

**MINUTES of the meeting of the Consultative Committee  
Held at the Hilton Hotel Melbourne Airport, Tullamarine  
20 November 2009 at 11.00am**

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**1. Opening of the Meeting**

Elizabeth Bryan, Chairman of UniSuper Limited, opened the meeting and welcomed Committee members. The Chairman introduced each director and also welcoming Michael Coyle who had been recently elected and made apologies for David Carey who was overseas. The Chairman also acknowledged the service and contribution to UniSuper of retired director Paul Mullooly.

The Chairman updated the Committee on:

- the UniSuper management team and the new appointments in the last year;
- the Trustee's approach to the disclosure of executive remuneration;
- investment results in the period of the Global Financial Crisis.

**2. Appointment of Chairperson**

Mr Michael Quinlan (University of New England) took over the role of Chairperson for the meeting. It was noted that in accordance with the rotation principle Mr Quinlan had been nominated by Employer Representatives.

**3. (a) Present**

101 members, (46 Employer representatives and 55 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 36 members.

**3. (b) In Attendance**

**Directors of UniSuper:**

Elizabeth Bryan

Ted Murphy

Michael Coyle *(Also present in his capacity as a Consultative Committee Member)*

Christopher Cuffe

Dr Susan Gould *(Also present in her capacity as a Consultative Committee Member)*

Professor Paul Johnson

Mervyn Peacock

Professor Janice Reid *(Also present in her capacity as a Consultative Committee Member)*

Professor Michael Skully *(Also present in his capacity as a Consultative Committee Member)*

Warren Snell

**Advisors of UniSuper:**

Mark Cerche, Legal Adviser 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 34 staff of UniSuper, with Catherine Jones acting as Secretary.

### **3. (c) Proxies**

14 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 14 November 2008 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 continued focus on a long-term investment strategy;
- the introduction in January 2010 of weekly investment switching for all Accumulation accounts with the pension functionality planned to be available from 1 July 2010;
- the work that is ongoing to resolve issues with the administration system;
- the health of the Defined Benefit Division and the imposition of Clause 34;
- interactions with members via the in-house Helpline and website and results of the Member Service Satisfaction survey;
- the launch of the comprehensive financial advice service to members, UniSuper Advice;
- proposed enhancements to the optional insurance offer including continued cover for a limited period for those members who cease employment;
- the planned improvements to UniSuper's online presence;
- the replacement of Supergate; and
- the intention to continue the ongoing dialogue between UniSuper employers, Superannuation Officers and Consultative Committee members.

The CEO then answered questions that Committee members had submitted prior to the meeting on matters including the impact on individual DBD benefits; UniSuper's participation in the Cooper Super System Review and the Henry Tax Review; selection/promotion of the DB Division over Accumulation 2; the cause of multiple statements being provided to some sessional staff; the ability for members to roll over funds or make lump sum contributions into different investment options; the application of the Self-Select fee; the loss of optional insurance cover for members electing contribution flexibility and legislative aged based restrictions on members making contributions.

## 7. Proposed Trust Deed Amendments

### **Draft Deed of Amendment No. 33**

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 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. 33.**

## 8. Report on the Triennial Actuarial Review

The Fund Actuary, Mr Matthew Burgess, provided an overview of what is involved with a triennial actuarial investigation of the Defined Benefit Division (DBD) including, the data, assumptions and past experience information used when completing the process. Mr Burgess also detailed:

- the meaning and use of the Vested Benefit Index (VBI) and the Accrued Benefit Index (ABI) measures;
- the expectation that the VBI would fall below 100% from time to time;
- the adequacy of fixed contributions for both existing member and new members;
- his recommendation to the Trustee to initiate clause 34;
- that no benefit reductions are expected but if funding deteriorated this would be necessary and the Trustee would then have to determine if and how benefits would be reduced; and
- the improvement in the VBI and ABI as at 30 September 2009.

The Actuary then answered a range of questions from the floor on the operation of the DBD and the workings of Clause 34 of the Trust Deed.

## 9. General Business

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

- the disclosure of management remuneration details and the link between investment performance and bonus payments;
- the process underlying the valuation of assets reported in the financial statements and the impact of post balance date valuation changes on these;
- reassurance that, in the event of the need to reduce benefits under a Clause 34 scenario, any reduction would be equitable to all members;
- whether clause 34 having been invoked, would cease at the end of the four year period; and
- the use of the net basis when reporting cash flows in the financial statements. It was noted that a new accounting standard, ED 179, is being introduced which will clarify reporting requirements for superannuation funds on this aspect.

The Meeting concluded at 1.05 pm.

Confirmed

  
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Chairperson

9/12/2009  
Date: