

**MINUTES of the meeting of the Consultative Committee
Held at the Hilton Hotel Melbourne Airport, Tullamarine
14 November 2008 at 10.30am**

1. Opening of the Meeting

Elizabeth Bryan, Chairman of UniSuper Limited, opened the meeting and welcomed the participants. The Chairman introduced each director. The Chairman thanked Professor Paul Richardson who had resigned from the Board for many years of valuable service and welcomed Dr Susan Gould who had recently been elected.

The Chairman updated the Committee on:

- the impact of the recent investment market turmoil on the Defined Benefit Division (DB);
- the impact of investment return cycles on the Vested Benefit Index of the DB;
- the process that the Trustees follow in monitoring the health of the DB; and
- the approach taken by the Trustees to the disclosure of executive remuneration.

2. Appointment of Chairperson

Dr Peter Love (Swinburne University of Technology) took over the role of Chairperson for the meeting. It was noted that in accordance with the rotation principle Dr Love had been nominated by Academic & General Staff Representatives.

3. (a) Present

102 members, (53 Employer representatives and 49 representatives from Academic and General staff), were present as per the attendance register, representing a quorum for each of the three sectors of membership.

Apologies were received from 28 members.

3. (b) In Attendance

Directors of UniSuper:

Elizabeth Bryan
David Carey
Ted Murphy
Professor Janice Reid
Christopher Cuffe
Mervyn Peacock
Warren Snell
Professor Michael Skully
Dr Susan Gould
Paul Mullooly

Advisors of UniSuper:

Mark Cerche, Legal Advisor from Allens Arthur Robinson,
Matthew Burgess Fund Actuary and Kate Maartensz of the Russell Investment Group,
David Coogan of Price Waterhouse Coopers, the Fund Auditors

Observers included 47 staff of UniSuper, with Catherine Jones acting as Secretary.

3. (c) Proxies

17 members appointed proxies as detailed in the attendance register.

4. Rules of Conduct

The Rules of Conduct as proposed in the Agenda papers were adopted without amendment.

5. Minutes and Matters Arising from Previous Meeting

The Minutes of the previous meeting on 2 November 2007 were taken as read.

6. Chief Executive's Report

Terry McCredden, Chief Executive Officer of UniSuper, updated the Committee on the events of the last year and the future plans for the Fund. Issues covered in his report included:

- the effect of current economic conditions on the investment performance and the flow on effect on both the VBI and ABI;
- the proposed review of the Fund's investment switching policy;
- the initiatives taken by UniSuper to improve the information and ease of use of the new website launched this year;
- the intention to review the cover currently provided under optional insurance arrangements, including the impact on those members who take up the option of contribution flexibility;
- the proposed expansion of the Fund's financial planning capabilities from mid 2009; and
- the need to balance any fund operational changes between the interests of members and the overall cost to the fund.

The CEO then answered questions from the floor on matters including the incidence of online vs paper investment switching transactions, the availability of certain historical documents on the website, APRA's approach to the VBI in light of the current investment markets and whether the Trustee had surveyed why members choose the DB division instead of the Accumulation alternative.

7. Proposed Trust Deed Amendments

7. (a) *Draft Deed of Amendment No. 31*

The proposed Trust Deed Amendments had been circulated to the Committee and the impact of each amendment was summarised by the CEO.

The amendments were put to the meeting and approved unanimously on a show of hands.

RESOLVED that the Consultative Committee consents to the proposed amendments to the UniSuper Trust Deed as set out in Deed of Amendment No. 31.

7. (b) *Authority to make amendments to the UniSuper Trust Deed – Same-Sex Relationships (Equal Treatment in Commonwealth Laws – Superannuation) Bill 2008*

The CEO outlined that:

- the proposed legislation which will enable a trustee to recognise same-sex couples and the children of same-sex relationships as dependants has not yet been passed;
- the Board has received preliminary advice from the Fund's Actuary on the proposed legislation as currently drafted;

- the Fund Actuary's preliminary advice is that it is unlikely that the funding basis of the DBD would change significantly if the Trustee gave effect to the proposed legislation as currently drafted; and
- the Trustees are seeking the Consultative Committee's consent to amend the Trust Deed to give effect to the proposed legislation once enacted.

The following motion was approved unanimously on a show of hands:

RESOLVED that in accordance with clause 53.1(a) of the UniSuper Trust Deed, that the Consultative Committee consents to amendments (including any minor consequential amendments) to the UniSuper Trust Deed in a Deed of Amendment in a form determined by the Board after consultation with Allens Arthur Robinson and the Fund Actuary, which are necessary to give effect to the legislative changes proposed in the Same-Sex Relationships (Equal Treatment in Commonwealth Laws – Superannuation) Bill 2008 once the legislation has been enacted.

8. The Design of the Defined Benefit Division and its use as the Default Fund

Paul Murphy gave a presentation to the Committee in response to a paper prepared by Mr Geoffrey Piggott from the University of Tasmania which had been included in the meeting papers.

Mr Piggott thanked UniSuper for their well-considered and detailed response.

One question was taken on notice and that was a request for statistical information on the actual impact of members' decisions to remain in the defined benefit division, or to join the accumulation fund.

9. General Business

The Committee asked questions and the CEO and Management answered on issues including:

- whether there are plans to change the investment allocation of the DB division;
- the number of outsourced investment mandates that UniSuper has;
- the limitations of the existing investment switching process;
- the cash investment option and consistency of definition across the industry; and
- the balance adopted by the Fund between insourced and outsourced investment management.

The Meeting concluded at 12.45 pm.

Confirmed



 Chairperson

11 / 12 / 2008
 Date: