshold \$61,920).

*(Commonwealth initiatives are subject to legislation being passed.)

LEGISLATIVE AMENDMENTS

The *Superannuation Legislation Amendment Act 2010* was passed on 28 June 2010. The amendments which will be effective from the date of proclamation (likely to be in early October 2010) are as follows:

- SASS deferred members will be able to remain in SASS after reaching age 58.
- STC will be able to recover the additional contributions tax imposed on the Fund, for members who have not provided a valid TFN, from the members' benefits.

- Subject to Regulations being passed, Ambulance Officers with SASS Additional Benefit Cover (ABC) who are covered under their award for death or incapacity benefits, will be able to opt out of ABC.

MULTIPLE INVESTMENT CHOICE – SASS MEMBERS

In April 2010, STC wrote to all contributory and deferred SASS members to announce greater investment flexibility in SASS.

Previously, SASS provided a choice of four investment strategies in which 100% of certain parts of a member's benefit could be invested.

From April 2010, members can choose to invest in one or more investment strategies in whatever proportion suits. Contributory members can also nominate a different combination of strategies for the account balance and future contributions.

More detail is provided in *SASS Fact Sheet 15 – Choosing an Investment Strategy*, which is available on our website. Of course, STC recommends that you should seek professional financial advice before making any decisions in relation to your investment strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

On 28 July 2010, STC approved its Environmental, Social and Governance (ESG) Policy. You can view a copy of the Policy on our website www.statesuper.nsw.gov.au

STC believes that “companies that manage ESG risks, impacts, and opportunities well will be more financially sustainable in the long-term and will deliver better long-term financial performance than those that don't.”

Attention to ESG issues by pension funds in deciding investment policy and asset allocation, and by fund managers in analyzing securities and constructing portfolios, has the potential to enhance returns and reduce risk.

EXAMPLES OF ESG ISSUES

Some examples of ESG issues are:

Environmental - the most obvious example is climate change and carbon emissions. All companies are affected in one way or another. While there isn't an emissions trading scheme or a carbon tax in Australia at this time, investors need to make assumptions about potential future carbon costs when valuing the future cashflows of companies.

Another example of an environmental issue is the potential for resource companies to trigger catastrophes such as oil spills and mudflows or to pollute lakes and rivers.

Social - apart from obvious OH&S issues such as injuries/fatalities, what about the supply chain? Are products sourced in developing countries, and if so are there issues with child labour, forced

labour, locked-down dormitories? In the case of resource projects in developing countries, how disruptive are they to the local culture? Do they bring benefits like electricity, clean water, healthcare and schools? Or do they bring polluted rivers, HIV/AIDS and violation of indigenous sacred sites?

Governance - typical governance issues relate to board composition (e.g., are there enough independent directors?) or executive remuneration (what performance hurdles do Executives have to clear to qualify for an incentive payment?)

WHAT DOES STC DO ABOUT ESG ISSUES?

STC invests using external fund managers, because that is what the *Superannuation Administration Act 1996* requires STC to do. However,

this does not prevent STC from being a responsible corporate citizen.

STC requires all fund managers to **vote on all** resolutions at all meetings as they believe best serves the interests of the portfolio they manage for STC and to report to STC on all voting and explain any votes when so required by STC.

STC subscribes to the **CGI Glass Lewis proxy voting advisory service** and benchmarks fund manager voting against the advice provided.

STC is developing a **database on the carbon emissions of its investments**, with initial focus on Australian equities investments.

STC engages with companies on ESG issues **indirectly** through its managers, through being a client of **Regnan Governance Research &**

Engagement and a member of the **Australian Council of Superannuation Investors** (ACSI). As well as engagement with companies, both Regnan and ACSI also conduct research and engage with **government** in relation to policy formation.

STC is a member of **ESG Research Australia** which was formed to encourage the production of quality ESG research by stockbrokers.

STC is a member of the **Investor Group for Climate Change** which has the aim of ensuring that the risks and opportunities associated with climate change are incorporated into investment decisions; and the **Carbon Disclosure Project** which collects climate change and carbon emissions data from more than 2,000 large companies globally each year.

In association with its asset consultant **Frontier**

Investment Consulting, STC includes assessment of the ESG capabilities of fund managers as part of **due diligence** in manager selection and in periodic reviews of incumbent managers.

STC arranges relevant **continuing education** for Board Members and staff and encourages participation by Board Members and staff in relevant industry bodies and forums.

STC includes ESG reporting as a **standard Agenda Item** at meetings of the STC Board.

STC is developing a programme for **disclosure** of its treatment of ESG issues to stakeholders.

KEY TAX TABLES

LUMP SUM TAX RATES

The tax rates applying to the Taxable Component of a lump sum benefit payment:

	Tax ¹
Before you reach your preservation ² age	20%
On reaching your preservation age before age 60:	
amount under the threshold	Nil
amount over the threshold	15%
On or after reaching age 60	Nil

Notes:

¹ The tax rates shown above do not include the Medicare levy. These tax rates assume members have provided a valid Tax File Number to the Trustee.

² Your preservation age is shown on your Benefit Statement and is age 55 if you were born before 1 July 1960 and increases in yearly steps to age 60 for those members born after 1 July 1964.

Threshold amount for 55 years and over:

Year	Amount
2010/11	\$160,000
2009/10	\$150,000
2008/09	\$145,000
2007/08	\$140,000
2006/07	\$135,590

INCOME TAX RATES 2010/11

Taxable income	Tax payable*
\$1-\$6,000	Nil
\$6,001 - \$37,000	15%
\$37,001 - \$80,000	\$4,650 + 30%
\$80,001 - \$180,000	\$17,550 + 37%
\$180,001+	\$54,550 + 45%

*Does not include Medicare levy of 1.5%.

CONTRIBUTION LIMITS

Year	Concessional contributions Cap ¹	Transitional Cap ²
2010/11	\$25,000	\$50,000
2009/10	\$25,000	\$50,000
2008/09	\$50,000	\$100,000
2007/08	\$50,000	\$100,000

¹ Subject to indexation.

² Between 1 July 2007 and 30 June 2012, the transitional contributions cap will apply for people aged 50 and over.

Year	Non-concessional contributions cap ³
2010/11	\$150,000
2009/10	\$150,000
2008/09	\$150,000
2007/08	\$150,000

³ Will be 6 times the concessional contributions cap from 2009/10.

KEY TAX TABLES

SUPER CO-CONTRIBUTION

For the year ending 30 June 2011:

The maximum Co-contribution amount is \$1,000.

For annual incomes up to \$31,920*, the Co-contribution is \$1 for every \$1 of non-concessional (after-tax) contribution made in a financial year, subject to the maximum amount (\$1,000).

For annual incomes above \$31,920* up to \$61,920*, the maximum (\$1,000) reduces by 3.333 cents for each dollar of income above \$31,920*, so that it phases out completely at \$61,920*.

**Subject to indexation.*

Co-contribution income thresholds

Year	Lower income threshold	Higher income threshold
1 Jul 10 – 30 Jun 11	\$31,920	\$61,920
1 Jul 09 – 30 Jun 10	\$31,920	\$61,920
1 Jul 08 – 30 Jun 09	\$30,342	\$60,342
1 Jul 07 – 30 Jun 08	\$28,980	\$58,980
1 Jul 04 – 30 Jun 07	\$28,000	\$58,000

SUPERANNUATION SURCHARGE INCOME THRESHOLDS

Year	Minimum Threshold	Maximum Threshold
2005/06 and later	n/a	n/a
2004/05	\$99,710	\$121,075
2003/04	\$94,691	\$114,981
2002/03	\$90,527	\$109,924
2001/02	\$85,242	\$103,507

The maximum contributions surcharge tax rates are as follows:

2005/06 and later	Nil
2004/05	12.5%
2003/04	14.5%
Up to 2002/03	15%

FURTHER INFORMATION

For more information, see the following All Schemes Fact Sheets:

All Schemes 1: Information about the Commonwealth Contributions Surcharge

All Schemes 3: Taxation

All Schemes 13: Information about the Commonwealth Government's Superannuation Co-contribution

For more information on the concessional contributions caps, see the following Fact Sheets:

SASS 16: SASS Concessional Contributions Cap

SSS 23: SSS Concessional Contributions Cap

PSS 16: PSS Concessional Contributions Cap

DIRECT FEES

SASS MEMBERS

Management fee

An annual administration fee of \$45 is payable by members. This fee is deducted in equal monthly instalments from the Personal Account.

Investment switch fees

A member can switch between investment strategies once each year ending 30 June without incurring any fee. A switch fee of \$25 is applied for each additional switch in the year. This fee is deducted from the Personal Account at the time of the switch.

Additional benefit cover

Where a member has Additional Benefit Cover, the amount to be deducted will vary as it is based on age and the amount of cover. Where applicable, deductions are made from Personal Accounts each month.

DEFERRED SASS MEMBERS

Management fee

An annual administration fee of \$45 is payable for a deferred SASS only account. The annual fee is \$65 if the deferred benefit includes a deferred SANCS Basic Benefit. The fee is deducted in equal monthly deductions from the Personal Account.

Investment switch fees

A member can switch between investment strategies once each year ending 30 June free of charge. A switch fee of \$25 is applied for each additional switch in the year. This amount is deducted from the Personal Account at the time of the switch.

SSS & PSS MEMBERS

Generally, most of the direct fees and costs associated with SSS and PSS are paid by the employer. However, deferred benefit members are subject to a management fee outlined below.

DEFERRED SSS & PSS MEMBERS

Management fee

An annual administration fee of \$20 is payable by members also holding a deferred SANCS Basic Benefit. The fee is deducted from the SANCS Basic Benefit account in equal monthly instalments.

FAMILY LAW FEES

A fee of \$275 (\$110 for Pensioner members) is charged for all requests for information from a member or spouse of the member in regard to Family Law matters. The amount is payable by cheque by the person requesting the information. These fees include GST.

From 1 October 2010, a fee of \$1,225 (excluding GST) is charged to split a benefit. Half is deducted from the benefit of the non-member spouse. The member's half is payable by cheque if the member is not entitled to a benefit payment at the time of the family law split. If a benefit payment is due to the member at the time of the family law split, the fee can be deducted from the member's benefit.

INDIRECT FEES

APPLIES TO ALL MEMBERS

Investment management costs

Indirect fees and costs are those which are not deducted directly from members' accounts.

They are fees and costs which are deducted from investment gains or losses before a declared rate is determined.

By deducting investment management expenses from investment gains or losses before determining the declared rate, those expenses are borne indirectly by members by way of a reduced rate of investment return.

Declared rates are net of these fees and costs, as well as investment taxes.

For contributory members, investment gains or losses affect the balance of the following accounts:

- the Personal Account
- the Reserve Units Account for SSS members
- Commonwealth Government Co-contribution account

For deferred benefit members investment gains or losses affect the amount of:

- the Immediate Lump Sum
- Deferred Lump Sum
- SANCS Basic Benefit
- Commonwealth Government Co-contribution account

For PSS and SSS members, the indirect fees and costs are not borne by members who receive a retirement benefit from the Scheme, as retirement benefit calculations do not directly rely on the balance of the accounts mentioned previously.

Calculating investment management costs

The amount shown as investment management costs on your Benefit Statement is an estimate of the amount of indirect costs incurred.

It is calculated by multiplying the average balance in applicable accounts over the year, by an indirect cost percentage.

As investment fees vary for each of the investment strategies, an estimated indirect cost percentage is calculated. These percentages are as follows:

Strategy	% of average total assets
Growth	0.29
Balanced	0.23
Conservative Growth	0.19
Cash	0.04

The investment management costs shown on your Benefit Statement are only estimates of the amounts notionally attributable to your account.

The averaging methods used to calculate the amount generally do not result in exact amounts being calculated.

COMPLIANCE

COMPLIANCE

STC Schemes are exempt public sector superannuation schemes under the Commonwealth Government's *Superannuation Industry (Supervision) Act 1993* (SIS). The SIS legislation treats exempt public sector superannuation schemes as complying superannuation funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure STC Schemes conform with the principles of the Commonwealth Government's Retirement Incomes Policy relating to preservation, vesting, reporting to members, and adequate protection of members' benefits.

The New South Wales Government prudentially monitors and audits the Schemes and Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Retirement Incomes Policy.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT

As a NSW Government body, the Trustee must comply with relevant legislation, including the NSW *Government Information (Public Access) Act 2009* (the GIPA Act). From 1 July 2010, the GIPA Act replaced the *Freedom of Information Act (1989)* NSW.

Under the GIPA Act, all government agencies must make certain information, known as open access information, publicly available, unless there is an overriding public interest against disclosure. Generally, open access information must be available on an agency's website, and at least one method of access must be free of charge.

STC publications that can be obtained free of charge from the State Super website include:

- policy documents and procedure manuals;
- STC's publication guide, which describes the structure and functions of the Trustee;
- a disclosure register of formal applications that have been made by members requesting "open access" information;

- a register of STC's contracts with private sector organisations that are worth more than \$150,000;
- documents that have been tabled in Parliament by or on behalf of STC; and
- a record of 'open access' information identifying information that will not be made publicly available on the basis of an overriding public interest against disclosure.

For further information, please refer to the STC All Schemes Fact Sheet 9, *Government Information (Public Access) Act & Privacy*.

The STC Schemes are governed under NSW legislation:

PSS – the Superannuation Act 1916

SASS – the State Authorities Superannuation Act 1987

PSS – the Police Regulation (Superannuation) Act 1906

SANCS – the State Authorities Non-contributory Superannuation Act 1987

COMPLAINTS AND DISPUTES

COMPLAINTS AND DISPUTES

If you have a question about your account or benefits, you should initially contact Customer Service. If you are dissatisfied with an administrative action, you may lodge a complaint with the scheme administrator (Pillar Administration).

If you feel you have been unfairly treated or are disadvantaged by a decision of the scheme administrator relating to a benefit entitlement, you may lodge a notice of dispute with the Trustee Board **within two years** of being notified of the decision. Send the notice to:

**The Manager,
Disputes and Appeals,
SAS Trustee Corporation,
PO Box N259,
Grosvenor Place NSW 1220.**

You may then be requested to clarify certain details relating to your dispute and to provide additional supporting evidence. Your dispute will then be referred to the Disputes Committee for consideration.

You will be notified of the outcome of the Disputes Committee review.

If you are dissatisfied with the review of that decision, you may lodge an appeal with the Industrial Court of New South Wales within six months of being notified of the outcome of the review, or within a further time allowed by the Court.

The Commonwealth Superannuation Complaints Tribunal does not action STC Scheme member complaints.

KEEPING IN CONTACT WITH MEMBERS

The Trustee Board must ensure its records of members' personal details are up-to-date and accurate. Therefore it may be necessary to disclose members' personal information to third parties. The Trustee Board takes steps to ensure there is no unauthorised use or disclosure of members' information by those third parties. For more information on how members' information is protected, please visit the website.

PRIVACY

As a NSW Government body, the Trustee Board must comply with relevant legislation, including the *Privacy and Personal Information Protection Act 1998* (the Privacy Act) and the *Health Records and Information Privacy Act 2002* (HRIP Act).

The Trustee Board has developed a *Privacy Management Plan* (Plan) and, with the assistance of the scheme administrator, Pillar, has implemented the Plan's policies and procedures. A Privacy Statement is available to members explaining how the Trustee Board deals with members' personal and health information that may be collected and used in the course of administering STC Schemes.

The Privacy Statement details how STC and Pillar comply with the requirements of the Privacy and HRIP Acts and is available on request and on the website.

FINANCIAL REPORTS AT 30 JUNE 2010

The following tables provide abridged financial information about STC Schemes for the last two accounting periods to 30 June. The financial report for the year to 30 June 2010 is currently being audited by the Auditor-General of New South Wales. The audited financial report and the Auditor-General's report will be available on request after they have been tabled in the NSW Parliament.

STATEMENT OF NET ASSETS

	2010 \$m	2009 \$m
Investments		
Short Term Securities	2,945.2	2,693.0
Australian Fixed Interest	2,772.2	2,762.7
International Fixed Interest	2,588.5	2,071.0
Australian Equities	9,329.8	8,433.2
International Equities	6,905.9	6,419.0
Property	2,717.3	2,545.9
Alternatives	3,421.1	3,584.6
	30,680.0	28,509.4
Other Assets		
Cash and Cash Equivalents	4.0	1.3
Receivables	354.0	447.7
Plant and Equipment	0.3	0.2
Current Tax Asset	-	39.6
Deferred Tax Asset	59.9	110.3
	418.2	599.1
Total Assets	31,098.2	29,108.5
Liabilities		
Reserve Units	2.3	3.2
Payables	279.0	257.6
Current Tax Liability	73.7	-
Total Liabilities	355.0	260.8
Net Assets Available to Pay Benefits	30,743.2	28,847.7

STATEMENT OF CHANGES IN NET ASSETS

	2010 \$m	2009 \$m
Net Assets Available to Pay Benefits at Beginning of Financial Year	28,847.7	34,213.8
Contribution Revenue		
Employer Contributions	1,733.6	1,152.2
Member Contributions	540.1	545.6
	2,273.7	1,697.8
Transfers		
Scheme Mobility Transfer	(0.2)	(1.1)
Refunds to Employers	(0.1)	(0.3)
	(0.3)	(1.4)
Investment Revenue		
Short Term Securities	34.0	44.8
Australian Fixed Interest	115.2	138.5
International Fixed Interest	35.2	67.3
Australian Equities	449.0	710.5
International Equities	192.3	302.4
Property	157.7	162.4
Alternatives	247.8	227.5
	1,231.2	1,653.4
Changes in Net Market Values of Investments	1,936.8	(5,782.3)
	3,168.0	(4,128.9)
Investment Expenses	(90.4)	(85.4)
Net Investment Revenue	3,077.6	(4,214.3)
Other Revenue	2.8	2.3
Total Revenue	5,353.8	(2,515.6)
Benefits Paid	(3,258.2)	(3,020.8)
Scheme Administration Expenses	(32.9)	(34.1)
Superannuation Contributions Surcharge	7.0	4.9
Other Expenses	(0.2)	(0.3)
Total Expenses	(3,284.3)	(3,050.3)
Change in Net Assets Before Income Tax	2,069.5	(5,565.9)
Income Tax Benefit/(Expense)	(174.0)	199.8
Change in Net Assets Available to Pay Benefits After Income Tax	1,895.5	(5,366.1)
Net Assets Available to Pay Benefits at End of Financial Year	30,743.2	28,847.7

WHAT INFORMATION IS AVAILABLE?

FACT SHEETS

Details about the rules, benefit entitlements and membership conditions of each STC Scheme are provided in a series of Fact Sheets. For copies, visit the website or contact Customer Service.

PERSONAL INTERVIEW SERVICE

Please see the page opposite for details about the locations where free personal interviews are conducted.

Visit us on the web at
www.statesuper.nsw.gov.au

- Information about your scheme
- Fact Sheets for all STC Schemes
- Salary Sacrifice calculators
- Advise a change of address
- Information about STC seminars
- Latest investment information
- Online benefit quotes for SASS members

NEED HELP WITH ENGLISH?

For members who need help with the English language, Customer Service can make arrangements for information to be translated through the Government Interpreter Service.

Đối với các thành viên nào gặp trở ngại về Anh ngữ, Dịch vụ Tư Vấn (Advisory Service) có thể giúp thu xếp để họ nhận được bản dịch tin tức.

يمكن أن "الخدمة الإستشارية" (Advisory Service) أيضاً تأمين ترجمة خطية للمعلومات للأعضاء الذين يجدون صعوبة باللغة الإنكليزية.

FREEDOM OF INFORMATION (FOI)

(1 July 2009 – 30 June 2010)

Every effort is made to meet the reasonable expectations of members seeking information. At times, however, information of a confidential or sensitive nature may require an application under the *Freedom of Information Act 1989*.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT (THE GIPA ACT)

(from 1 July 2010)

Requests for information which were previously made under FOI are now required to be made under the GIPA Act. For more information, see page 26 of this Report.

Please contact Customer Service to confirm that no other avenue for gaining information exists before deciding to apply under the GIPA Act.

會員如果閱讀英語有困難，諮詢服務部可安排發放資料的譯本。

Για τα Μέλη που δυσκολεύονται στα αγγλικά, η Υπηρεσία Πελατών μπορεί να κανονίσει για τη μετάφραση των πληροφοριών.

CONTACT DETAILS



SAS Trustee Corporation

ABN: 29 239 066 746



ABN: 80 976 223 967

CUSTOMER SERVICE

8.30 am to 5.30 pm, Monday to Friday for the cost of a local call (except from a mobile or pay phone)

State Authorities Superannuation Scheme (SASS)	1300 130 095
State Superannuation Scheme (SSS)	1300 130 096
Police Superannuation Scheme (PSS)	1300 130 097
Pensioners	1300 652 113
Deferred Benefits	1300 130 094

PERSONAL INTERVIEW SERVICE

For an interview appointment in Sydney, call (02) 9238 5540.

You can also arrange interviews at:

Newcastle (telephone: 1800 807 855)

Parramatta (telephone: 1800 626 000)

Port Macquarie (telephone: 1800 676 839)

Wollongong (telephone: 1800 060 166)

FAX SERVICE

(02) 4253 1688

WEBSITE

www.statesuper.nsw.gov.au

EMAIL

enquiries@stc.nsw.gov.au

MAILING ADDRESS

For Customer Service and Pillar Administration:
PO Box 1229 Wollongong NSW 2500

For SAS Trustee Corporation (the Trustee Board)
and the Office of the Full-time Board member:
PO Box N259, Grosvenor Place NSW 1220

Keep track of your benefits on the web at www.statesuper.nsw.gov.au

Register as a user and access the Member Services area

- Use the Salary Sacrifice calculators to work out what's best for you
- SASS members – request an online benefit quote, check your benefit points and contribution rate
- Deferred SASS members – request an online benefit quote
- SSS, PSS and Deferred SSS and PSS – request a quote or benefit estimate
- See the salary used to calculate your benefit estimate
- Look up your last Benefit Statement
- Download Fact Sheets, SuperViews newsletters, forms and the latest investment information

The screenshot displays the State Super website interface. At the top, there is a navigation bar with links for Home, About The Fund, Fact Sheets, Forms, Publications, Investments, Member Area, Employer Area, Calculators, News, and Access To Information. The main content area is divided into several sections:

- MEMBERS PERSONAL ACCOUNT ACCESS:** Includes a login/register section with buttons for Login and Register, and a list of user types: SASS Members, SSS Members, PSS Members, Deferred Benefits Members, and Pensioners.
- Employers online access:** Includes a login/register section with buttons for Login and Register, and a list of user types: SASS Employers, SSS Employers, and PSS Employers.
- Investment news:** Includes a link to SuperViews and Monthly Costing Rates.
- Service Categories:** A list of services with corresponding icons and links:
 - SASS (State Authorities Super Scheme):** Fact Sheets, Forms, Seminars, Salary Sacrifice Calculators.
 - SSS (State Super Scheme):** Fact Sheets, Forms, Seminars, Salary Sacrifice Calculators.
 - PSS (PSS Super Scheme):** Fact Sheets, Forms, New procedures for Invalidity and Medical Discharge, Salary Sacrifice Calculators.
 - DB (Deferred Benefits):** Fact Sheets, Forms.
 - PENS (Pensions):** Fact Sheets, Forms.

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