

CONTENTS

| | | | |
|---|-----------|---------------------------------------|-----------|
| VISION, MISSION, VALUES | 2 | Media and Communications | 18 |
| AIST supporters review our year | 4 | Industry Partners In 2008 | 19 |
| 2008 AIST registered superannuation funds | 5 | Learning and Professional Development | 20 |
| A message from the Chair | 6 | General Manager's Review | 22 |
| A message from the CEO | 10 | Policy and Research | 24 |
| AIST Board | 14 | Events | 26 |
| 2008 AIST Board committees | 15 | Special Projects | 28 |
| AIST Conference Committee (CMSF) | 16 | Membership Services | 30 |
| AIST alliances | 17 | AIST Staff | 32 |

Important dates for 2009

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| March 23 – 25 | Conference of Major Superannuation Funds (CMSF) | Theme: Super, Building Confidence Venue: Gold Coast Convention & Exhibition Centre |
| March 23 | AIST Annual General Meeting | 10:00am Venue: Gold Coast Convention & Exhibition Centre |
| May 5 – 6 | Fund Governance Conference | Theme: Search for a Super Model Venue: The Sofitel Melbourne |
| July 13 – 15 | International Corporate Governance Network Annual Conference (ICGN) | Theme: The Route Map to Reform and Recovery Venue: Hilton Hotel, Sydney |
| August | Superannuation Administration Symposium | Venue: The Windsor Hotel, Melbourne |
| September 16 – 18 | Australian Super Investment Conference (ASI) | Venues: Sheraton Mirage Resort, Gold Coast |
| October | Superannuation Insurance Symposium (SIS) | Venue: Melbourne |
| November | AIST Awards for Excellence | Venue: Melbourne |



VISION

To play an integral role in the representative superannuation industry, and through that role, assist the industry to achieve its goal of building a better retirement for all Australians.

MISSION

To fulfil its vision AIST will:

- Promote the values of the representative superannuation industry;
- Promote the benefits of representative trusteeship in providing a viable and equitable retirement system in Australia;
- Provide support, encouragement, education and training and other resources for those involved with the representative superannuation industry.

VALUES

AIST expects all board members, committee members and staff; both permanent and casual, to follow the values it has adopted:

- Trustworthiness (honesty, integrity, promise-keeping and loyalty);
- Respect (autonomy, privacy, dignity, courtesy, tolerance and acceptance);
- Responsibility (accountability and the pursuit of excellence);
- Caring (compassion, consideration and kindness);
- Justice and fairness (impartiality, consistency, equity, equality and due process).

AIST

The Australian Institute of Superannuation Trustees (AIST) is a national not-for-profit organisation whose mission is to promote and protect the interests of Australia's \$450 billion not-for-profit superannuation sector. AIST's membership includes the trustee directors and staff of industry, corporate and public sector funds, who manage the superannuation accounts of nearly two-thirds of the Australian workforce.

As the principal advocate and peak representative body for the not-for-profit superannuation sector, AIST plays a key role in policy development and is a leading provider of research.

AIST provides professional training, consulting services and support for trustees and fund staff to help them meet the challenges of managing superannuation funds and advancing the interests of their fund members. Each year, AIST hosts the Conference of Major Superannuation Funds (CMSF), in addition to numerous other industry conferences and events.



“2008 proved to be AIST’s most successful year to date. Record responses to our submissions, new research and discussion papers, innovative events and training courses...”

**Fiona Reynolds
CEO, AIST**





AIST supporters review our year

“AIST shows demonstrable thought leadership within our industry and has a genuine interest in ultimately ensuring Australian’s retire with dignity. It is a real privilege to be a member”

Umberto Mecchi
Executive Manager Strategy & Marketing
HOSTPLUS

“With more and more HESTA staff providing increased services to employers and members around Australia, AIST provides access to comprehensive information & training opportunities that assist in ensuring a consistently well informed, skilled and up-to-date HESTA team”

Ann Drohan
Executive Manager – People & Systems
HESTA Super Fund

“AIST is to be congratulated for again being on the front line of advancing long term thinking through its ESG agenda. AIST’s initiatives to educate

and evaluate climate change integration in investment portfolio’s are an example of this leadership”.

Erik Mather
Managing Director
Regnan – Governance, Research & Engagement

“The Insurance Symposium held in June was a great forum for us to hear new ideas on the underinsurance issue in Australia from a range of practitioners, planners, reinsurers and insurers. It is pleasing to see that some of the ideas to deal with underinsurance, such as lifestyle insurance cover, are now starting to get traction in the marketplace.”

Robert Bergin
Head of Group Insurance
AXA Australia

“Russell Investments is delighted to be associated with AIST. AIST is a lean but effective, professionally run organisation, with a clear passion to

make things better for Australians’ financial futures. As such, it is without hesitation that even in difficult financial markets, we continue to support the great work of AIST and its member funds. AIST’s events are relevant and timely – and everyone at AIST, from the Chair, CEO and GM, to the most junior of staff members, is a pleasure to work with on any project.”

Chris Briant
Director, Business Development
Russell Investments

“Another strong year of growth from AIST at the most critical time in our lifetime for quality debate and trustee and fund executive education.”

Colin Tate
Director
Conexus Financial



2008 AIST registered superannuation funds

| | |
|---|---|
| ACP Retirement Fund | Local Government Superannuation Scheme (NSW) |
| AGEST | LUCRF |
| Akzo Nobel Coatings Superannuation Fund | Meat Industry Employees Super Fund |
| AMIST Super | Media Super |
| ANZ Australian Staff Superannuation Scheme | Military Superannuation & Benefits Board of Trustees No.1 |
| ARIA | MTAA Superannuation Fund Pty Ltd |
| Asset Super | Nambawan Super Limited |
| Auscoal Superannuation Fund | National Catholic Superannuation Fund |
| AUSfund | Nationwide Superannuation Fund |
| AustralianSuper | New Zealand Fire Service Superannuation Scheme (Firesuper) |
| Australian Christian Superannuation | NGS Super |
| Australian YMCA Superannuation Fund | Northern Territory Government Public Authorities' Superannuation Scheme |
| AustSafe Super | Prime Super |
| AUST(Q) | Professional Associations Superannuation Limited (PASL) |
| AvSuper | QIEC Super |
| BUSS(Q) | REI Super |
| CARE Super | REST Superannuation |
| Catholic Superannuation Fund | Retirement Benefits Fund Board (TAS) |
| Cbus | SA Metropolitan Fire Service Superannuation Scheme |
| Christian Super | Seafarers' Retirement Fund |
| Clough Superannuation Fund | Shell Australia Superannuation Fund |
| Connect Superannuation Fund | SPEC(Q) |
| Electricity Supply Industry Superannuation Fund | State Super (SAS Trustee Corporation) NSW |
| ESSSuper | Statewide Superannuation Trust (SA) |
| Energy Industries Superannuation Scheme (NSW) | Stevedoring Employees Retirement Fund |
| Equipsuper | Sunsuper Superannuation Fund |
| First State Superannuation Scheme (NSW) | Super SA |
| First Super Pty Ltd | Tasplan |
| Foster's Group Superannuation Fund | Telstra Super |
| GESB (WA) | Toyota Australia Superannuation Fund |
| Harwood Superannuation Fund | Transport Industry Superannuation Fund |
| Health Industry Plan | TWUSUPER |
| Health Super Fund | UniSuper |
| HESTA | Uniting Church in Australia Beneficiary Fund |
| Holden Employees Superannuation Fund | VicSuper |
| HOSTPLUS | Vision Super |
| IAG & NRMA Superannuation Plan | WA Local Government Super Plan |
| IRIS Super | West Super Plus |
| Legalsuper | |
| Lend Lease Superannuation Fund | |
| LOCAL SUPER (SA/NT) | |





A message from the Chair



Ian Robertson,
AIST Chair



After the sole purpose test, new trustees have the prudent person test drummed into them – would a prudent person have done this or that, or made that decision. What a pity all those investment and financial professionals, charged with the stewardship of our investments and relying upon our confidence in their skills and expertise, decided to underpin everything with gigantic aggregations of sick cows.

2008 will be remembered as a time of astonishing negative returns in superannuation – all resulting, in one way or another, from greed and stupidity. Commission-driven mortgage sellers flogging mortgages to people with no realistic expectation of paying them is one thing. We all know that's what happens when people are rewarded by commission – it becomes the end in itself and considerations of appropriateness go out the window – so we understand how this happens.

But how do people we rely upon to know better, gigantic banks and financial institutions across the world, think it makes any sense to bundle up all this bad debt and let everyone into a piece of the action? Where was the prudence when these decisions were being made?

While we can sheet much of the blame in the US back to the Bush years – the Federal Reserve's confidence in the market doing the right thing and looking after itself and Bush's removal of regulations that may have made this less likely – it is superannuation funds and therefore their members' retirement

incomes that suffer. I have asked more than one fund manager how they got caught up in this mess to be met with consternation – who would have thought that this could happen, they ask. As Bart Simpson would say: "it wasn't me and no-one saw me do it".

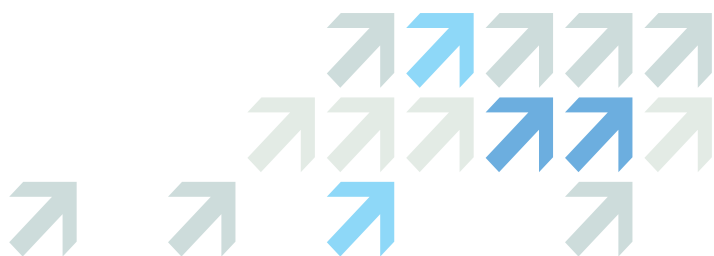
One CEO told me that his institution did it for "diversification". We should diversify away from that lot as quickly as we can. And we should be more demanding and skeptical about what we are told in the future.

But in the end the sole purpose of a superannuation fund is to provide retirement income for members. It is the funds, their trustees and fund staff that have to convey the bad news to their members.

When Australian superannuation was worth \$700 billion, someone calculated that fund managers creamed off \$7 billion. If this formula is reliable we can safely assume that last year all those people investing in aggregated sick cows cost working people and their retirement incomes \$10 billion.

The incomparable Dr Jack Gray speaking at the Sydney Superannuation Symposium in October, claimed that dollar for dollar, the finance industry was the most talentless industry of all. 2008 is exhibit A.

And then, as part of this crisis, came the bailouts by government – but with no accompanying sense of regret or remorse or even embarrassment, as the advocates of free enterprise and the



rational market queued with their hands out after government subsidies – more than \$1 trillion US for their institutions and maybe that much again to come. Just as well the Bush Government hadn't wasted that money on health and education.

The cost of bailing out the banks puts the costs associated with the movement towards a low carbon economy, to slow down the effects of climate change, into a more realistic context. Some, predictably those who are the big polluters, or work for them, have used the financial collapse as an argument that this is the wrong time to properly cost carbon emissions to encourage their reduction. Still, they would say that wouldn't they? Busy protecting their financial interests, or even trying to protect polluting jobs while the temperature continues to rise and increasing sea levels give many more of us the opportunity to live in waterfront real estate.

2008 saw AIST's joint survey with the Climate Institute to determine how institutional investors (73 in Australia with more than A\$1 billion in funds under management) were reacting to climate change by making changes to investment strategies. AIST had already run 2008 CMSF as virtually carbon neutral (and 2009 CMSF will be carbon neutral by better environmental management of the venue and carbon offsets) and the decision of the Board, made over a three-month period with significant debate, acknowledged the important role of superannuation funds with their investment strategies and commitments to principles of responsible investment.

Launched with a real commitment by the Minister for Superannuation and Corporate Law, Nick Sherry in Parliament house in Canberra on 25 September, the survey would provide a base-line study of how investment policies were responding to climate change and the need to move to a

lower carbon economy. It would give us a picture of who was doing what, of who intended to do something in the next 12 months (probably the most important group), what funds we could identify as best practice and how AIST could use its training capability to bring other funds up to speed and spread that best practice around.

Initially the Board was cautious about participating in a survey that could see data collected showing that we were not doing enough – particularly when polling by AusPoll and UTS for example, was showing community support for funds taking decisive action on their investment policies and even those surveyed expressing a commitment to move to another fund if they were dissatisfied with the response of their own fund. A significant majority also wanted the Government to require funds to invest more money in low carbon and more sustainable investments.

The final version of the survey distributed to funds was version 15 – the result of significant consultation with fund CIOs and the investment industry as well as vigorous debate on the Board. The good news is that 31 funds responded and the results will be conveyed more fully at CMSF. This is the first survey of its type in the world.

The bad news is our disappointment that some major funds, particularly a couple which adopt a high profile and market their responsible investment policies, chose not to respond. Maybe next time?

Investment is a long-term strategy and must factor in changes in the climate and the effect on us all. All the economic evidence was collected and presented authoritatively in the Stern and that Garnaut Reports. Their unequivocal conclusion is that action is imperative and, in the absence of action, we will be economically worse off. There is no longer any debate about this.

AIST's Australian Super Investment Conference (ASI) at Port Douglas coincided with the release of the final report by Professor Garnaut – in which he presented the evidence in favour of significant carbon reductions but copped out in his recommendations. The poster for the Queensland Courier Mail the next day was "Garnaut targets to kill the reef". It is a real pity for Queensland, and also for the reef, that the Rudd Government's targets fell short of even Garnaut's soft recommendations. If you haven't seen the reef yet, you'd better see it now.





As I write this report, the Herald tells me that Antarctica is warming both faster and more unpredictably than scientific projections and now our weather patterns (jeeze, wasn't it hot in January and February) are all the fault of things that happen with the Indian Ocean – where because of climate change we get less moist air and more hot dry air. All the scientific projections seem invariably, as time goes by, to be revealed as far too conservative. We have no time to waste.

Senator Sherry's launch of the survey and research work which AIST had done about the carbon emissions of various investment funds and strategies made the front page of the Financial Review. For the first time, AIST was able to have that august financial journal deal with the critical issues of responsible investment and the extent to which funds pay lip service, or genuine commitment, to ESG. Sustainable investment, reduced carbon emissions, alternative energy, sustainable infrastructure and the concept of engagement with the companies in which we invest (and whether we continue to engage permanently or exercise our rights to disinvest) all got a run.

The comments reported in both the Financial Review and other media about the issue of divestment really threw a cat amongst the pigeons. The popular view is that our commitment to responsible and active share ownership extends only as far as engaging with the companies in which we invest. We know their flaws, whether they be problems of governance or environmental standards or anything else, and the respectful view is that we continue to engage with those companies and hope for the best.

It seems to make little sense to know, as we did for a number of years that ABC Learning had significant disclosure and governance problems, if we weren't going to do something

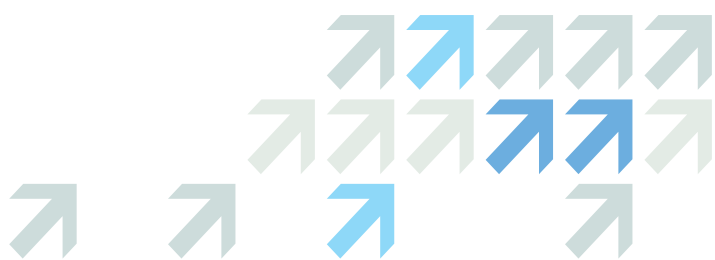
about it. Most funds were not investors in ABC Learning because these significant problems were perceived as significantly damaging to their prospects as medium to long-term investment. If this is acceptable, how do the permanent engagers argue that we ought not disinvest from other companies for a variety of good ESG reasons?

Personally, I don't understand this and find the idea of permanent engagement unattractive because I know after three decades as a union official that there needs to be an ability to take some sort of action when your negotiation, the consultation, or the engagement, just doesn't work.

Wow, look at those pigeons scatter! Still, the last thing we want as trustees is to be a fiduciary equivalent of a Stepford wife. This is not the Australian Institute of Stepford Trustees. For those of you who need a reminder, in 1972 Ira Levin wrote a book about subservient and well-behaved wives, now commonly used as a term of satire to those who appear "to conform blindly to an old-fashioned subservient role". That isn't a trustee's role.

There were some changes on the AIST Board during the year. Ken Fisher and Sandy Grant resigned from the Board when they stopped being employees of funds and were no longer eligible. They were replaced by Ann Drohan from HESTA and Robyn Petrou from ASSET Super and now ESI Super. I welcome them both and I thank the other members of the Board for their contribution over the year – and their provision of another twelve month term for me as Chair. Thanks also, of course, to Mavis Robertson for continuing her role as Chair of the Special Projects Committee and, in particular her work on the Global Dialogue and to David Coogan as Chair of the Finance committee.

I would like to thank Fiona Reynolds for her resolute commitment to the



trustee superannuation system and the philosophies that underpin it. I love working with Fiona and her significant contribution and that of all the other AIST staff. I thank them collectively and also individually.

I was pleased during the year to host Superheroes' lunches in Melbourne, Sydney, Adelaide and Brisbane. The lunches held in Melbourne and Sydney on communicating negative returns were both well attended and well received and I have appreciated the opportunity of meeting members at each of them. AIST has a program of vibrant, challenging and interesting lunches that will continue in 2009.

The Fund Board Governance Conference in May was highly acclaimed and the dinner speaker, James Hardie Royal Commissioner Justice Neville Owen was an entertaining and engrossing contributor. He has, after all, been responsible for the jailing, or barring from further director responsibilities, of more of our corporate criminals than anyone else.

The second Superannuation Insurance Symposium in June and the ASI conference in September were excellent training and education. These should not be missed in 2009.

I thank our events team.

170 training courses were conducted for members and fund staff in 2008. AIST is now acknowledged as the predominant trainer in the industry. I attend some of these courses and commend the Foundations of Trustee Governance to all of you – for four days of training which is both more productive and more accessible than PS 146. I thank our trainers.

In 2008 we were also overwhelmed by policy development. The appointment of a Policy Manager and the installation of the respected Sandy Grant as Chair of the Policy Committee have allowed significant activity. Our research project

on trusteeship and governance – by the Workplace Research Centre at Sydney University is world class academic research – and the results will be revealed at CMSF.

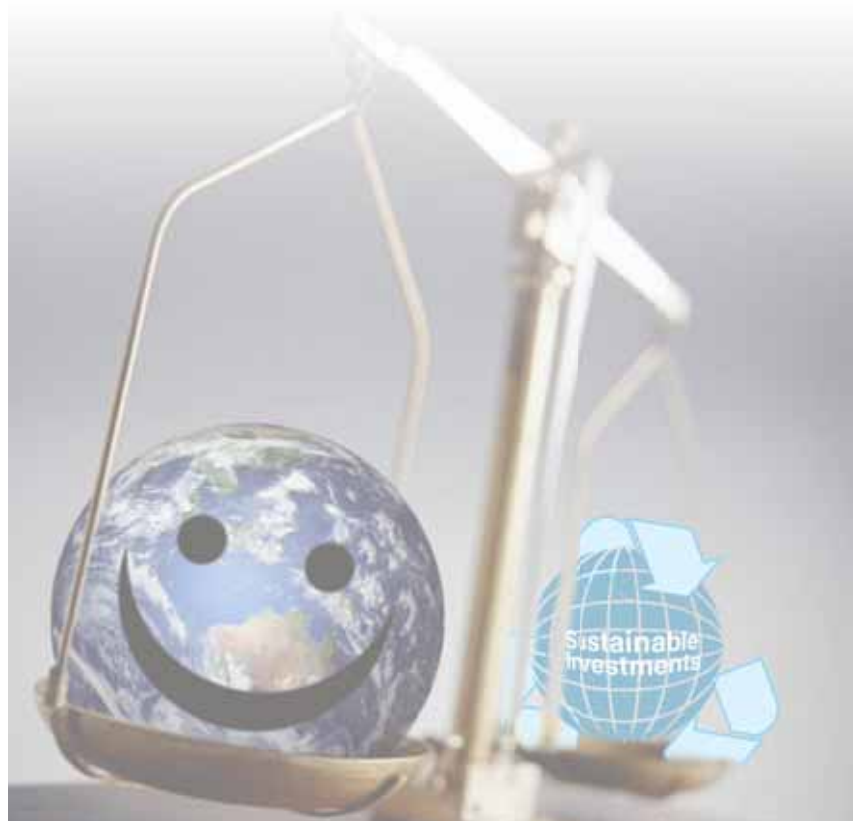
Thanks also to our membership, events, administrative, finance, media and data processing staff as well.

It has been a pleasure to work with Minister for Superannuation and Corporate Law Nick Sherry. Senator Sherry attended a lunch for us in Adelaide and Perth, a round table in Brisbane and launched our climate survey with a rousing and supportive commitment to the need for trustees to acknowledge ESG considerations in investment and both he and his staff were readily available and accessible to us. And the post-Budget briefing he did for us with Shane Oliver, getting

them back together again after almost a decade, really was like getting the band back together again. Look forward to their Blues Brothers analysis of the 2009 Budget as another AIST event.

The Minister also made a fabulous thought-provoking speech at an ESG forum run by Goldman Sachs in Melbourne. I look forward to APRA issuing guidelines reminding trustees that environmental, social and governance issues are a critical and 21st century component of our sole purpose responsibilities.

Thank you also to members of AIST, both trustees and fund staff. I appreciate the opportunity afforded me as both a member of the Board and Chair and for your support and encouragement.





A message from the CEO

Without doubt 2008 proved to be one of the most challenging years for the superannuation industry and 2009 is shaping up to be even more difficult.



Fiona Reynolds
CEO



Like most investors around the globe, Australian superannuation funds are experiencing tough times and have been hit hard by the global financial crisis. Fund members, particularly retirees, are suffering as a result, with super returns down an average 19.7% at the end of December 2008. By all accounts, another year of negative returns is likely, with the biggest question being: how deep into negative territory will returns plummet?

Commentators and the public are starting to question the viability of our compulsory system. We can only expect this to increase as the news on super returns get worse in the lead up to the annual statement period.

As an industry there are many issues we need to address:

Member engagement critical

Long an issue of concern for super funds, member engagement has become even more critical, particularly how we communicate to older members both pre- and post-retirement.

We are fortunate that, so far, there has been no evidence of any widespread panic among members. While most funds have seen a drift to cash, the majority of members appear to be staying put.

During the worst of the market falls, member enquiries increased at call centres around the country, but nowhere near the level that many funds were anticipating. Funds are no doubt continuing to monitor concerns and to educate and equip call centre staff.

Fund communication strategies, well in place before the start of the economic downturn, appear to have contributed to a greater understanding and acceptance that super is a long term investment and that market volatility is part of the package. Industry wide campaigns, as conducted by the Industry Super Campaign and the

Super Stakeholder Group, have also assisted in getting the message across. Member apathy, usually the bane of most super funds, has no doubt also assisted.

Adequacy remains an issue

The industry knows it can't afford to be complacent. Just when many Australians need to be putting more into their super to ensure a comfortable retirement, the poor market performance is leading to increased doubt and less participation.

Many working Australians have already stopped making voluntary super contributions, and with job losses expected to increase in 2009, those made redundant as a result of the economic crisis will have their super contributions stopped altogether.

With or without a rebound in global markets, adequacy of retirement incomes, particularly for women and other low paid workers, will remain a crucial issue in 2009 and beyond.

AIST has now completed its response to the Henry Review Retirement Income Consultation Paper following its work with ISN, the ACTU, Ai Group and Access Economics. The review is far reaching and is looking at the long term needs of the nation in regards to our retirement income policy. AIST certainly believes this review is the best chance we have to see any meaningful long term changes in policy, and as such, has put considerable resources into the project.

Room for improvement

It's also clear that confidence in our system can no longer be simply addressed by the mantra of "super is a long term investment". Funds need to be able to better explain their products and provide their members with guidance about the implications of changing investment options or changing funds.

The move by the Australian Securities and Investments Commission (“ASIC”) to allow temporary relief on intra-fund advice restrictions is a step in the right direction. It is hoped that this measure will hasten reform in this area, with industry submissions currently before Treasury.

We particularly need to be doing more in the area of post-retirement products. In every downturn it is always the retirees that bear the brunt of the losses and it seems to me at least that this is due in part to the lack of innovation and focus on the retirement side of the savings equation.

We also need to re-examine the advice we give to older members. Whilst it has been popular to remind members that they are a long time in retirement and talk up the virtues of the return on equities over the longer term, for some members – particularly those with smaller balances – the best advice may be to protect your capital and move to more conservation options pre-retirement, even if this does mean accepting a lower return.

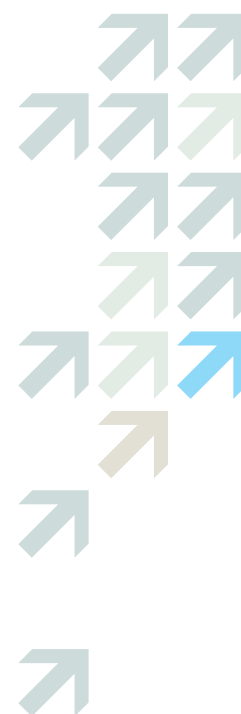
Many retirees just want some certainty. They are used to going to work and receiving a pay packet with a set amount each fortnight and this is what they want in retirement as well.

We are an industry full of smart people; surely we can find the answer and the right suite of products to assist the varying needs of today’s retirees.

Strengths of not-for-profit sector

In these times of negative returns, the effect of fees and charges on fund performance becomes all the more important. During 2008, the release of two landmark reports from APRA added weight to a growing body of research that points to the sustained out-performance of the not-for-profit funds compared to the retail funds. The government regulator tracked returns for five years and found that commissions and embedded fees in retail funds were the key reason that retail funds under-performed industry, corporate and public sector funds.

It also found significant differences between the governance structures of





“We foresee a debate within the industry, among regulators and in the wider community about how funds manage risk, and how members make decisions about risk”



the not-for-profit sector and the retail funds, with the trustee representative system emerging in a highly favourable light.

AIST's research department is also producing important work in this area. We are in the process of completing a major research project with Sydney University's Workplace Research Centre with the findings to be released at CMSF'09.

Meanwhile, Minister Sherry has repeatedly expressed his concern over the impact of fees on retirement incomes, most recently pointing out that fees at two percent of a member's account could, over 30 years, reduce a members' final return by up to 20 per cent – a very significant difference by any measure. We hope that 2009 will see some action on the fee front.

Climate countdown

2008 will also be remembered as the year that sustainability and long term value creation became inextricably linked. With the Federal Government confirming its intent to have a carbon trading scheme in place by 2010, the bottom-line risks of not having strategies in place to deal with climate change have become increasingly tangible to super funds and others in the financial services sector.

Importantly, research released by AIST suggests that climate change will create significant opportunities – as well as risks – for super funds.

With its weight of influence, the super sector has the opportunity to play a key role in assisting Australia's move towards a low carbon economy.

Our research, undertaken in conjunction with the Climate Institute, shows that – with the notable exception of a few mainly not-for-profit funds who are leading the way – there is much work to be done to ensure our sector is fully prepared for the climate change challenges ahead.

Executive remuneration

It is also time for the superannuation industry to step up its efforts to reign in executive remuneration and other corporate excesses. Given that much of the current financial crisis has been driven by a combination of lax regulation and corporate greed, there is clearly a role for super funds to become more actively engaged in voting proxies and making their voices heard. This is an issue that we have talked about for years, again while some funds are putting in the hard yards, others are still talking about it. It's pleasing to see that new US President Obama is taking a stance on the issue. Let's hope some ripple effects are heard around the globe.



Our system

Despite the challenges ahead, the Australian super industry has much to be proud of. Our compulsory super system – with its large pool of national savings, its comprehensive regulatory framework and its sound approach to risk management – is widely acknowledged as one of world’s most successful national retirement savings schemes. But while our sector remains in a comparatively strong position we still have much to achieve if we are to maintain member confidence through these volatile times.

Thank you

2008 proved to be AIST’s most successful year to date. Record responses to our submissions, new research and discussion papers, innovative events and training courses and streamlined internal processes are all detailed throughout this report.

None of this would be possible without the support of many people. Let me take this opportunity to thank the many parts of the loyal AIST family who continue to support us – the AIST Board, particularly our Chair, Ian Robertson, and Deputy Chair, Angela Emslie, who provide me with encouragement, guidance and wisdom.

Thank you also to our committee members and particularly our committee chairs – David Coogan, Mavis Robertson and Sandy Grant. It has been terrific having Sandy on board. He brings with him a wealth of experience in the finance sector. He probably won’t like me saying this, but he has worked in financial services longer than I’ve been alive!

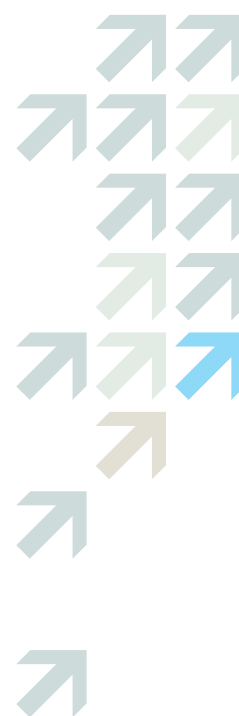
Thanks also to the staff at AIST. I work with a terrific group of people who are passionate about what they do and always strive to give their best.

As always, thank you to our growing membership.

Conclusion

AIST is not immune from the Global Financial Crisis. 2009 will be a difficult one for us as well, as super funds and fund managers tighten their belts and revenue – particularly sponsorship revenue – becomes more difficult to obtain.

We look forward to your continued support throughout what will be a difficult year for us all.





AIST Chair

Ian Robertson
(Local Government Superannuation Scheme, NSW)



AIST Deputy Chair

Angela Emslie
(Vision Super)



**Board members
From left to right**

Robyn Buckler (HOSTPLUS)
Helen Dyson (Coles Myer Superannuation Fund)



Sandy Grant
Cbus (resigned 14/08/08)
Ann Drohan
(HESTA)



Greg Nolan
(CARE Super)
Alix Sachinidis
(MTAA Super)



David Whiteley (AustralianSuper)
Kate Wood (AGEST)



2008 AIST Board committees

The board has the authority to establish committees to assist it in its work, but retains its overriding responsibility for any delegated activity. The AIST committees provide an opportunity for members both trustees and fund staff to work together to deliver AIST's mission and achieve its vision.

Each committee has a charter approved by the Board which, among other things, establishes its role. Members can access the Board charters from the AIST website. In 2008, AIST had the following committees:

Policy committee:

Sandy Grant (AIST)
 Fiona Reynolds (AIST)
 Christina Cifuentes (First State Superannuation Scheme)
 Nick Coates (Industry Super Network)
 Peter Collins (HOSTPLUS)
 Julie Lander (CARE)
 Bruce McBain (Corporate Super Association)
 Beth Mohle (HESTA)
 Wendy Phillips (Vision Super)
 Alix Sachinidis (MTAA)
 David Smelt (LOCAL Super – SA/NT)
 Andrew Whiley (IFS)
 Julie Roughley (AIST)
 Paul Vascotto (AIST)
 Andrew Barr (AIST)



Sandy Grant
Policy Committee Chair

Special projects committee:

Mavis Robertson (AIST)
 Robyn Buckler (HOSTPLUS)
 Peter Gebert (Cbus)
 Megan McAlpine (Cbus)
 John O'Flaherty (Super SA)
 Fiona Reynolds (AIST)
 Kate Wood (AGEST)
 Katiana Velcek (AIST)



Mavis Robertson
Special Projects Committee Chair

Finance committee:

David Coogan (Price WaterhouseCoopers)
 Ian Robertson (Local Government Superannuation Scheme, NSW)
 Fiona Reynolds (AIST)
 Stephen Miller (AIST)
 Maryann Mannix-White (AIST)



David Coogan
Finance Committee Chair



AIST Conference Committee (CMSF)

The board has established a CMSF Conference Committee comprised of members, industry partners and staff who contribute to the programming, organisation and presentation of the annual CMSF conference.



Fiona Reynolds
CMSF Conference Committee Chair

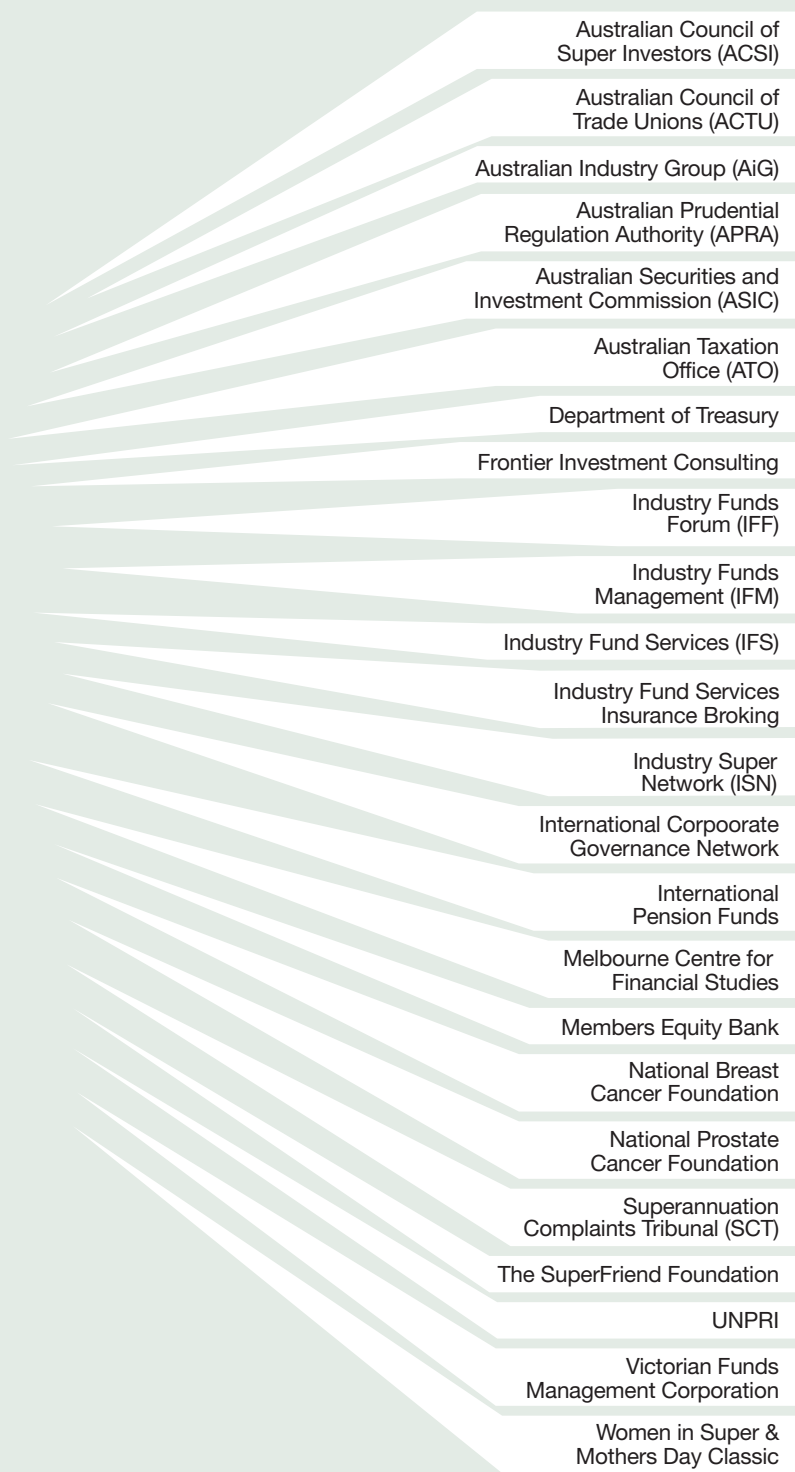


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|----------------------|---|
| Fiona Reynolds | CEO, AIST |
| Stephen Alcorn | Director, Institutional Business, BNY Mellon Asset Management |
| Mark Ashby | Client Relationship Manager (NSW), HESTA |
| Debi Bruce | Event Manager, AIST |
| Louise Davidson | ESG Investment Manager, Cbus |
| Andrew Dawson | Director FTVTalkingPoints |
| Michael Dwyer | CEO, First State Super |
| Chris Field | Head of Sales, State Street Australia |
| Rachel Gallagher | Learning & Professional Development Manager, AIST |
| John Hamer | Business Development Manager, Tyndall Investment Management |
| Greg Johnson | Regional Director, Dimensional |
| Ray King | Principal, Sovereign Investment Research |
| Maryann Mannix-White | General Manager, AIST |
| Erik Mather | Managing Director, Regnan |
| Peter Murphy | Director, Institutional Relationships, AllianceBernstein |
| Robert Nunez | Managing Director, IFS Insurance Broking |
| Katharine Seymour | Client Director, Barclays Global Investors |
| Meredith Squires | Research Officer, ACSI |
| Colin Tate | Executive Director, Connexus Financial |
| Peter Treseder | Executive Relationship Manager, AustralianSuper |
| Daphne van der Oord | Institutional Business, Man Investments Australia |
| Paul Watson | CEO, Military Super |
| Andrew Whiley | National Manager, Marketing & Distribution, Industry Fund Services |
| Nicole Williams | Event Coordinator, AIST |
| Dean Winterton | Head of Institutional Business, AMP Capital Investors |

AIST alliances

AIST works with many other organisations, both nationally and internationally, to support the growth of the superannuation industry and to contribute to the community. We work collaboratively with the following organisations on a wide variety of projects; including research, advocacy, governance, training, fundraising, conferences and events.

**Collectively,
these alliances enable
us to achieve greater
awareness of the importance
of a robust retirement income
system for all Australians**





Media and Communications

2008 was the year that superannuation moved from the back section of the newspaper to the front page as media scrutiny turned to our industry's performance in the wake of the global crisis.



Janet de Silva
Media Manager

AIST's engagement with the media increased dramatically in 2008 as journalists and the general public sought informed commentary on the impact of the global financial crisis on our superannuation system.

AIST's comment and opinion was sought on a diverse range of issues, not the least being the sharp fall in super fund returns during the year and its impact on member returns, particularly those in retirement or close to it.

During the year, we fielded enquiries from print, radio and television, conducting regular interviews for ABC news and current affair programs, the financial and industry press as well as mainstream news outlets.

The increased output from AIST's enhanced research and policy department – particularly its work on member engagement and climate change strategies – further increased AIST's national profile.

Our policy submissions to the newly-elected Rudd Government were similarly well covered while media attendance at our conferences and industry lunches also increased significantly.

AIST's ongoing call for a fairer and more efficient retirement savings, particularly

for women and low income earners, received special attention, with several major newspapers publishing feature stories on these important issues.

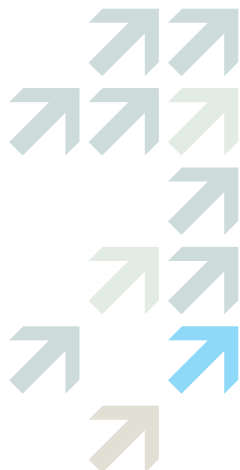
Proactive media work included supplying letters to the editor, regular columns to the industry press and opinion pieces to major newspapers.

Communicating to members

During the year, AIST launched The Advocate – a regular online newsletter aimed at keeping members informed of our research, compliance and policy work and other important superannuation developments. This newsletter has been well received. Similarly member feedback has been positive for our revamped bi-annual member newsletter, now known as SuperTalk.

Year ahead

With the increasing likelihood of superannuation funds reporting negative returns for the second year running, media attention and public scrutiny of super funds can be expected to grow next year. AIST will continue to engage with journalists and other commentators to ensure that the public is fully informed about key developments affecting our retirement incomes saving system and their superannuation investments.



Industry Partners In 2008



AIST wishes to thank our Industry Partners and sponsors for their welcome support during 2008:

| | |
|--|---|
| AAS | Lazard |
| ACSI | Mallesons Stephen Jacques |
| AIG Investments | Macquarie |
| AllianceBernstein | Members Equity Bank |
| AMP Capital Investors | Merrill Lynch |
| AUSfund | MetLife |
| AXA | Pillar Administration |
| Barclays Global Investors | Pinnacle Investment Management |
| BIAM | Plato |
| BNP Paribas Securities Services | Portfolio Partners |
| BNY Mellon Asset Management | PricewaterhouseCoopers |
| Bridgewater | QIC |
| BT Financial Group | Quay Partners |
| Challenger | Risk Metrics Group |
| Citistreet | Russell Investment Group |
| Colonial First State Global Asset Management | Superpartners |
| Coughlin Stoia Geller Rudman & Robbins | SuperRatings |
| Corporate Media Services | Turks Legal |
| Currency Communications | Tyndall |
| DB Advisors | Vanguard Investments |
| Deloitte | Staging Connections |
| Dimensional | State Government Victoria Australia |
| Fidelity | Watson Wyatt |
| Frontier Investment Consulting | Other organisations and individuals who have supported AIST throughout 2008 |
| Franklin Templeton | Our members |
| Goldman Sachs JBWere | AIST Board of Directors |
| Holding Redlich | AIST committees |
| Hyperion Asset Management | Cbus |
| IFM | HESTA |
| IFS Insurance Broking | FTV |
| Industry Fund Services | |
| Innovest | |
| Investment & Technology | |
| JPMorgan | |
| KPMG | |



Learning and Professional Development

AIST experienced record demand for its education and training courses in 2008 as trustees and senior staff sought a greater understanding of the key factors behind the global financial crisis and its ongoing impact on the superannuation sector.



Rachel Gallagher
Learning & Professional
Development Manager

AIST's Learning and Professional Development team experienced its most successful year to date, delivering more than 170 courses in every capital city of Australia to a total of 1660 participants. This was a significant increase on the 110 courses offered in 2007.

Our team of highly qualified and experienced trainers support superannuation funds to meet their obligations under the Fit and Proper guidelines of the APRA licensing regime and provides fund directors, employees and officers with professional and career development support.

New courses for trustee directors

In 2008 AIST launched the Certificate of Foundations in Trustee Governance – an education program for directors of superannuation funds. The course serves those who are new to world of superannuation as well as directors wanting to refresh and expand their knowledge, or address their Fit and Proper development requirements.

Full board participation is encouraged as the optimum method to evolve the collective learning of the Board.

A number of trustee boards have already completed the programme and their feedback has been excellent.

Twilight Seminars

During the year AIST delivered Trustee Twilight Seminars on a range of topics, including private equity, tax, communication, understanding macroeconomic data and building a relationship with APRA.

The seminars proved popular with time-poor trustee directors and other superannuation professionals needing access to high quality education.

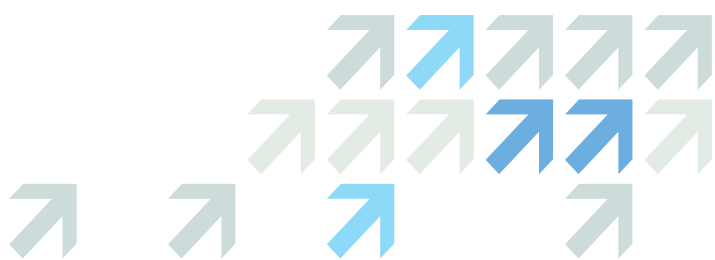
Trustee toolkit seminars

More than 30 Trustee toolkit sessions delivered throughout the year covered the global meltdown, risk management, legal issues, licensing requirements, member engagement and trustee board performance.

Ongoing professional development

AIST continues to meet the needs of members with our well attended RG146 (formerly known as PS 146) and RG146 refresher courses. Other popular courses during the year included AIST's Core Investment Principles





and Advanced Investment Principles courses; Assessing Total & Permanent Disablement (TPD) and Death Benefit Claims.

Compliance and professional development

AIST's well established AFSL Compliance & Professional Development Program continues to assist many funds with their ongoing AFSL obligations to ASIC.

Our program has been refined over the years to meet the ongoing needs of funds and staff and the ever-changing regulatory environment. Sessions include induction training and testing so that representatives understand their regulatory obligations; quarterly professional development sessions to help representatives remain RG146 compliant; and an annual audit to identify any training needs that may exist.

New courses

Recognising the growing importance of environmental, social and governance issues within the superannuation industry, AIST has launched an ESG training course in 2009. The course examines how superannuation funds take ESG factors into account when making investment decisions. We thank Colonial First State – in particular, Amanda McCluskey – for assistance in developing this important course.

Other new courses for 2009 include Super Wise – an introductory training program designed to equip newcomers to the industry with the right skills to get them started; and Personal Advice Induction Training which provides an explanation of regulatory obligations to representatives who give personal financial advice.





General Manager's Review

Operations, Finance and Marketing

AIST experienced significant changes and organisational growth during what turned out to be one of most challenging years for our industry since its inception.



Maryann Mannix – White
General Manager

The year began with AIST's relocation to new ground floor premises in 215 Spring Street along with ACSI, IFS Legal, Women in Super and the Mothers Day Classic. Importantly, the move has boosted staff morale and productivity by enabling AIST staff to be located within their working teams. The new office also provides us with access to a spacious dedicated training room that has been in constant use throughout the year.

2008 saw AIST establish an Operations Team comprising finance, data management, marketing, communications and design. This team's focus is to service all areas of AIST to meet our business objectives.

Information management

During the year, AIST's data team processed over 7000 registrations for conferences, luncheons, membership and learning and professional development.

Our customised IMIS database was significantly enhanced to align it more closely with our website and provide new features such as Outlook calendar reminders and online payments for both individual and multiple registrations.

The number of database contacts increased, reflecting the growth of super industry employees.

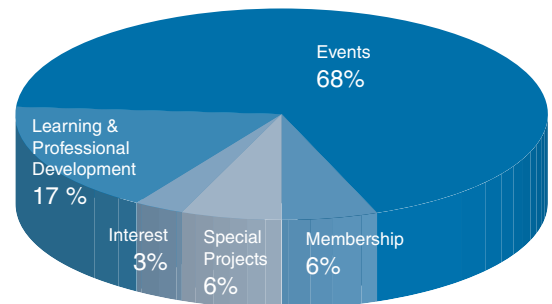
Upgrades will continue in 2009 to further streamline processing times and expand the online service delivery to members and other stakeholders.

Finance

AIST had a strong financial year, buoyed by increased attendance at events and training, membership growth, the

generous support from our Industry Partners and a tight reign on expenses.

2008 Revenue breakdown



Human resources

During 2008, AIST increased staff numbers to undertake pivotal work, in line with the key business objectives established by the Board and senior management. A new performance management system was developed which will be implemented in 2009. Staff training was a focus during the year, with the majority of staff becoming RG146 compliant.

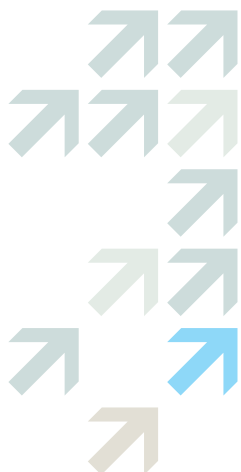
Marketing & communications

A key element of AIST's marketing and communications strategy is to establish AIST as a peak representative body for the superannuation sector as well as a major provider of trustee and superannuation professional education.

In keeping with CMSF 08 becoming carbon neutral, the majority of AIST's outbound communications are now electronic. In late 2008, the option of registering online for CMSF 09 was introduced. This has since been implemented for all AIST events and the response has been very positive.



David Coogan
Finance Committee Chair



Launch of Fund Staff Awards

AIST held its inaugural Awards for Excellence in Melbourne on Thursday 4 December. The night proved a great success with the Awards providing a unique opportunity to recognise the achievements of hard-working fund staff and their valuable contribution to our industry. Nominations were made by the CEO of each fund.

In late 2008, a review of AIST's marketing was undertaken. The outcome of this review will be implemented in 2009 to maximise the relevance of communication to members.

Looking into 2009

The focus for 2009 will be to deliver the most effective and relevant services to members and other stakeholders as the industry deals with the myriad of challenges ahead – some we already know, others, no doubt yet to emerge.





Policy and Research

The first full year of the Rudd Government brought with it new challenges for AIST's Policy and Research Department, which prepared an unprecedented number of policy submissions in consultation with its members.



Andrew Barr
Policy & Research Manager

A new Government and a time of historic developments in financial markets saw AIST significantly enhance its presence in the policy and research field during 2008.

AIST plays an active role in formulating superannuation policy in consultation with its members and representing their collective view on key industry issues to government, the financial sector and the wider community.

The board's policy committee and our policy and research team work closely together to support and improve the superannuation system and raise awareness of the need for better retirement outcomes.

The appointment of Julie Roughley, as compliance officer in February, and Paul Vascotto as policy analyst in July boosted AIST's capacity to respond to the anticipated increase in developments at the Government and industry level, and to tackle both in-house and AIST-commissioned research projects.

One of the first policies the Rudd Government released for consultation was First Home Saver Accounts. AIST supported the election announcement, but raised a number of concerns regarding the policy proposal, to which the Government responded positively. AIST also supported the Government's National Rental Affordability Scheme through its submission.

AIST's strong advocacy for better super for women was the focus for our submission to the Productivity Commission Inquiry into Paid Maternity, Paternity and Parental leave, and to the Standing Committee on Employment and Workplace Relations in regard to superannuation for women. It was pleasing that the Commission included a superannuation component into its recommendation for a Government funded paid parental leave scheme.

AIST was strongly critical of the Government's position in our submission regarding proposed changes to the treatment of temporary residents' superannuation. Again, we were pleased to see that the Government was conscious of industry concerns, and closely followed the thrust of AIST's recommendations.

AIST also had a very busy year on the research front, commencing with the release of our Superannuation Mind & Mood research by IPSOS Mackay. The results were presented as a thought-provoking plenary session at CMSF 2008 and formed the basis of an AIST member communication training course held later in the year.

Meanwhile, our first internal research report on the Government's Co-contribution Scheme provided valuable insight into the effectiveness of this scheme whilst also contributing to AIST's position on adequacy, which we will develop further in 2009.

In June, a joint insurance research project with Industry Funds Forum was presented at our SIS conference and similarly well received.

During the year, AIST was also very active in the climate change and emissions trading arena. In July, AIST and ACSI jointly responded to the Government's Green Paper on the proposed Carbon Reduction Pollution Scheme. In September at the ASI conference, we released our ground-breaking research conducted by Trucost Plc, on the carbon footprints of major Australian superannuation funds.

AIST also collaborated with ACSI on a submission to the Department of Climate Change regarding the design of the Carbon Pollution Reduction Scheme, and has partnered with the Climate Institute to conduct a survey of fund's awareness of, and preparedness for, climate change impacts on investment portfolios.



Sandy Grant
Policy Committee Chair

We have also co-convened a roundtable meeting with the Australian Conservation Foundation, discussing the promotion of sustainable infrastructure investments with industry representatives and representatives from Infrastructure Australia.

Responses to climate change can be seen as part of the issue of superannuation fund governance, and this is an area in which AIST is taking a leading role. A major focus of this work was AIST's Governance and Performance project, conducted by the Workplace Research Centre at the University of Sydney. To date, the project has delivered two papers: Governance and Performance in Superannuation Fund Management – An Issues and Research Design Paper and Fund Performance in the Australian Superannuation Industry. Dr Mike Rafferty will be presenting key findings of this research at CMSF 09.

During the year we also commenced a study examining the features of not-for-profit super fund trustee boards which drive a unique contribution to the Australian economy. The Trustee Survey – the results of which will be released at AIST's Fund Governance conference in May – will also identify avenues we can use to help boards and individual trustees further improve their stewardship of the nation's retirement savings.

While effective governance is a critical element in the success of our industry, advice and disclosure have rightly been set centre stage as a major issues detracting from the system's ability to provide better outcomes for fund members. We have lodged submissions supporting the Government's proposals for simple advice to super fund members, and for a universal superannuation forecast. Linked to these proposals to achieve more efficient member engagement with their superannuation benefits are upcoming

proposals to add administrative efficiencies and cut costs.

AIST has also begun to integrate its research findings and policy positions more closely into its learning and professional development activities. In October we held two series of workshops for trustees: one building on the findings of the aforementioned Mind and Mood research; and the second in conjunction with ACSI, on fund governance. These workshops were very well received by participants.

AIST's work in compliance has also increased. We have re-published the AIST trustee handbook, under the new title 'AIST Trustee Guide', which is available online to AIST members through our website. We have also commenced a series of compliance roundtable meetings, at which compliance managers from our member funds discuss issues of concern, and have the opportunity to feed into our policy and advocacy activities.

Similarly on the policy front, we have commenced a series of background papers aimed at providing trustees with a concise background to topical issues in the media and policy generally.

Adequacy of retirement incomes is a major focus of AIST and we have

been formulating a policy to extend contributions and enhance adequacy. We have made a submission to the Henry Tax Review, in which our proposals for enhanced contributions to superannuation are put forward, and have collaborated with Industry Super Network to undertake extensive and thorough modelling of our proposals, and to make further representations to Government on this basis.

There is no doubt the continuing global financial crisis has been the issue dominating trustees and super professionals' minds over recent months. Many funds are reporting increased levels of switching by their members, and APRA and other regulators have focused on the operational implications of this increased activity. We foresee a debate within the industry, among regulators and in the wider community about how funds manage risk, and how members make decisions about risk. To ensure this debate is intelligently informed, and that our members' views are properly represented, we will shortly commence a major project to investigate member switching activity over the recent years, and to analyse the impact of the worsening financial crisis over the last 12 months.



AIST organises and presents conferences and seminar luncheons to build on industry knowledge by securing expert speakers to address current, relevant topics, and to encourage debate and the sharing of ideas within the industry.



Debi Bruce
Events Manager



Conferences

A total of 1,920 people attended the four major conferences organised by AIST during 2008 and their feedback was extremely positive.

The annual **Conference of Major Superannuation Funds (CMSF)**

– held at the Brisbane Convention and Exhibition Centre in March attracted more than 1200 participants. With the theme ‘Super – Shaping the Nation for the Future’, this premier industry event drew an impressive line-up of speakers, including the newly-elected Minister for Superannuation and Corporate Law, Senator Nick Sherry.

CMSF 08 also marked the release of AIST’s commissioned research into consumer attitudes about super and key findings from in-house research into the effectiveness of the Government’s Co-contribution scheme.

The trade exhibition was a huge success with 10 new companies joining the exhibit. Superpartners won the “People’s Choice Award” and the passport competition with a trip for two to the Sheraton Mirage Resort, Port Douglas which included a 3 day accommodation and pamper package was won by Tony Woolgar, trustee director, AustralianSuper.

As part of AIST’s ongoing response to the global climate change challenge, CMSF commenced a new project to reduce and offset its carbon footprint. New initiatives included a low-energy shuttle bus to transfer delegates between their hotels and the conference venue and a reduction of electricity and gas consumption at the venue.

These and other carbon-friendly initiatives (sponsored by IFM) were popular with participants, spurring on our plans to further reduce the carbon footprint for CMSF 2009 and subsequent conferences.

CMSF 08 survey results showed the conference was rated highly by more than 95 per cent of participants. Feedback was very positive for the conference program and the social functions that were generously supported by our sponsors.

Fund governance conference

In recognition of the increasing emphasis on governance in the superannuation sector, AIST launched a new fund governance conference in May.

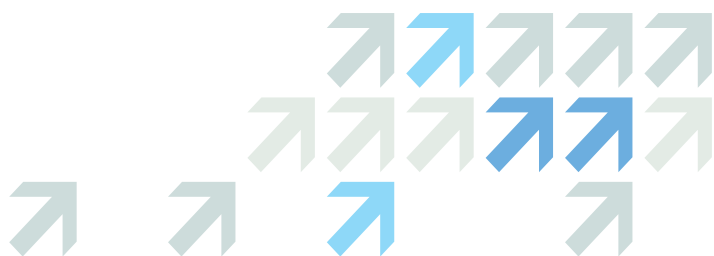
A joint initiative between AIST and the Melbourne Centre for Financial Studies, the **Superannuation Fund Governance Conference** attracted 178 delegates to the Sofitel Melbourne where participants heard from industry regulators, academic researchers and world leaders in fund governance. The conference dinner, held at the Sofitel with special guest speaker The Hon. Justice Neville Owen was followed the next day by an invitation-only academic research workshop.

Insurance symposium

Building on the success of AIST’s inaugural Superannuation Insurance Symposium (SIS) in 2007, the second SIS event was held in June at the RACV Club in Melbourne. Highlights included the release of joint AIST and Industry Funds Forum research that examined consumer attitudes to insurance and the level of coverage among members of not-for-profit funds. SIS will again be held in Melbourne this year, in October.

Australian Super Investment conference With the theme “Investing: the heat is on”, **The Australian Super Investment conference (ASI08)** was held in September at the Sheraton Mirage Resort, Port Douglas, and attracted over 350 participants.

Session topics included the economic outlook in the light of the sub-prime crisis, the geopolitical landscape and



investment challenges in infrastructure. Sessions on climate change included the release of AIST's commissioned research into the carbon footprint of 14 of Australia's largest superannuation funds.

The plenary sessions and selected specialist sessions are available on AIST TV via our website www.aist.asn.au

Trustee of the Year Award

Each year at CMSF, AIST publicly acknowledges the commitment and dedication of trustee directors through the Trustee of the Year Award. This year, the Award was presented to Beth Mohle, trustee director, HESTA, who won a scholarship to attend AIST's bi-annual Global Dialogue.

Luncheon seminars

During 2008, 1837 people attended AIST lunches (including our popular Superheroes luncheons) in Melbourne, Sydney, Perth, Adelaide and Brisbane. Topics discussed and debated included fund governance; member communication in the light of negative returns; demographic changes affecting superannuation and Rudd Government policy initiatives.

We would like to thank all our industry partners and speakers for their contribution to a successful 2008 and the members of our conference committees for CMSF and ASI for the hard work and success for our conference programs. Particular thanks to Ian Robertson for hosting our luncheon series and conferences, as AIST Chairperson.

The AIST Events Team also managed the logistics for the annual Australian Council of Super Investors (ACSI) conference which was held in June 2008 at the Sofitel Melbourne. We are also managing the logistics for the International Corporate Governance Network conference which is being held in Sydney from July 13 –15, 2009 at the Hilton Hotel.

Supporting others

AIST continues to support the National Breast Cancer Foundation and the Prostate Cancer Foundation of Australia through our major conference in March each year. In 2008 we raised \$65,000 to be shared between the two organisations by hosting a Golf tournament prior to the CMSF08 conference, a raffle and silent auction at the Gala Dinner. Special thanks to Peter Gebert from Cbus and Helena Higginbottom from HESTA for all their hard work and dedication to raising awareness and funds for these two organisations.

This year we had our second fundraising event for SuperFriend, an organisation aimed at tackling the growing problem of suicide in Australia. We held a charity golf event prior to the ASI conference in Port Douglas and raised over \$6,500 for SuperFriend. Thanks once again to Peter Gebert

from Cbus and to Lee Miller from the AIST Events Team for their hardwork on all our fundraising activities.

We are also involved in Women in Super and a gold sponsor of the Mothers Day Classic which also raises funds for, and promotes awareness of, breast cancer research.

A new fundraising initiative

In 2008 we established a "Communities of Interest" committee, which includes fund staff, service providers and AIST staff, including Lee Miller, events coordinator. This group meets once a month to expand and further enhance our awareness and abilities to raise funds for charities. The committee is currently working on a communication strategy. This will focus on assisting our members, raising awareness of the charities we support, and new ways of raising funds.





Special Projects

AIST Special Projects are designed to provide the representative superannuation industry with innovative programs that have valuable and sustainable outcomes.



Katiana Velcek
Special Projects Manager

The Super Cadet program

The highly respected Super Cadet program was established in 2004 to contribute to future planning for the industry by identifying suitable young graduates and talented employees working in the industry to fast track their development as potential staff and trustee board members.

In 2008 AIST inducted 20 new participants, placing them with 16 participating employers, including industry and public sector funds and a number of related industry bodies situated in Brisbane, Canberra, Melbourne and Sydney.

The cadets attended a variety of workshops, seminars and conferences throughout the year to aid their development and knowledge.

The 2008 intake brings the total number of cadets completing their year long program to 67, most of whom have found ongoing employment in the superannuation industry.

Consideration is currently being given to developing two cadet streams in the future – one for recent graduates and one for existing fund staff.

The second Global Dialogue

AIST's second Global Dialogue was held in California – San Francisco and Sacramento from 24 June – 2 July. The theme of "Global Cooperation for Sustainability, Governance and Long Term Returns" was addressed by 116 registrants, including speakers and guests from the United States of America, Canada, Britain and Australia.

Participants heard from experts on key issues shaping the financial future of the industry and contributed many ideas on global cooperation.

A paper was prepared and distributed to all participants and is available to

interested AIST members. It sets out an agenda for practical cooperation efforts.

Considerable effort is required to develop the program and logistics for any Global Dialogue.

In 2008 Fiona Reynolds and Mavis Robertson worked with Michael Perri and Michael Picker of Lincoln Consulting. We are also indebted to many US pension funds, especially Californian funds with whom our cooperative work continues.

Thanks also to the high rate of the Australia Dollar in June–July, the Global Dialogue made a contribution to AIST's funds.

Consideration is now being given to another Global Dialogue in May 2010. The proposal, still in development stage, is for a focus on Asia with a proposed venue of Hong Kong.

Mother's Day Classic

In 2008 AIST extended its support for the MDC by entering – "Team AIST" in the events in Melbourne, Perth and Sydney. Red shirts were much in evidence.

AIST CEO, Fiona Reynolds, accepted the challenge to run 4kms and sought sponsorship dollars to support breast cancer research. Many industry participants responded to her request for sponsorship which resulted in \$1,735 being raised.

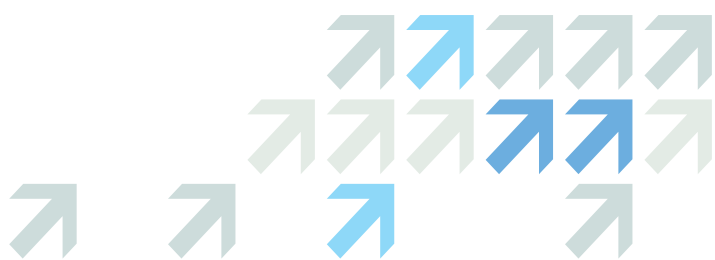
Team AIST will run again in 2009, so put Mother's Day, May 10, in your 2009 diary. It is expected that many participants will dedicate their walk or run to Joy Palmer.

Joy was one of AIST's long standing members. She lost her battle with breast cancer in November, 2008.

Joy was at various times a trustee of CSS/PSS (now ARIA) and AGEST.



Mavis Robertson
Special Projects Committee
Chair



At the time of her passing she was chair of Statewide (SA). She always attended CMSF and was for many years a member of its steering committee.

She was a foundation member of Women in Super and an active supporter of the Mother's Day Classic.

Joy attended one of our Study Tours and participated in the first Global Dialogue.

We will all miss her.

International Projects

AIST is a member of the International Corporate Governance Network (ICGN). In 2009 AIST and ACSI will jointly host the ICGN Annual Conference to be held

in Sydney (July 13–15). The Australian location for this prestigious event will give many more trustees and staff the opportunity to attend and hear the discussions and debates led by a wide range of international speakers.

Fund signatories of the UNPRI should also note that the annual meeting of UNPRI will follow ICGN in Sydney on July 16 and 17.

We would like to take this opportunity to thank all the sponsors of our special events, our Australian industry partners and our overseas partners in the Global Dialogue and our speakers and chairs.





Membership Services

AIST is a membership based organisation for directors, fund staff and officers of Australia's \$450 billion 'not-for-profit' superannuation sector which includes industry, public-sector and corporate funds.



Meredith Wall
Membership Services
Manager



Growth in membership

Despite ongoing consolidation and merger activity throughout the superannuation industry, AIST membership grew by 13 per cent during 2008.

Five AIST registered funds merged during the year: Print Super and JUST Super merged to become Media Super, and TISS, Pulp and Paper Workers' Superannuation Funds and FIRST Super merged to become First Super.

AIST educational scholarships

AIST's educational scholarships were again sponsored by Tyndall / Suncorp Investment Management in 2008. A total of 29 eligible applications were received for the two categories of scholarships.

The recipient of the trustee director scholarship was Tony Coleman (IAG & NRMA Superannuation Fund) while Talieh Williams (UniSuper) and Peter Gebert (Cbus) were the joint recipients of the fund staff category.

CMSF booth

The AIST stand at our CMSF conference attracted a heavy flow of traffic and enquiries about our services. It's a wonderful opportunity to talk to our members and we will continue to ensure future booths a popular meeting place.

Footy tipping competition

AIST initiated a footy tipping competition for 2008. We hope that AIST members will participate again in 2009 for a bigger

and better prize pool culminating in a "footy tipping lunch" in September.

Member Newsletter

During the year, AIST's member newsletter was revamped to make it more interesting to members and given the new title of SuperTalk. The twice-yearly publication serves as an update on AIST's activities and provides news and profiles of member funds and their staff.

Member luncheons

A stellar line up of speakers saw member luncheons and other AIST functions attract solid crowds in 2008. The Minister for Superannuation and Corporate Law Nick Sherry addressed AIST members in Brisbane, Adelaide and Perth, providing them with an update and overview of the Government's superannuation agenda. In Sydney, Minister Sherry and AMP's chief economist, Dr Shane Oliver, were guest speakers at our inaugural post-Budget breakfast held in May.

Other highlights during the year included an entertaining presentation by KPMG demographer, Bernard Salt, in Melbourne and a panel discussion on the role of the rating agencies, held in several capital cities.

Don Ezra, Russell Investment Group's Director of Investment Strategy, spoke at a joint AIST/ASFA lunch while Paul Howes, National Secretary of the Australian Workers' Union, was guest speaker at a joint AIST/Industry Super Network luncheon in Sydney.

2008 Award winners

AIST's inaugural Awards for Excellence held in December proved to be a fitting end to a challenging year for our industry.

Set to be an annual event, the individual and team awards recognized the commitment and dedication of fund staff.

Award winners were as follows:

Super Business Development Professional Award:

Alison Dixon, HESTA

Super Compliance Professional Award:

Richard Grant, AUSfund/IFS

Super Investment Professional Award:

Mark Sainsbury, First State Super

Super Marketing Professional Award:

Umberto Mecchi, HOSTPLUS

Super Operations/Administration Award:

Sharon Parr, Seafarers' Retirement Funds

Super Team Award:

Cbus

Bronze Communication Award:

(joint winners) HESTA and Care Superpartners

Silver Communication Award:

ESSSuper

Gold Communication Award:

(joint winners) Super SA and HOSTPLUS

Platinum Communication Award:

(joint winners) Industry Super Funds Joint Marketing Campaign and First State Super














AIST Staff

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| | | |
|--|---|---|
| |  | <p>CEO Fiona Reynolds</p> |
| |  | <p>GM Maryann Mannix-White</p> |
| |  | <p>Office Manager Vanessa Greatorex</p> |
| |  | <p>Events Debi Bruce Annmaree Lourey Lee Miller Elisabeth Pohl (NSW) Nicole Williams</p> |
| |  | <p>Policy and Research Andrew Barr Rhonda Ison Paul Vascotto</p> |
| |  | <p>Media and Communication Janet de Silva</p> |
| |  | <p>Learning and Professional Development Rachel Gallagher James Daffey Nick Duffy Jen Leeson John Lynch (NSW) Julie Roughley Peter Tagg (NSW) Richard Webb</p> |
| |  | <p>Membership Services Meredith Wall Helene Matthews Ben Weaven</p> |
| |  | <p>Special Projects Katiana Velcek</p> |
| | | <p>Finance and Operations: David Campbell Alissa Harnath Mark Johnstone Stephen Miller Shae Reynolds Alisha Sheerans Brian Sprague</p> |