

Australian Public Superannuation Fund

Financial Report

For the Year Ended 30 June 2003

AUSTRALIAN PUBLIC SUPERANNUATION FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2003**

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AUSTRALIAN PUBLIC SUPERANNUATION FUND

**TRUSTEE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2003**

In the opinion of the Trustee of the Australian Public Superannuation Fund:

1. The accompanying financial statements of the Australian Public Superannuation Fund are properly drawn up so as to present fairly the financial position of the Fund as at 30 June 2003 and the Operating Statement for the year ended 30 June 2003 and the Fund's Cashflow for the year ended on that date;
2. The financial report has been prepared in accordance with the requirements of the Trust Deed; and
3. The accompanying financial statements have been drawn up in accordance with Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views); and
4. The Fund has been conducted in accordance with its constituent Trust Deed dated 21 September 1994 as amended and all legislative requirements at all times during the period.
5. In the Directors' opinion there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.


Signed in accordance with a resolution of the Board of Directors of Chilley Financial Services Limited (ABN 75 053 704 706).

Signed at Sydney this *4TH* day of *NOVEMBER 2003*

Director



Director



AUSTRALIAN PUBLIC SUPERANNUATION FUND

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	NOTE	2003 \$	
Net Investment Revenue			
Interest		180,286	108
Unit trust distributions		5,256,976	5,900
Change in net value market of investments	7	<u>(4,133,985)</u>	<u>(9,375)</u>
Total Net Investment Revenue		<u>1,303,277</u>	<u>(3,366)</u>
Contribution Revenue	6		
Members' contributions		1,194,504	3,065
Employer contributions		20,550,667	19,636
Transfer from other funds		<u>16,219,558</u>	<u>13,098</u>
Total Contribution Revenue		<u>37,964,729</u>	<u>35,801</u>
Other Revenue			
Group life insurance claim proceeds		796,847	478
Other		<u>-</u>	<u>4</u>
Total Other Revenue		<u>796,847</u>	<u>483</u>
Total Revenue		<u>40,064,853</u>	<u>32,918</u>
Less:			
Administration expenses		1,905,174	2,087
Group Life premium		1,193,658	1,239
Superannuation contributions surcharge	10	<u>356,545</u>	<u>80</u>
Total Expenses		<u>3,455,377</u>	<u>3,408</u>
Benefits Accrued as a Result of Operations Before Income Tax		36,609,476	29,509
Income tax expense	9	<u>(2,925,269)</u>	<u>(2,645)</u>
Benefits Accrued as a Result of Operations After Income Tax		<u>33,684,207</u>	<u>26,864</u>

The Operating Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 7 to 16.

AUSTRALIAN PUBLIC SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	NOTE	2003	
		\$	
Investments by sector	1(b), 12		
Australian Equities		-	32,17
Australian Fixed Interest		-	24,34
International Equities		-	20,21
International Fixed Interest		-	4,62
Australian Property		-	9,87
Australian Cash		-	19,09
Unlisted Unit Trust		120,127,426	
Capital Guaranteed		<u>8,660,595</u>	<u>10,47</u>
Total Investments		128,788,021	120,80
Other Assets			
Cash	14(a)	4,579,746	3,78
Debtors		<u>334,068</u>	
Total Other Assets		4,913,814	3,78
Total Assets		<u>133,701,835</u>	<u>124,59</u>
Liabilities			
Creditors & Accruals		255,287	83
Unallocated Contributions		234,081	34
Current Tax Liability	9	<u>1,073,334</u>	<u>92</u>
Total Liabilities		1,562,702	2,09
Net Assets Available to pay Benefits		<u>132,139,133</u>	<u>122,49</u>
Represented by:			
Vested Benefits	4	131,891,247	122,158
Unit Pricing Fluctuation Reserve		(315,721)	
Unallocated Amounts		563,607	33
Liability for Accrued Benefits	3	<u>132,139,133</u>	<u>122,49</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 7 to 16.

AUSTRALIAN PUBLIC SUPERANNUATION FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Note	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Employers contributions received		20,550,667	19,636
Members contributions received		1,194,504	3,065
Unallocated Contributions		(107,707)	(731)
Transfers from other funds		16,219,557	13,098
Transfer from Unit Pricing Fluctuation Reserve		(315,721)	
Interest received		129,471	108
Other Income		111,661	4
Sundry Debtors		(1,239,481)	
Group life insurance claim proceeds		796,847	617
Benefits paid		(23,725,089)	(18,382)
Group life insurance premiums paid		(1,051,361)	(1,260)
Administration expenses paid		(1,780,163)	(1,944)
Income tax paid		(2,772,062)	(2,606)
Contributions tax surcharge paid		(356,545)	(80)
NET CASH FLOW FROM OPERATING ACTIVITIES	14(b)	7,654,578	11,526
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(37,215,546)	(21,838)
Redemption of investments		30,351,164	10,372
NET CASH USED IN INVESTING ACTIVITIES		(6,864,382)	(11,465)
NET INCREASE IN CASH HELD		790,196	60
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		3,789,550	3,729
CASH AT THE END OF THE FINANCIAL YEAR	14(a)	4,579,746	3,789

The Statement of Cash Flows is to be in conjunction with the notes to and forming part of the financial statements set out on page 7 to 16.

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

The following explains the significant accounting policies which have been adopted in the preparation of the financial statements. Unless otherwise stated, such accounting policies were also adopted in the corresponding preceding reporting period.

These general purpose financial statements have been prepared in accordance with relevant Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), the provisions of the Trust Deed dated 21 September 1994 and amendments thereto and relevant legislative requirements to the extent that they do not conflict with SIS legislation and AAS 25.

(b) Assets

Investments are valued at market value less estimated costs of disposal at balance date. Changes in market values, representing gains or losses, are recognised in the Operating Statement in the year in which they occur.

The valuation of each class of investment as at 30 June is determined as follows:

Unlisted Unit Trusts	Redemption value of units based on market values of underlying assets as advised by the managers of the trusts
Insurance Policies	Current realisation value issued by insurer
Cash at call	Current account balance recorded by institution

(c) Revenue

Investment revenue is brought to account on an accrual basis. Changes in the net market value of assets are recognised in the operating statement in the period in which they occur. Contributions and transfers from other funds are brought to account when received.

(d) Income Tax

The Fund has adopted the liability method of tax effect accounting in accordance with the provisions of Australian Accounting Standard AAS 3 "Accounting for Income Tax (Tax Effect Accounting)". Income tax expense shown in the operating statement is based on the operating surplus or deficit adjusted for any permanent differences.

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

1. Summary of Significant Accounting Policies (Cont'd)

(d) Income Tax (Cont'd)

The deferred tax asset relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on net cumulative timing difference is set aside to deferred tax liability or deferred tax asset accounts at the rates which is expected to apply when those timing differences reverse.

(e) Superannuation Contributions Surcharge

The Fund's liability in respect of the superannuation surcharge is recognised in the period in which the surcharge assessment is received from the Australian Taxation Office. Further details are provided in note 10.

(f) Sundry Creditors

Sundry creditors represent liabilities for goods and services provided to the fund prior to year-end but which remain unpaid at year-end. The amounts are unsecured. Sundry creditors are subject to normal trade credit terms.

(g) Liability for Accrued Benefits

The liability for accrued benefits is the fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the sundry liabilities and income tax liabilities as at the reporting date.

(h) Cash

For the purpose of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(i) Goods and Services Tax (GST)

Where applicable, GST incurred by the fund that is not recoverable from the Australian Taxation Office has been recognised as part of the expense to which it applies. Receivables and payables are stated with any applicable GST included in their value.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as a receivable or payable in the Statement of Financial Position.

Cash Flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

(j) Comparatives

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

2. Nature of the fund

The Australian Public Superannuation Fund is a defined contribution Fund, which provides benefits to members under a trust deed dated 21 September 1994 (as amended).

The Fund's custodial activities are provided by JP Morgan Chase Bank (JP Morgan), from 23 May 2003. Prior to this date, custodial activities were performed by Westpac Custodian Nominees up to 31 October 2002 and by Commonwealth Custodial Services Limited from 1 November 2002 to 23 May 2003.

Administration of the Fund is conducted by Superannuation Services Company Proprietary Limited and Mellon Human Resources and Investor Solutions.

Secretariat services are provided by Superannuation Services Company.

3. Liability for Accrued Benefits

	2003	2002
	\$	\$
Changes in the liability for accrued benefits:		
Liability for accrued benefits at the beginning of the financial year	122,495,736	114,013,600
Add: Benefits accrued as a result of operations	33,684,207	26,864,600
Less: Benefits paid	(23,725,089)	(18,382,100)
Less: Transfer from Unit Pricing Fluctuation Reserve	(315,721)	-
 Liability for accrued benefits at the end of the financial year	<u>132,139,133</u>	<u>122,495,600</u>

The Unit Pricing Fluctuation Reserve has been established to manage the unit pricing valuation process, specifically to allow for timing differences between the valuation of members vested entitlements and the recognition of investment revenues and expenses in the Operating Statement.

4. Vested Benefits

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

	2003	2002
	\$	\$
Vested benefits at the end of the year	<u>131,891,247</u>	<u>122,158,600</u>

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

5. Guaranteed Benefits

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

6. Funding Arrangements

The percentage of salaries or wages of employees prescribed as the rate of compulsory employer (Superannuation Guarantee) contributions between 1 July 2002 and 30 June 2003 was 9% (2002: 8%).

Employees as defined in the Act, may make voluntary contributions to the Fund in the form of periodical payments or single payments. Payments include benefits transferred or rolled over from another superannuation fund, approved deposit fund, or retirement savings account.

7. Changes in the Net Market Values by Sector

	2003	2002
	\$	
Investments held at the reporting date:		
Australian Equities	-	(2,778,6
Australian Fixed Interest	-	(104,2
International Equities	-	(5,375,9
International Fixed Interest	-	(271,3
Australian Property	-	614,;
Australian Cash	-	(4
Unlisted Unit Trusts	(1,089,636)	
	(1,089,636)	(7,916,2
Investments realised during the reporting period:		
Australian Equities	-	(977,7
Australian Fixed Interest	-	21,
International Equities	-	(543,5
International Fixed Interest	-	7,
Australian Property	-	33,1
Unlisted Unit Trusts	(3,044,349)	
	(3,044,349)	(1,458,8
	(4,133,985)	(9,375,0

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

8. Auditor's Remuneration

	2003	2002
	\$	
Audit Services	15,400	20,000
Other - Taxation services	6,160	6,000
	21,560	26,000

9. Income Tax

Income tax expense in the Operating Statement represents the tax on the operating result before tax, adjusted for permanent differences.

A rate of tax of 15% has been used on the assumption that the Fund will continue to be a complying fund for the purposes of the Income Tax Assessment Act 1936, as amended.

	2003	2002
	\$	
Benefits accrued as a result of operations	36,609,476	29,509,000
Income tax calculated as 15%	5,491,421	4,426,000
Tax effect of permanent differences:		
Members' contributions and transfers	(2,571,677)	(2,350,200)
Non assessable/deductible investment returns	(928,557)	(2,800,000)
Non-assessable pension related investment income	(28,840)	
Other items	-	(54,800)
Contribution Surcharge	53,482	
Imputation and foreign tax credits	(359,861)	(344,100)
Timing differences and tax losses not brought to account as future income tax benefits	1,306,270	1,133,000
Under/(over) provision in prior year	(36,969)	(162,000)
Income tax expense	2,925,269	2,645,000
Income tax expense is made up of:		
Current tax liability	2,962,238	2,807,000
Under/(over) provision in prior year	(36,969)	(162,000)
Income tax expense	2,925,269	2,645,000

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

9. Income Tax (Cont'd)

	2003	2002
	\$	
Current tax liability is made up of:		
Prior years' Deferred Tax	920,128	160,
Under/(Over) provision in prior year	(36,969)	
Current tax payable	2,962,238	2,807,
Less: income tax instalments	<u>(2,772,063)</u>	<u>(2,047,7</u>
Current tax liability	<u>1,073,334</u>	<u>920,</u>

10. Superannuation Contributions Surcharge

The superannuation contribution surcharge is levied on surchargeable contributions received by the fund on or after 21 August 1996. The Australian Taxation Office (ATO) assesses the amount of the surcharge based upon each member's adjusted taxable income and level of the surchargeable contributions and periodically sends grouped assessments to the fund. The liability to pay the surcharge rests with the holder of surchargeable contributions at the time the surcharge assessment is received from the ATO. No assessed surcharge liability remains unpaid at year end.

The surcharge expense included in the Operating Statement comprises an assessment for the year ended 30 June 2003 of \$356,545 (2002: \$80,825).

No additional Superannuation Contributions Surcharge liability has been recognised at year end as the Trustee considers that it cannot be reliably measured. There is insufficient information to provide a reliable indication of the future surcharge expense at year end due to various factors such as no past assessment history, member taxable income is unknown and the number of turnover of members varies from year to year.

11. Financial Instruments

The investments of the fund (other than cash held for liquidity purposes) comprise units in collective investment vehicles such as life office policies and unlisted unit trust. The trustee has determined that this type of investment is appropriate for the fund and is in accordance with the funds published investment strategy.

The investment managers of the collective investment vehicles may have invested in a variety of financial instruments, which may include derivatives, which expose the fund's investments to a variety of investment risks, including market risk, credit risk, interest rate risk and currency risk.

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

11. Financial Instruments (Cont'd)

The investment managers provide regular reports on the fund's investments to the trustee. The trustee seeks information from the trustees and/or managers of each proposed collective investment (and may seek independent advice from other qualified persons). So as to determine the nature and extent of any risks, and the expected returns, associated with each investment prior to determining its suitability as an investment for the fund. This includes receipt of a formal Risk Management Statement as required by the Australian Prudential Regulation Authority from each investment manager.

In addition to the effects of movements in interest rates, the fund is exposed, particularly through its equity sector holdings, to market risks influencing investment valuation.

Interest is earned on the fund's cash balance at a floating rate. At 30 June 2003 the rate was 3.50% (2002 4.81%).

12. Investments by Sector

Australian Superannuation Fund invests in Chifley Investment Fund, which invests in various unlisted unit trusts. Prior to 1 November 2002, Australian Superannuation Fund invested directly in unlisted unit trusts. On 30 October 2002, the units held in the unlisted unit trusts were realised, and the proceeds invested in Chifley Investment Fund on 1 November 2002.

Sector Managers	Investment Type	2003 \$	2002 \$
<u>Australian Equities</u>			
ING	Unlisted unit trust	-	13,818
Deutsche	Unlisted unit trust	-	17,286
Westpac	Cash at call	-	1,070
		<u>-</u>	<u>32,176</u>
<u>Australian Fixed Interest</u>			
Citigroup	Unlisted unit trust	-	15,669
Aberdeen	Unlisted unit trust	-	8,019
Westpac	Cash at call	-	654
		<u>-</u>	<u>24,343</u>
<u>International Equities</u>			
Dresdner RCM	Unlisted unit trust	-	7,160
Vanguard	Unlisted unit trust	-	6,429
Deutsche	Unlisted unit trust	-	6,286
Westpac	Cash at call	-	338
		<u>-</u>	<u>20,214</u>
<u>International Fixed Interest</u>			
State Street Australia	Unlisted unit trust	-	4,173
Westpac	Cash at call	-	454
		<u>-</u>	<u>4,628</u>

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

12. Investments by Sector (Cont'd)

Sector Managers	Investment Type	2003 \$	2002 \$
<u>Australian Property</u>			
AMP	Unlisted unit trust	-	9,715
Westpac	Cash at call	-	157
		<u>-</u>	<u>9,873</u>
<u>Australian Cash</u>			
State Street Australia	Unlisted unit trust	-	17,995
National Mutual	Mortgage Fund	-	500
Westpac	Cash at call	-	594
		<u>-</u>	<u>19,091</u>
<u>Capital Guaranteed</u>			
ING	Insurance policies	8,660,595	9,946
Westpac	Cash at call	-	527
		<u>8,660,595</u>	<u>10,473</u>
<u>Unit Trust</u>			
Chifley Investment Fund	Unlisted unit trust	120,127,426	-
		<u>120,127,426</u>	<u>-</u>
Total Investments		<u>128,788,021</u>	<u>120,800</u>

13. Related Parties

The trustee of the fund throughout the year was Chifley Financial Services Limited (ABN 75 053 704 706).

The names of the persons who were directors of the Trustee Company at any time during the financial year are:

- J Eisenhuth
- M R R Lennon
- M O'Connell
- B Riordan
- J Whelan
- P Woods

The directors of the trustee received no remuneration from the superannuation fund or any employer sponsor in connection with the management of the fund. Their remuneration is met by Chifley Financial Services Limited.

The directors of the trustee, which are members of the fund have contributions paid into the fund on their behalf in accordance with the same terms and conditions as other members of the relevant sub-plan.

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

13. Related Parties (Con't)

During the year ended 30 June 2003 the trustee received fees relating to administration, investment management and insurance commission of \$1,340,017 (2002 \$965,528).

14. Cash Flow Information

(a) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2003	2002
	\$	\$
Cash at bank	4,579,746	3,789

(b) Reconciliation of Net Cash Provided by Operating Activities to Benefits Accrued During the Year from Operations After Income Tax.

Benefits accrued as a result of operations	33,684,207	26,864
Changes in market value of investments	4,133,985	9,375
Unit Trust Distributions (reinvested)	(5,256,976)	(4,868)
Interest on investments (reinvested)	-	(1,032)
Administration expense re investment (reinvested)	-	(66)
Movements in unallocated amounts	(315,721)	
Benefits paid	(23,725,089)	(18,382)
(Increase)/Decrease in debtors	(334,068)	
(Decrease)/Increase in creditors and accruals	(577,259)	327
(Decrease)/Increase in unallocated contributions	(107,707)	(731)
(Decrease)/Increase in income tax payable	153,206	39
	7,654,578	11,526
Net Cash Flow from Operating Activities	7,654,578	11,526

15. Segment Information

Primary Segment Business Segments

The Fund operates solely to provide benefits to the members in accordance with the Trust Deed and provision of SIS.

AUSTRALIAN PUBLIC SUPERANNUATION FUND

Notes to and forming part of the Financial Statements for the year ended 30 June 2003 (Cont'd)

15. Segment Information (Cont'd)

Secondary Segment

Geographical Segments

The Fund operates in Australia and the primary assets it invests in on behalf of its members are managed and administered in Australia. The members of the Fund are based in Australia.

16. Subsequent Events

No significant events have occurred since balance date which would impact on the financial position of the fund as disclosed in the statement Financial Position as at 30 June 2003 or on the results and cash flows of the Fund for the year ended that date.

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AUSTRALIAN PUBLIC SUPERANNUATION FUND

INDEPENDENT REPORT BY APPROVED AUDITOR TO THE MEMBERS

(A) Financial Statements

Scope

I have audited the financial statements of Australian Public Superannuation Fund for the year ended 30 June 2003 as set out on pages 4 to 16. The superannuation entity's trustee is responsible for the financial statements. I have conducted an independent audit of the financial statements in order to express an opinion on them to the members of Australian Public Superannuation Fund.

My audit has been conducted in accordance with Australian Auditing and Assurance Standards to provide reasonable assurance whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with my understanding of the superannuation entity's financial position, the results of its operations and its cash flows.

The financial statements audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the financial statements present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Australian Public Superannuation Fund as at 30 June 2003 and the results of its operations and its cash flows for the year ended 30 June 2003.

(B) Compliance

Scope

I have conducted tests in accordance with Australian Auditing and Assurance Standards as necessary to provide reasonable assurance whether the trustee of the Australian Public Superannuation Fund has, in all material respects:

- (a) complied with the relevant requirements of the following provisions (to the extent applicable) of the *Superannuation Industry (Supervision) Act 1993* and Regulations:

Sections 19(2), 19(3), 36, 65, 66, 67, 69 to 85, 86 to 93A, 95, 97, 98, 101, 103, 104, 105, 106, 107, 109, 111, 112, 113, 117, 118, 121, 122, 124, 125, 152, 153, 154, 163, 169;

Regulations 2.10(1), 2.13(1), 2.21(3), 2.33(2), 2.43(1), 3.10, 4.08(3), 5.08, 6.17, 7.04, 7.05, 9.09, 9.14, 9.29, 9.30, 13.14, 13.17, 13.17A; and

- (b) the relevant requirements of the following provisions (to the extent applicable) of the *Corporations Act 2001* and Regulations:

Sections 1012A, 1012B, 1012C, 1012F, 1012G(3), 1012H(2), 1012L, 1013D, 1013K(1) or (2), 1016A(2) or (3), 1017B(1), 1017B(5), 1017C(2), 1017C(3) or (5), 1017D(1), 1017D(3), 1017D(3A), 1017DA(3), 1017E(2), 1017E(3) or (4), 1020E(8) or (9); and

Regulation 7.9.32(3); and

- (c) adhered to the Guidelines for preparing risk management statements ("Guidelines") issued by APRA in Circular I.D.7 on Derivatives (to the extent applicable)

for the year ended 30 June 2003.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the *Superannuation Industry (Supervision) Act 1993* and *Regulations and Corporations Act 2001* and Regulations.

My procedures with respect to Regulation 6.17 included testing whether amounts identified by the trustee as preserved and restricted non-preserved have been cashed or transferred only in accordance with the requirements of Part 6 of the regulations. These procedures did not include testing of the calculation of the preserved and restricted non-preserved amounts beyond a broad assessment of the apparent reasonableness of the calculations.

My procedures with respect to the Guidelines consisted of confirming whether any Risk Management Statement was to be prepared by the superannuation entity's trustee under the Guidelines contained in APRA Circular I.D.7 at any time during the year of income. These procedures indicated that a Risk Management Statement is unnecessary under the Guidelines.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the *Superannuation Industry (Supervision) Act 1993* and Regulations or Guidelines or the *Corporations Act 2001* and Regulations apart from those specified. The superannuation entity's trustee is responsible for complying with the *Superannuation Industry (Supervision) Act 1993* and Regulations and the *Corporations Act 2001* and Regulations and appropriately applying the Guidelines.

The opinion on compliance expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the trustee of Australian Public Superannuation Fund has complied, in all material respects, with the requirements of the *Superannuation Industry (Supervision) Act 1993* and Regulations and the *Corporations Act 2001* and Regulations and applied the Guidelines specified above for the year ended 30 June 2003.


DELOITTE TOUCHE TOHMATSU



Richard Rassi
Partner
Chartered Accountants

Sydney, 4 November 2003