



LGSP

WA LOCAL SUPER

Retirement Solutions

Product Disclosure Statement for:

- › Retirement Solutions – Income Stream
- › Retirement Solutions – Transitional Income Stream

Issued 1 January 2012, Version 4.0



western **financial**

Issuer and Trustee

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About this Product Disclosure Statement



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This Product Disclosure Statement (PDS) was issued on 1 January 2012 by WALGSP as the Trustee of the WA Local Government Superannuation Plan (the Fund) (ABN 18 159 499 614). It's designed to give you information about the Fund's retirement products so you can:

- decide whether the Fund is right for you; and
- compare the Fund with other super funds.

If you'd like to join, just complete the Application Form in the back of this PDS. By law, we can only receive applications from within Australia.

If anything changes

All the information in this PDS is believed to be correct as at 1 January 2012. If we need to update you about something important, we'll send you a Supplementary Product Disclosure Statement (SPDS). Any changes that don't adversely affect your investment will be included in Scoop on Super (our member newsletter), eScoop on Super (our online newsletter) or our Annual Report.

A paper copy of any updated information is available on request and at no charge.

Wealth warning

As with most things in life, there's no guarantee with investments. The value of your investment with the Fund can rise and fall. And, if you leave the Fund within a few years of joining, you might get back less than you first put in because of fluctuations in investment returns and the deduction of applicable fees, taxes and insurance premiums.

Important Information

Neither the Trustee, its service providers or their associates guarantees the performance of the Fund, the repayment of capital or any particular rate of return.

The information contained in this PDS is general advice only and doesn't take into account your individual objectives, financial situation or needs. Before making a decision to invest in the Fund, you should read this PDS from cover to cover and work out whether the options and features are right for your personal financial circumstances. If in doubt, you should always talk to a financial adviser.

While we've gone out of our way to make sure the contents of this PDS are accurate, no representation, warranty or undertaking is made in relation to its accuracy or the currency of this information. In addition, no liability, whether in negligence or otherwise, will be accepted for any error or inaccuracy. Accordingly, the Trustee reserves the right to make any appropriate amendments.

As a Public Offer super fund – that means we're open to the public- we are required to hold a \$5 million dollar bank guarantee. You can get more info about this guarantee by contacting the Trustee.

Itching to know more?

If you'd like to know more about our products and services, our friendly Member Services Team is always on hand.

Call us: (08) 9480 3500 or 1300 99 85 42 (country WA)

Fax us: (08) 9480 3501

Email us: admin@walgsp.com.au

Jump online: www.walgsp.com.au

About our retirement products



The Fund has two Account Based Income Stream retirement products:

- Retirement Solutions – Income Stream
- Retirement Solutions – Transitional Income Stream

Both products give you lots of choice in terms of your investment and both work in much the same way. But, we've explained the minor differences in this section.

How do I join Retirement Solutions – Income Stream?

To join Retirement Solutions – Income Stream, you must meet one of the following criteria:

- you retire due to total and permanent disablement or permanent incapacity; or
- you leave employment on or after age 60; or
- you retire permanently from the workforce upon reaching your Preservation Age (see below); or
- you reach age 65 (whether continuing to work or not).

Before joining, please read this PDS, then complete the Application Form in the back.

How do I join Retirement Solutions – Transitional Income Stream?

If you'd like to continue working full time or reduce to part time and access your super at the same time, you might want to join Retirement Solutions – Transitional Income Stream. The only condition for joining is that you must have reached your Preservation Age (see below).

Preservation Age

Your Preservation Age is the age at which your preserved money can be paid to you in cash and depends on when you were born, as highlighted in the following table:

Date of Birth	Preservation Age
After 30 June 1964	60
1 July 1963 to 30 June 1964	59
1 July 1962 to 30 June 1963	58
1 July 1961 to 30 June 1962	57
1 July 1960 to 30 June 1961	56
Before 1 July 1960	55

Cooling-off period

If you apply for either product, you're entitled to a 14 day cooling-off period, during which time you can cancel your membership or transfer to another fund without penalty.

The cooling-off period starts either when you receive confirmation of your membership or at the end of the fifth day after your investment is accepted by us, whichever is earlier.

To cancel your membership, just write and let us know. Your original investment will be refunded with adjustments for any increases or decreases in the value of the investments and applicable tax. You can choose to have your money refunded:

- as a lump sum (may not be applicable for Transitional Income Streams);
- transferred back into any super account you still have with the Fund;
- transferred into another Retirement Solutions product; or
- transferred to another fund altogether.

What's an Account Based Income Stream?

Account Based Income Streams are products bought with your super money to give you a regular income in retirement. A lot of people use these products, as they can be a tax-effective, flexible way of managing your retirement money. Here's what we mean:

- you get to choose how much – subject to minimum limits – and how often you receive your income payments;
- you can withdraw some or all of your account balance at any time;
- you won't pay any lump sum tax while your money's invested or tax on any investment earnings;
- once you turn 60, your income payments and any withdrawals are entirely tax-free;
- if you're between 55 and 59, you will be eligible for a tax offset on your income payments (see page 21 for more about this);
- if you die, your income stream can be paid to your dependants (subject to some limitations);
- there are no fees when you transfer from our Super Solutions products.

Transition to Retirement

If you're 55 or over, you can access your super without having to retire or leave your job. This is called Transition to Retirement and allows you to continue building up your super (from paid employment), while drawing down on it at the same time.

To take advantage of the Transition to Retirement rules, you must convert all or some of your super into an income stream product - such as our Retirement Solutions - Transitional Income Stream. Withdrawals are subject to age based minimums (see page 4) and a maximum of 10% of your account balance at 1 July each year. Once converted, you can only take your money as a lump sum, or exceed the 10% withdrawal limit if one of the following applies. You:

- turn 65;
- retire permanently on or after your Preservation Age (see page 2);
- leave employment on or after age 60;
- die or become totally and permanently disabled.
- are diagnosed with a 'terminal medical condition'
- are required to pay a Contributions Surcharge or superannuation related tax liability.

How your account works

Both retirement products work on an accumulation basis. This means your account balance at any time is based on your original amount less any regular income payments, withdrawals and fees plus or minus any investment earnings.

You can invest in up to 11 investment options at any one time (see pages 9 to 14).

Your income stream will only last for as long as you have money in your account and this depends on a few different things:

- the amount of your initial investment;
- the return on your chosen investment option(s);
- the amount of your regular income payments;
- whether you make any lump sum withdrawals; and
- the deduction of applicable fees and taxes.

When will my account cease?

Your Retirement Solutions account will cease if you die or your account balance is zero.

Risks

As with all investments, there can be risks with using an Account Based Income Stream, such as:

- these products may not provide you with an adequate income stream that meets all your needs, or an income stream that lasts for the rest of your life;
- your investment in the Fund is not guaranteed and the value of your investment may rise and/or fall;
- if the investment strategy you choose isn't right for you, you may not achieve your desired investment objectives; and
- the laws affecting super and tax can change at any time.

Can I contribute additional amounts or rollovers?

Once your income stream has started, you can't make any additional contributions or roll in any money into your account. If you want to contribute extra amounts, we'll have to start a new income stream account for you.

However, you can top up your super account before you start your income stream with both super and non-super money.

About our retirement products (cont.)

How do you work out my income payments?

The Government sets a minimum amount which we must pay you at least annually. This minimum amount is based on your age and a percentage of your account balance at 1 July each year, as follows:

Minimum Annual Income Payments*		
Age	% of Account Balance 2011/12	% of Account Balance 2012/13 onwards
Under 65	3	4
65 - 74	3.75	5
75 - 79	4.5	6
80 - 84	5.25	7
85 - 89	6.75	9
90 - 94	8.25	11
95 or more	10.5	14

*These limits are set by the Federal Government and are subject to change. You should check the Government's treasury website for more information at www.treasury.gov.au.

If you've joined Retirement Solutions – Transitional Income Stream, your annual limit is up to 10% of your account balance as valued at 1 July each year.

How do I nominate my income payment level?

With your annual statement, we'll send you out a Change in Income Payment Form and let you know your annual minimum limit (or maximum limit for transitional members).

You can choose to receive the minimum limit each year or nominate a greater amount by completing the Form. Your income payments will remain at the annual minimum amount, unless you advise us otherwise.

You can change the amount of your regular payments at any time, as long as your total annual amount is greater than the Government's annual minimum limits. Members in Retirement Solutions – Transitional Income Stream can only increase their regular payments up to 10% of their account balance as valued at 1 July of that financial year.

If your total payments are outside Government limits, we will automatically reduce or increase your payments so that they fall within the prescribed limits.

Remember, investment returns and any withdrawals can affect your annual minimum amount.

How do I receive my income payments?

We'll automatically pay your income payments into your nominated bank account, building society or credit union on the 15th of every month. Just let us know your account details on the Application Form.

Making withdrawals

If you need extra cash, you can make partial withdrawals of at least \$5,000 or complete withdrawals at any time by completing a Request for Benefit Withdrawal Form.

If you're 60 or over, all withdrawals are tax-free. However, anyone under 60 will be taxed at the rates on page 21.

Partial withdrawals can only be made if:

- the amount left in your account after the withdrawal is sufficient to pay this minimum income amount.

The pro rated minimum payment is your annual minimum payment multiplied by the proportion of days in the financial year from 1 July to the time you make your withdrawal.

If a partial withdrawal takes your account balance to zero, your account will be closed.

All withdrawals are usually processed within ten working days from the date we receive your completed form. Once processed, we'll confirm the amount withdrawn and payee information and send you out a Superannuation Lump Sum Payment Summary.

Any applicable fees and taxes will be applied on top of your withdrawal amount. Each withdrawal is subject to a Withdrawal Fee of \$75.00.

Investment Info



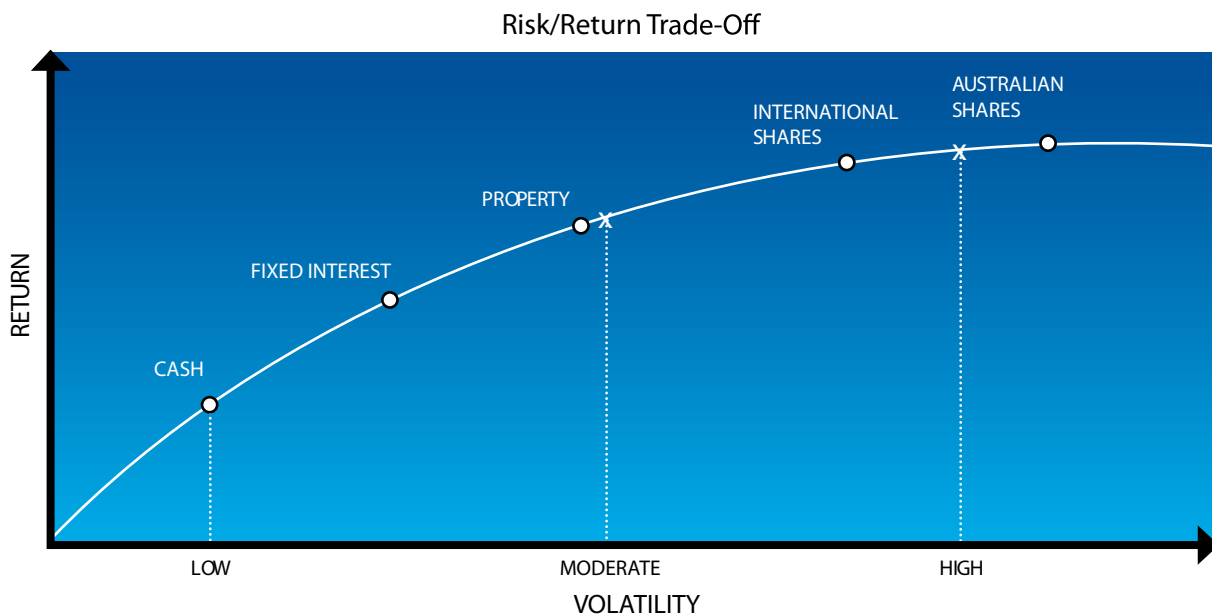
You'll get loads of investment choice when you join the Fund – 11 investment options in fact! We've given you a bit of choice, so you can really match your investment strategy with your risk profile (more about this later).

Before you jump in, please take some time to read this section. It gives you some info about investing and the things you should look out for. There's also some legal information we have to put in, but we've tried to keep it in plain English.

Risk and return

Whenever you invest, there's a trade-off between risk and return. Risk can generally be defined as the chance of losing money on your investment. But there are other types of risk you need to know about and we've highlighted these on the next page. Return is the amount of money you get back from your investment. Generally, the higher the risk, the higher your return.

Each of the Fund's investment options has a different risk / return trade-off, depending on how much of a certain asset class they're invested in. This graph shows you what we mean:



So you can see that Australian and international shares offer more chance of higher returns, but they're also the riskiest of the asset classes. While you might not stand to lose as much if you're invested in cash or fixed interest, you're also not likely to make as much money as if you were invested in shares or property.

But remember that, how an asset class performed in the past doesn't mean it's going to perform the same way in the future. Its returns might be higher or they might be lower. The above graph illustrates how these asset classes have tended to perform in the past.

About our retirement products (cont.)

Types of risk

There are different types of risk that can affect your investment at any time. These include:

- the risk that inflation may be higher than the return on your investment;
- market risk (eg economic, technological, political and legal factors);
- currency exchange risk (ie if the investment invests overseas); and
- the risk that an individual investment may fall in value;
- interest rate risk - changes in interest rates can have a positive or negative impact on investment returns, for example income returns on fixed interest security can become less or more favourable.
- liquidity risk - the risk of being unable to convert an investment into cash with little or no loss of capital and minimum delay.
- security specific risk - the risk that an individual company or asset falls, for example through bankruptcy, causes the value of the investment to fall sharply.
- volatility risk - is the risk of instability of a particular investment
- negative returns risk - the risk that options have negative returns and that you do not receive the repayment of capital or have a reduction in the amount invested.
- other risks include:
 - changes to superannuation - the risk that your benefit is affected or access to your benefit is affected by changes to the law
 - changes to Taxation - the risk that taxation of superannuation occurs, which may affect the value of your investment

Individual investments can fall in value for different reasons:

- if the investment holds shares in Australian and/or overseas companies, these shares can be affected by the performance of the company, market conditions (eg inflation and interest rates), political factors and fluctuating currency exchange rates;
- diversified fixed interest investments can be affected by interest rates and other risks such as the risk of default on the repayment of a loan or the depreciation of capital;
- property investments can be impacted by general economic factors, such as inflation, levels of employment, tenant quality and the location and quality of the property; and
- private equity (unlisted assets) are subject to risk by virtue of their limited operating history, any leveraging or hedging and any key person risks.

Asset classes

There are two main asset classes and each of them can go up or down. The Fund's investment options invest in these asset classes in different amounts. Here's a quick explanation of each of them:

Growth Assets

These assets are higher-risk investments with the potential for higher returns over time. They generally achieve capital growth through generating increased profits or asset value. The high level of risk can generally be reduced by a longer investment timeframe.

Investments that are typically regarded as growth assets are shares, property and private equity.

Defensive Assets

These assets are lower-risk with the likelihood of lower returns over time. A high proportion of its returns come from income such as interest earned from the money invested.

Investments that are typically regarded as defensive assets are fixed interest and cash.



Diversification

Investing across different asset classes at the same time is called diversification. Our professional fund managers diversify all the time, as a way of managing risk.

By investing in more than one asset class at one time, you can help to smooth out the overall return. For example, let's assume you invested 50% in Australian shares and 50% in fixed interest. If Australian shares performed really poorly, but your fixed interest investments performed well, you wouldn't have lost as much money as if you'd only invested in Australian shares.

Labour standards and environmental, social or ethical considerations

With the exception of the Sustainable Future investment option (see below), the Trustee doesn't account for labour standards or environmental, social or ethical factors when choosing investments or investment managers. However, the investment managers for the Sustainable Future option may do so.

Investing for the greener good

We've all become a lot more savvy about protecting our planet from harm's way. That's why Socially Responsible Investments (SRI) have become so popular.

The Fund's SRI investment option – the Sustainable Future option – differs from our other sector-specific options, as it invests in companies that consider labour standards and environmental, social and ethical issues in how they grow and sustain their business.

This option invests in two share funds – one managed by AMP Capital Investors and the other managed by BT Financial Group. Both AMP and BT actively look for companies on the Australian Stock Exchange that meet certain sustainability and socially responsible criteria. While both investment managers use different assessment procedures when choosing these companies, their investment strategies are complementary. Here's a bit more info on each of these funds.

AMP Capital Sustainable Share Fund

This fund invests in shares and securities that provide solutions to social and environmental challenges (eg healthcare, renewable energy, mass transport, education and water and waste management), as well as those that exhibit high levels of corporate social responsibility (eg finance, property and retail). The Fund may also invest in financial products, such as managed funds and securities, within the AMP Capital Investors' product range.

Wealth warning

Remember that how an asset class performed in the past doesn't mean it's going to perform the same way in the future. Its returns might be higher or they might be lower. And, as with any investment, you could actually get back less than you originally started with because of fluctuations in investment returns and the deduction of applicable fees and taxes.

BT Wholesale Ethical Share Fund

This fund actively seeks to invest in Australian companies that demonstrate superior environmental and social practices, whilst offering sustainable products and services. Investments may include those companies already listed on the Australian Stock Exchange and in Initial Public Offerings. A company's products and services will be considered "sustainable" if it can operate successfully over the long term using socially responsible procedures that also create value for and acceptance by its shareholders.

How to access information about the labour standards, environmental, social or ethical considerations.

Information about the investment selection criteria for the AMP Capital Sustainable Share Fund is included in the product disclosure statement titled AMP Capital Sustainable Share Fund. A copy is available online at www.walgsp.com.au/PDS. A paper copy of this document is available at no charge.

Information about the investment selection criteria for the BT Wholesale Ethical Share Fund is included in the product disclosure statement titled BT Wholesale Ethical Share Fund. A copy of this document is available online at www.walgsp.com.au/PDS. A paper copy of this document is available at no charge.

Your investment options



A choice of 11 options

There's nothing like having a bit of choice with your investment options. That way you can really match your investment strategy to your risk profile. All the options, their investment objectives, strategies and performance are listed on pages 9 to 14.

You can invest in up to 11 investment options at any one time.

How do I tell you my choice?

Simply indicate the percentage split you'd like for your contributions on the Application Form. The percentages must be whole numbers (ie no decimals) and the total must add up to 100%. If your split doesn't total 100%, we can't process your application.

What happens if I don't choose?

No problem. You don't have to make a choice. If you don't choose, we'll invest your contributions into the Diversified Moderate option. This is called the default option. If you'd like to make a selection later on, just call us for a Change in Investment Options Form or download one from our website.

Can I change my option?

You sure can. Just fill in a Change in Investment Options Form and send it in to us. Your first two switches each financial year are free. Any switches after that will cost \$50.00 per switch.

All switches are effective either from a date nominated by you or five days from our receipt of your duly completed form, whichever is later.

Asset liquidity

Under the Corporations Act, a trust is illiquid if it has less than 80% liquid assets (cash and marketable securities).

Illiquid Assets are Assets which cannot be readily converted to cash. The potential for capital loss may be increased for an illiquid asset because it might not be possible to quickly sell the asset at a price reflecting what the seller believes to be its value. Direct property is an example of an illiquid asset.

Liquid Assets are Assets that can be readily converted into cash, for example short term bank bills.

The ability to rollout or switch within 30 days may not always be possible if an asset is illiquid.

How are earnings allocated to my account?

Earnings on your chosen investment option(s) are calculated daily and allocated monthly, from the date we have received all the required information.

As earnings are declared, earnings are either added to or taken out of your account, after the deduction of fees and taxes.

If you switch investment options, partially withdraw money or leave the Fund, any earnings from the date that declared earnings were last applied to the date of the transaction, may be calculated using an interim rate.

Diversified Portfolios

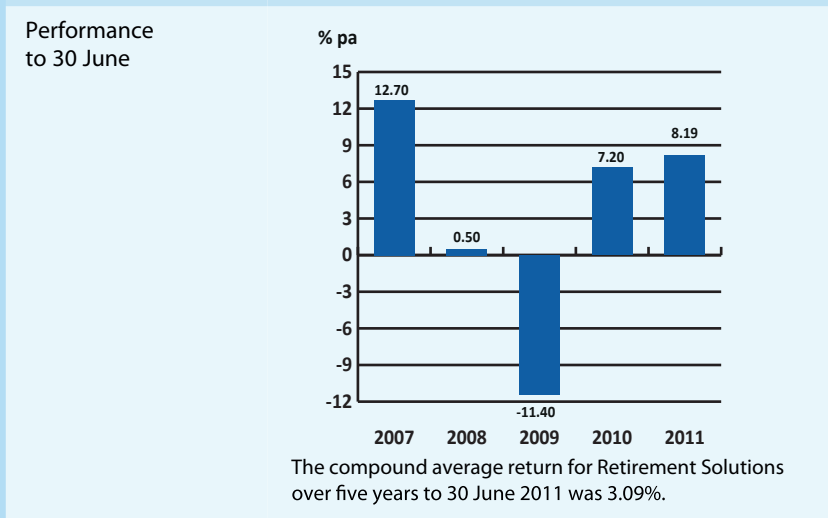
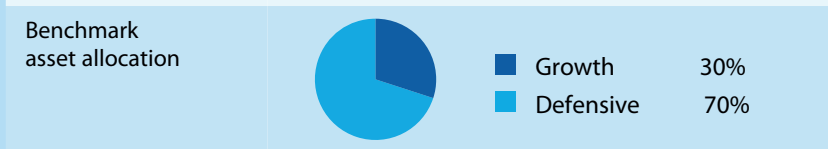
Portfolio	Diversified High Growth	Diversified Moderate																																										
Level of risk and return	<ul style="list-style-type: none"> Moderately high with a negative return expected to occur once every 5 years. 	<ul style="list-style-type: none"> Moderate with a negative return expected to occur once every 12 years. 																																										
Minimum investment timeframe	<ul style="list-style-type: none"> Four to six years 	<ul style="list-style-type: none"> Three to five years 																																										
Who might this investment suit?	<ul style="list-style-type: none"> Anyone seeking a highly growth-oriented, aggressive, diversified portfolio and who is comfortable with a high level of volatility in returns. 	<ul style="list-style-type: none"> Members who are seeking a diversified portfolio, which invests predominately in growth assets and who are comfortable with a medium level of volatility in returns. 																																										
Objectives	<ul style="list-style-type: none"> To achieve a return that at least equals the performance of the top 25% of peer group funds, as measured by a recognised performance survey, over rolling three to five year periods. To achieve a positive return over each 12 month period, while recognising the possibility that a negative return may occur once approximately every five years. To achieve a return after tax and Investment Management Fees that exceed CPI (ie inflation) by approximately 4% pa over rolling periods of five years or more. 	<ul style="list-style-type: none"> To provide moderate growth whilst minimising the risk of a negative return in any one year. To achieve a return that at least equals the performance of the top 25% of peer group funds, as measured by a recognised performance survey, over rolling three to five year periods. To achieve a positive return over each 12 month period, while recognising the possibility that a negative return may occur once approximately every twelve years. To achieve a return after tax and Investment Management Fees that exceed CPI (ie inflation) by approximately 3% pa over rolling periods of five years or more. 																																										
Strategy	<ul style="list-style-type: none"> To achieve results consistent with the investment objectives, this option will invest predominantly in shares and property / infrastructure, with the remainder in debt and alternative strategies, with an emphasis on the growth sector. 	<ul style="list-style-type: none"> To achieve results consistent with the investment objectives, this option will be diversified across the main investment sectors of shares and property / infrastructure, debt, alternative yield, fixed interest securities and cash. 																																										
Asset allocation as at 30 June	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>43.2</td> <td>39.1</td> </tr> <tr> <td>International Shares</td> <td>32.0</td> <td>31.4</td> </tr> <tr> <td>Property/Infrastructure</td> <td>18.6</td> <td>22.2</td> </tr> <tr> <td>Bonds and Yield</td> <td>2.5</td> <td>2.4</td> </tr> <tr> <td>Alternative Strategies</td> <td>3.7</td> <td>4.9</td> </tr> <tr> <td>Cash</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table>	Sector	2010	2011	Australian Shares	43.2	39.1	International Shares	32.0	31.4	Property/Infrastructure	18.6	22.2	Bonds and Yield	2.5	2.4	Alternative Strategies	3.7	4.9	Cash	0.0	0.0	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>38.0</td> <td>32.8</td> </tr> <tr> <td>International Shares</td> <td>24.4</td> <td>21.2</td> </tr> <tr> <td>Property/Infrastructure</td> <td>25.0</td> <td>24.0</td> </tr> <tr> <td>Bonds and Yield</td> <td>5.0</td> <td>10.9</td> </tr> <tr> <td>Alternative Strategies</td> <td>7.4</td> <td>6.3</td> </tr> <tr> <td>Cash</td> <td>0.2</td> <td>4.8</td> </tr> </tbody> </table>	Sector	2010	2011	Australian Shares	38.0	32.8	International Shares	24.4	21.2	Property/Infrastructure	25.0	24.0	Bonds and Yield	5.0	10.9	Alternative Strategies	7.4	6.3	Cash	0.2	4.8
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Benchmark asset allocation	<p>■ Growth 85% ■ Defensive 15%</p>	<p>■ Growth 60% ■ Defensive 40%</p>																																										
Performance to 30 June	<p>2007: 20.00 2008: -9.10 2009: -21.30 2010: 11.86 2011: 12.75</p> <p>The compound average return for Retirement Solutions over five years to 30 June 2011 was 1.61%.</p>	<p>2007: 18.10 2008: -4.60 2009: -19.20 2010: 9.64 2011: 11.39</p> <p>The compound average return for Retirement Solutions over five years to 30 June 2011 was 2.12%.</p>																																										



How an investment option performs in the past doesn't mean it will perform the same in the future. Its returns may be higher or lower. You might also get back less than the amount you originally invested, due to fluctuations in investment returns and the deduction of applicable fees, taxes and insurance premiums.

Portfolio	Diversified Conservative
Level of risk and return	<ul style="list-style-type: none"> Low with a negative return expected to occur once every 20 years.
Minimum investment timeframe	<ul style="list-style-type: none"> Two to four years.
Who might this investment suit?	<ul style="list-style-type: none"> Members who are seeking a conservative portfolio, which invests predominantly in defensive assets and who are comfortable with low volatility in returns and lower long term earnings.
Objectives	<ul style="list-style-type: none"> To provide moderate growth whilst preserving capital and avoiding the risk of a negative return in any one year. To achieve a return that at least equals the performance of the top 25% of peer group funds, as measured by a recognised performance survey, over rolling three to five year periods. To achieve a positive return over each 12 month period, while recognising the possibility that a negative return may occur once approximately every 20 years. To achieve a return after tax and Investment Management Fees that exceeds CPI (ie inflation) by approximately 2% pa over rolling periods of five years or more.
Strategy	<ul style="list-style-type: none"> To achieve results consistent with the investment objectives, this option will invest predominantly in alternative yield, fixed interest securities and cash, with the remainder in shares and property/infrastructure.

Asset allocation as at 30 June	Sector	2010	2011
	Australian Shares	13.7	14.2
	International Shares	8.4	9.1
	Property/Infrastructure	16.5	14.7
	Bonds and Yield	7.9	10.7
	Alternative Strategies	7.2	6.4
	Cash	46.3	44.9



How your investment choice works

We offer you a range of investment options. When you make a choice, the Trustee does not actually require an interest on your behalf in the investment option. As a member you are notionally invested in the investment option.

As part of the Trustee's investment strategy it would have pre-determined the amount it will invest with any particular investment manager. Consequently, the Trustee has pre-existing contractual relationships with its underlying investment managers. The Trustee selects managers and invests money with them via direct investment mandates or pooled trusts.

Accordingly, the investment managers provide financial services to the Trustee. Members do not have a contractual relationship with the investment managers.

As a member of the Fund you receive the notional net investment earnings allocated to your member account. This is made up of a combined earning rate of all the underlying investment manager(s) of your selected investment option less any applicable fees and taxes.

For example, the Trustee might have invested \$10 million in Global Listed and Private Equities. A member then exercises investment choice, and directs the Trustee to invest \$10,000 of their account balance in that investment option. The Trustee does not invest a further \$10,000 (on top of the \$10 million already invested) but notionally allocates the net investment earnings received from that investment option to the member's account on the basis the member had notionally invested \$10,000 in that investment option.

Sector-Specific Portfolios

Portfolio	Australian Listed and Private Equities	Global Listed and Private Equities																								
Level of risk and return	<ul style="list-style-type: none"> High with the possibility of a negative return expected to occur once in every 3 to 5 years. 	<ul style="list-style-type: none"> High with the possibility of a negative return expected to occur once in every 3 to 5 years. 																								
Minimum investment timeframe	<ul style="list-style-type: none"> Five to eight years. 	<ul style="list-style-type: none"> Five to eight years. 																								
Who might this investment suit?	<ul style="list-style-type: none"> Members who wish to invest in a diverse range of Australian Companies, including both listed and unlisted. 	<ul style="list-style-type: none"> Members who wish to invest in a diverse range of listed and unlisted companies throughout the world. 																								
Objectives	<ul style="list-style-type: none"> To exceed the overall return of the S&P/ASX 300 Accumulation Index over rolling five to seven year periods. 	<ul style="list-style-type: none"> To exceed the overall return of international share markets over rolling five to seven year periods, where the index for return will comprise 50% of the MSCI World (ex Australia) Index \$A Unhedged and 50% of the MSCI World (ex Australia) Index Local Currency Hedged. 																								
Strategy	<ul style="list-style-type: none"> To achieve results consistent with the investment objective, by investing predominately in companies listed on the Australian Stock Exchange, with a proportion in unlisted companies. To provide long term growth, while minimising risk, this option will invest across different investment managers using varying investment styles. 	<ul style="list-style-type: none"> To achieve results consistent with the investment objectives, by investing predominately in companies listed on the major international stock exchanges, with a proportion in unlisted companies. To provide long term growth, while minimising risk, this option will invest across different investment managers using varying investment styles. 																								
Asset allocation as at 30 June	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Listed</td> <td>75.0</td> <td>78.7</td> </tr> <tr> <td>Unlisted</td> <td>25.0</td> <td>21.3</td> </tr> </tbody> </table>	Sector	2010	2011	Listed	75.0	78.7	Unlisted	25.0	21.3	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Listed</td> <td>75.0</td> <td>78.7</td> </tr> <tr> <td>Unlisted</td> <td>25.0</td> <td>21.3</td> </tr> </tbody> </table>	Sector	2010	2011	Listed	75.0	78.7	Unlisted	25.0	21.3						
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How an investment option performs in the past doesn't mean it will perform the same in the future. Its returns may be higher or lower. You might also get back less than the amount you originally invested, due to fluctuations in investment returns and the deduction of applicable fees, taxes and insurance premiums.

Portfolio	Australian Listed Equities	Global Listed Equities																				
Level of risk and return	<ul style="list-style-type: none"> High with the possibility of a negative return expected to occur once in every 3 to 5 years. 	<ul style="list-style-type: none"> High with the possibility of a negative return expected to occur once in every 3 to 5 years. 																				
Minimum investment timeframe	<ul style="list-style-type: none"> Four to six years. 	<ul style="list-style-type: none"> Four to six years. 																				
Who might this investment suit?	<ul style="list-style-type: none"> Members who wish to invest in a diverse range of Listed Australian companies. 	<ul style="list-style-type: none"> Members who wish to invest in a diverse range of listed companies throughout the world. 																				
Objectives	<ul style="list-style-type: none"> To at least match the overall return of the S&P/ASX 300 Accumulation Index over rolling three to five year periods. 	<ul style="list-style-type: none"> To at least match the overall return of international share markets over rolling three to five year periods, where the index for return will comprise of the MSCI World (ex Australia) Index \$A Unhedged. 																				
Strategy	<ul style="list-style-type: none"> To achieve results consistent with the investment objective, by investing in companies listed on the Australian Stock Exchange. To provide long term growth, while minimising risk, this option will invest mainly in index style approaches but may also invest across different investment managers using varying investment styles. 	<ul style="list-style-type: none"> To achieve results consistent with the investment objectives, by investing in companies listed on the major international stock exchanges. To provide long term growth, while minimising risk, this option will invest mainly in index style approaches but may also invest across different investment managers using varying investment styles. 																				
Asset allocation as at 30 June	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table>	Sector	2010	2011	Australian Shares	100.0	100.0	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>International Shares</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table>	Sector	2010	2011	International Shares	100.0	100.0								
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Sector-Specific Portfolios

Portfolio	Sustainable Future	Property and Infrastructure																								
Level of risk and return	<ul style="list-style-type: none"> High with the possibility of a negative return expected to occur once in every 3 to 5 years. 	<ul style="list-style-type: none"> Moderate with the possibility of a negative return expected to occur once in every 10 to 15 years. 																								
Minimum investment timeframe	<ul style="list-style-type: none"> Four to six years. 	<ul style="list-style-type: none"> Four to six years. 																								
Who might this investment suit?	<ul style="list-style-type: none"> Members who wish to invest in Australian companies that operate within socially responsible criteria. 	<ul style="list-style-type: none"> Members who wish to invest in a diversified mix of Australian and international property and infrastructure. 																								
Objectives	<ul style="list-style-type: none"> To exceed the overall return of the S&P/ASX 300 Accumulation Index over rolling three to five year periods. 	<ul style="list-style-type: none"> To exceed the overall return of the benchmark index over rolling three to five year periods, where the benchmark index comprises 30% of the S&P/ASX 300 Property Accumulation Index (Listed Property) and 70% of the Mercer Direct Property Index. 																								
Strategy	<ul style="list-style-type: none"> To achieve results consistent with the investment objective, by investing in Australian shares that consider labour standards and social, environmental and ethical criteria, as well as financial return potential. Investments will focus predominantly on shares and securities listed on the Australian Stock Exchange. 	<ul style="list-style-type: none"> To achieve results consistent with the investment objectives, by investing in property securities (listed on the Australian Stock Exchange), unlisted property and infrastructure assets (through specialist managed funds) and direct property. 																								
Asset allocation as at 30 June	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table>	Sector	2010	2011	Australian Shares	100.0	100.0	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Listed Property</td> <td>2.0</td> <td>24.0</td> </tr> <tr> <td>Unlisted Property</td> <td>49.0</td> <td>33.6</td> </tr> <tr> <td>Infrastructure</td> <td>49.0</td> <td>42.4</td> </tr> </tbody> </table>	Sector	2010	2011	Listed Property	2.0	24.0	Unlisted Property	49.0	33.6	Infrastructure	49.0	42.4						
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How an investment option performs in the past doesn't mean it will perform the same in the future. Its returns may be higher or lower. You might also get back less than the amount you originally invested, due to fluctuations in investment returns and the deduction of applicable fees, taxes and insurance premiums.

Portfolio	Bonds and Yield	Cash
Level of risk and return	<ul style="list-style-type: none"> Low with the possibility of a negative return expected to occur once in every 15 to 20 years. 	<ul style="list-style-type: none"> Very low with no possibility of a negative return expected in any given year.
Minimum investment timeframe	<ul style="list-style-type: none"> One to three years. 	<ul style="list-style-type: none"> Up to two years.
Who might this investment suit?	<ul style="list-style-type: none"> Members who want a lower risk investment that provides potentially higher returns than those offered by cash investments. Members who want to invest in a diversified mix of Australian and international fixed interest securities. 	<ul style="list-style-type: none"> Members wishing to preserve their capital and who are not comfortable with any level of volatility. This option also suits those members wanting to access their capital in the short term.
Objectives	<ul style="list-style-type: none"> To exceed the overall return of the index over rolling three to five year periods, where the index for returns will comprise 60% of the UBS Warburg Australian Composite (All Maturities) Index and 40% of the Barclays Capital Global Aggregate Index (Hedged). 	<ul style="list-style-type: none"> To preserve capital at all times, whilst providing a high degree of liquidity. To exceed market return on cash over all time periods.
Strategy	<ul style="list-style-type: none"> To achieve results consistent with the investment objective, by investing in a range of fixed interest securities including government and semi-government bonds and corporate bonds. To minimise risk, this option will invest across different investment managers using varying investment styles. 	<ul style="list-style-type: none"> To achieve results consistent with the investment objectives, by investing predominantly in cash and liquid assets such as bank bills, short dated government bonds, bank deposits and cash pooled funds.

Asset allocation as at 30 June	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Fixed Interest</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table>	Sector	2010	2011	Fixed Interest	100.0	100.0	<table border="1"> <thead> <tr> <th>Sector</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table>	Sector	2010	2011	Cash	100.0	100.0
Sector	2010	2011												
Fixed Interest	100.0	100.0												
Sector	2010	2011												
Cash	100.0	100.0												

Benchmark asset allocation		
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Performance to 30 June	<p>The compound average return for Retirement Solutions over five years to 30 June 2011 was 5.23%.</p>	<p>The compound average return for Retirement Solutions over five years to 30 June 2011 was 5.75%.</p>
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Fees and costs



Consumer Advisory Warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (eg reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole.

Tax costs are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for particular investment options are set out on page 17.

Type of Fee or Cost	Amount	How and When Paid
Fees when your money moves in or out of the Fund		
Establishment Fee The fee to open your investment.	Nil	Not Applicable
Contribution Fee The fee on each amount contributed to your investment, either by you or your employer.	Nil	Not Applicable
Withdrawal Fee ¹ The fee on each amount you take out of your investment	\$75.00	Deducted from your account at the time of the withdrawal. This fee is in addition to the amount you withdraw.
Termination Fee The fee to close your investment.	\$75.00	Deducted from your account at the time you close your account.
Management costs		
Administration Fee The fees and costs for managing your investment.	0.20% pa (first \$500,000), 0.15% pa (next \$500,000) and 0% on the balance, subject to a minimum of \$250 pa. Plus	Deducted from your account each month before earnings are allocated.
Investment Management Fee The amount you pay for specific investment options is shown on page 17.	Between 0.0% and 1.54% pa depending on your chosen investment option(s).	Deducted from earnings on a monthly basis before earnings are allocated to your account.
Service fees ²		
Investment Switching Fee The fee for changing investment options.	Nil for the first two switches in each financial year and \$50.00 per switch thereafter.	Deducted from your account at the time the switch is effective.

¹ Only applicable for commutations not regular scheduled income payments. ² For more information, please refer to the "Additional explanation of fees and costs" section.

Additional explanation of fees and costs

Benefit Quotation Fee

This is the fee payable if you request the dollar value of your account. Your first two requests in each financial year are free. Each quote thereafter will cost \$20.00. This fee is deducted from your account at the time the quote is provided.

You can check out your account balance at any time, free of charge, by logging onto the Member Log In section of our website (www.walgsp.com.au).

Family Law fees

If applicable, these fees cover the cost for the administration of family law matters.

The fees are as follows:

Fee	How and When Paid
\$110 for enquiries and the supply of information.	Paid by the enquirer at the time of the enquiry.
\$165 for splitting, flagging or unflagging a benefit.	Deducted at the time the split or flag is made or lifted and is paid in equal parts by both parties.

Special Request Fee

This fee covers miscellaneous requests and services provided by the Fund such as transfers of overseas super money, production of requested information, correspondence, couriers, legal and advisory services and Government charges. We'll let you know what the fee is when you call, as it can vary depending on your query.

Common Fund Fees

Certain administration and Investment Management Fees are deducted from the investment earnings of each investment option before they are allocated to members' accounts. Although you don't pay for these Common Fund Fees directly, they may affect the actual rate of return credited to your account. These fees are included in the Investment Management Fees.

External Advisor Servicing Fee or Administration Fee

WALGSP engages qualified financial advisors who are available to provide advice to members at no extra direct cost to members. WALGSP Advisors are salaried employees of WA Local Financial Services Pty Ltd and do not receive commissions or bonuses. The cost of this service is part of the management costs listed in the table on page 15.

If you prefer to use your own Advisor you may negotiate a fee direct with your advisor and have that fee deducted from your account balance. If you agree to an Advisor Servicing Fee or any other external administration fee, an equivalent amount plus 10% GST is paid to your financial planner as commission and is in addition to the other fees paid to us. The Advisor Servicing Fee or external administration fee must only be for services provided by your financial planner in respect of your WALGSP Super Solutions plan, and must not be used to pay for any other products or financial planning advice targeted at broader non-super savings and investment opportunities.

The Advisor Servicing Fee or external administration fee is between you and your advisor. The fee you agree to can be in the following form:

- a One-Off Advisor Servicing Fee, and/or
- an Ongoing Advisor Servicing Fee or external administration fee, which can be paid as either:
 - a fixed dollar amount deducted monthly, or
 - a percentage of your account balance deducted monthly, based on your account balance at the end of the month.

To let us know what that fee is, how frequently it is to be paid and to whom, you must complete the form titled "Application to have External Advisor or Administration Fee Deducted" and submit it to us after your account has been established.

Management costs

Retirement Solutions has two types of management costs - an Administration Fee and an Investment Management Fee.

Investment Management Fees

These fees include costs charged by professional fund managers including Performance Based Fees, other external service providers (eg asset consultants, lawyers), Trustee expenses and Government charges and levies which would not be incurred if you invested directly in an asset. Investment Management Fees are deducted from earnings on a monthly basis before earnings are allocated to your account. The following points are used in determining management costs:

- The Indirect Cost Ratio (ICR) for each investment option is calculated by weighting the fee for the various asset classes within that option.
- Estimates of ICR are based on estimates of management costs for each asset class.
- The investment option you choose will determine the management cost incurred.
- The investment return allocated to your account is net of any tax and investment costs.

Investment option	Investment Management Fee ³ % pa
Diversified High Growth	1.54
Diversified Moderate	1.36
Diversified Conservative	0.74
Australian Listed and Private Equities	1.53
Global Listed and Private Equities	1.46
Australian Listed Equities	nil
Global Listed Equities	nil
Sustainable Future	0.87
Property and Infrastructure	1.28
Bonds and Yield	0.66
Cash	0.20

³ These Investment Management Fees are based on the Fund's actual asset allocation as at June 2011 and are intended to be indicative only. Future actual Investment Management Fees will vary depending on the managers used and the performance of the market.

Each investment option has more than one investment manager who may charge different fees. This means that the actual amount deducted from any earnings on a particular option can vary.

Performance Based Fees

A number of the Fund's professional fund managers within the investment options are paid performance based fees, if the manager exceeds an agreed performance target. If applicable, the fee is generally based on a percentage of earnings above an agreed benchmark.

For the period ending 30 June 2011, the performance fees paid total approximately \$1.75m. Based on the 2010/11 year the performance fee applicable for each investment option is estimated as follows:

Investment option	Performance Based Fee % pa
Diversified High Growth	0.14
Diversified Moderate	0.18
Diversified Conservative	0.13
Australian Listed and Private Equities	0.30
Global Listed and Private Equities	0.11
Australian Listed Equities	nil
Global Listed Equities	nil
Sustainable Future	nil
Property and Infrastructure	0.02
Bonds and Yield	0.21
Cash	nil

These fees have been included in the overall Management Costs specified in the adjacent table.

Transactional and operational costs

Transactional and operational costs include brokerage, settlement expenses, stamp duty, risk analysis and legal due diligence. These costs arise when investments are bought and sold and can vary each year between nil and 0.30%, depending on how many and how often assets are bought and sold. All costs are absorbed at the time the asset is bought or sold as part of the total cost of the asset. These expenses are an amount that can be paid to either the product issuer or an external investment manager or both. Transactional and operational costs are passed on as an additional cost to members.

Tax costs

All fees are inclusive of GST less any Input Tax Credits, if applicable. Please refer to pages 20 to 21 for information about applicable tax on your investment.

Tax deduction

The Fund passes on any tax deductions to you in the form of reduced fees or costs. A tax deduction is not passed onto members by way of higher returns on investments.

Notification of fee changes

We really don't like increasing our fees. But if we have to, we'll let you know 30 days before we do.

Examples of annual fees and costs

This table gives an example of how the fees and costs in the Fund's Diversified Moderate option can affect your investment over a one year period. You should use this table to compare this product with other income stream products.

Example – the Diversified Moderate Investment Option		Balance of \$50,000
Management costs	0.20% + 1.36%**	For a balance of \$50,000 in the Fund you will be charged \$250 in Administration Fees (subject to the \$250 minimum) plus \$680 in Investment Management Fees each year.
EQUALS Cost of Fund		<p>If your balance was \$50,000, then for that year you will be charged a fee of:</p> <p style="text-align: right;">\$930*</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser***.</p>

**Based on the costs charged by professional fund managers as at 30 June 2011 and subject to change should these costs alter.

***The wording in this table is prescribed by law and fund fees are not negotiable. You may negotiate a fee with an external advisor if you choose to use one. As Administration Fees are charged on a sliding scale, based on your account balance, the amount you are charged each year will be based on the appropriate scale. Please refer to the next example for how much you could expect to pay in fees for a higher account balance.

*Additional fees may apply:

Establishment Fee - Nil

If you make partial withdrawals, you may be charged a Withdrawal Fee of \$75.00. If you leave the Fund early, you may be charged a Termination Fee of \$75.00.

Example – the Diversified Moderate Investment Option		Balance of \$150,000
Management costs	0.20% + 1.36%**	For a balance of \$150,000 you will be charged \$300 in Administration Fees plus \$2,040 in Investment Management Fees each year.
EQUALS Cost of Fund		<p>If your balance was \$150,000, then for that year you will be charged a fee of:</p> <p style="text-align: right;">\$2,340*</p> <p>What it costs you will depend on the investment option you choose.</p>

**Based on the costs charged by professional fund managers as at 30 June 2011 and subject to change should these costs alter.

*Additional fees may apply.

If you make partial withdrawals, you may be charged a Withdrawal Fee of \$75.00. If you leave the Fund early, you may be charged a Termination Fee of \$75.00.

Who gets my money if I die?



You can nominate a discretionary or reversionary beneficiary to receive your money upon your death. Whether you nominate a discretionary or a reversionary beneficiary is personal and will depend upon your own situation.

However, the person(s) you nominate must be a dependant or in the case of a lump sum being paid, your estate. Your dependants include any of the following:

- your spouse (including legal, ex-nuptial and de facto);
- your children (including step, ex-nuptial and adopted);
- any person who was financially dependent on you at the time of your death; and
- any person who was in an interdependency relationship (see below) with you at the time of your death.

An "interdependency relationship" exists where two people:

- have a close personal relationship and live together; and
- one or both of them provides the other with financial support, domestic support and personal care.

An interdependency relationship also exists if two people have a close personal relationship and the other requirements are not met because one or both suffer from a physical, intellectual or psychiatric disability.

Discretionary beneficiaries

Discretionary beneficiaries can receive your money either as a lump sum and/or an income stream (in limited circumstances).

While your nomination is not binding (ie the Trustee is not required to pay your money to your nominated beneficiaries), the Trustee will consider your wishes when determining to whom to pay your balance.

If your nominated beneficiary is no longer a dependant at the time of your death or you haven't nominated a discretionary beneficiary, the Trustee will use its discretion in its payment determinations.

To nominate discretionary beneficiaries, please complete the relevant section on the Application Form. To revise your nomination at a later date, please complete a Retirement Solutions Change in Details Form. You can check your nominated beneficiaries in your Annual Statements and online in the secure Member Log In area.

Reversionary beneficiaries

If accepted by the Trustee, your nominated reversionary beneficiary will automatically receive your money as an income stream if you die. However, there are limitations on who can receive your money as an income stream. Eligible reversionary beneficiaries are any of your dependants excluding:

- children aged 25 at the date of your death (unless they have a disability);
- children between 18 and 24 who are not financially dependent on you or do not have a disability;
- the Legal Personal Representative of your estate.

If your reversionary beneficiary is a child under 18 at the date of your death, they can only receive your money as an income stream until they turn 25, at which time they must convert the remaining money into a tax-free lump sum, unless they have a disability.

When you nominate a reversionary beneficiary, you should also note the following:

- you can only choose one person as your reversionary beneficiary.
- if you want to change your reversionary beneficiary, you first need to cancel your existing income stream and complete an application for a new income stream.

To nominate a reversionary beneficiary, please complete the relevant section on the appropriate Application Form. You can check your nominated beneficiaries in your Annual Statements and online in the secure Member Log In area.

Please note: a person is not entitled to receive a reversionary pension unless they are nominated by you. A discretionary beneficiary is not entitled to a reversionary pension, unless you specifically nominate that person both as a discretionary and reversionary beneficiary.

Tax facts



Tax is generally deducted on your regular income payments and lump sum payments, but this depends on whether you're under or over 60. Just like with your super, your money can be made up of both a tax-free and a taxable component (see below).

Tax on regular income payments

If you're 60 or over, all your regular income payments are tax-free.

If you're under 60, your income payments will be subject to Pay As You Go (PAYG) tax, which is your Marginal Tax Rate plus the 1.5% Medicare Levy.

If you're between 55 and 59 years or you're being paid a pension due to death or disability, you'll receive a 15% tax offset on your income payments.

The other good news is that if your money consists of any tax-free components at the time you open your account, you won't pay any tax on these amounts.

What's the taxable component?

The taxable component is the amount of your super remaining after the tax-free component has been deducted.

What's the tax-free component?

The tax-free component consists of two parts – contributions and crystallised.

The contributions part generally includes personal contributions made from 1 July 2007 for which a member hasn't claimed an income tax deduction.

The crystallised part includes the following components:

- Concessional
- Post 30 June 1994 Invalidation
- Undeducted contributions
- Capital Gains Tax (CGT) Exempt
- Pre 1 July 1983

The value of the crystallised part is calculated by assuming that each of these components was paid out before 1 July 2007. In other words, the value of each component is frozen as at 30 June 2007.

If you had an income stream with us before 1 July 2007, the tax-free component is calculated differently from 1 July 2007 as follows:

Criteria	Tax-free component consists of
If you're under 60, the income stream has not been wholly or partially commuted and the income stream is not paid as a death benefit.	The deductible amount of the income stream for the 2006/07 financial year, as a proportion of each income payment made in any income year.
If you're 60 or over the income stream has been wholly or partially commuted or the income stream is being paid as a death benefit.	The unused Undeducted Purchase Price as at 30 June 2007 plus any crystallised Pre 1 July 1983 component

Flood levy

The Federal Government's Temporary Flood and Cyclone Reconstruction Levy will impact on certain withdrawal amounts up until 30 June 2012. The Flood Levy will apply to individual taxpayers (who have not been affected by natural disasters) who have a taxable income over \$50,000 as follows:

Taxable Income	Flood levy on this income
\$50,001 to \$100,000	Half a cent for each \$1 over \$50,000
Over \$100,000	\$250 plus 1c for each \$1 over \$100,000

and will apply to the following superannuation benefits:

- Superannuation lump sums:
 - Member benefit - taxable component - taxed element (member aged less than 60 years);
 - Member benefit - taxable component - untaxed element
 - Death benefit lump sum benefit paid to non - dependants - taxable component - taxed and untaxed element;
 - Rollover super benefits - taxable component - taxed element and;
- Superannuation income streams:
 - Member age 60 or above (untaxed element only);
 - Member aged at preservation age but under 60; and
 - Member under preservation age.

Do we have your Tax File Number?

Providing your Tax File Number (TFN) is optional, but it could save you a lot of money. If we don't have your TFN and you're under 60, any withdrawals you make will be taxed at the highest Marginal Tax Rate plus the 1.5% Medicare Levy. If you decide to provide us with your TFN, we'll only use it for lawful purposes such as tracking down other super for you, calculating any tax payable on contributions or payments, reporting to the Tax Office, providing it to another super fund or Retirement Savings Account provider if you've rolled your super out. These purposes may change in the future.

Tax facts (cont.)

The tax-free amount of your income payments is calculated when you start your income stream and is based on:

- your account balance at the start date of your pension; and
- the amount of any tax-free component your account balance consisted of when you started your pension.

The formula we use to work this out is as follows:

$$\text{Tax-Free Amount} = \frac{\text{Income Payment} \times \text{Tax-Free Component on Commencement}}{\text{Account Balance on Commencement}}$$

On the basis of the above information, a constant proportion of the taxable and tax-free components that make up your benefit are paid as part of each income stream payment. However, this will only be relevant if you're under 60 and for payments made to beneficiaries (who are not dependants for tax purposes) after your death, as such benefits will be taxed.

Tax on investment earnings

All investment earnings are tax-free.

Senior Australian Tax Offset (SATO)

The SATO is a tax offset that allows you to earn up to a certain amount tax-free. It applies to anyone reaching Age Pension¹ age or the pension age for receiving a Veterans' Affairs Service Pension². For more information, call the Tax Office on 13 10 20 or visit their website at www.ato.gov.au

¹ 65 years and over for males, 63.5 years and over for females.

² 60 years and over for male veterans or war widowers, 58.5 years and over for female veterans or war widows.

Tax on Terminally ill payments

Terminally ill persons who suffer from a 'terminal medical condition' are able to receive lump-sum super payments tax free.

Tax on lump sum payments or withdrawals

The amount of tax you pay on lump sum withdrawals or payments depends on whether you're under or over 60.

If you're 60 or over, you won't pay any tax. If you're under 60, your benefit consists of two components – a tax-free and a taxable component. As the name suggests, you won't pay any tax on the tax-free part, but there are different tax levels for the taxable component. This table details the rates:

Age	Amount of tax payable
60 and over	Nil
55 to 59	Tax-free up to \$165,000 and up to 16.5% on any excess amount
Under 55	Up to 21.5%

All the above tax rates include the 1.5% Medicare Levy and are as at September 2011. The Low Rate Cap is indexed to average weekly ordinary time earnings (AWOTE) and rounded down to the nearest multiple of \$5,000.

Tax on death benefits paid as a reversionary pension or income stream

A death benefit can only be paid as an income stream to a person classed as a dependant.

If both the member at death and the reversionary pensioner are under 60, the income stream will be taxed at the reversionary pensioner's Marginal Tax Rate (less any tax-free amount and pension tax offset). Otherwise, it will be tax-free. Where the income stream is taxable it will become tax-free when the reversionary pensioner turns 60.

A death benefit may be paid as an income stream to a dependant child if:

- the child is under 18; or
- between 18 and 24 and financially dependent on the member; or
- has a disability as described under the Disability Services Act 1986.

Once the child turns 25, any remaining balance must be paid in full as a tax-free lump sum (unless the child is permanently disabled).

Tax on lump sum death benefits

Death benefits are tax-free if paid to a dependant. A dependant includes any of the following:

- your spouse (including legal, ex-nuptial, de facto and certain same sex couples);
- children under 18 (including step, ex-nuptial, adopted and your spouses' children);
- any person who was financially dependent on you at the time of your death; and
- any person who was in an interdependency relationship with you at the time of your death.

Lump sum death benefits consist of a tax-free and taxable component. If paid to a non-dependant, the taxable component is taxed at up to 16.5% including the 1.5% Medicare Levy. The tax-free component is, as you'd expect, tax-free.

Resolving complaints



How do we manage your complaints?

The Plan aims to provide the highest level of service to you at all times. However, if you have a complaint about the services provided to you, you should take the following steps:



1. Contact The Plan Administration Manager on (08) 9480 3500 or 1300 99 85 42 (country WA).
2. If your complaint is not satisfactorily resolved within five working days using this method, you can write to:

Complaints Officer
WA Local Government Superannuation Plan
PO Box Z5493
St George's Terrace
Perth WA 6831

3. If you are still not satisfied with the outcome or have not heard from the Complaints Officer within 90 days, you have the right to contact the Superannuation Complaints Tribunal (SCT) on 1300 884 114.

The SCT is an independent body, which was established by the Federal Government to consider superannuation related complaints by existing and former members and their beneficiaries. The SCT's jurisdiction includes an ability to hear complaints in relation to trustee decisions. You may only approach the SCT if you have first been through the Plan's internal dispute resolution procedure as described above.

You may also have the right to take your complaint to the:

Financial Ombudsman Service (FOS)
GPO Box 3
Melbourne Victoria 3001
Tel: 1300 780 808

FOS is an external dispute resolution scheme that was established to provide advice and assistance to consumers to help them in resolving complaints in relation to the financial service industry, including the provision of financial advice and products.

You may be eligible to take your complaint to FOS if:

- You do not receive a response to your non-SCT complaint within 45 days.
- You are not satisfied with the response received after going through the Plan's internal complaints procedure.

Both the SCT and FOS are a free service to you.

Your privacy rights

There are legal guidelines we have to follow about the type of personal information we collect from you, who we give it to and how we store it.

You don't have to give us the personal information we ask for, but it makes it difficult to give you top notch service if we don't have it. If any of the information we have about you isn't right, you can ask us to correct it.

The personal information we collect from you is only used by us to manage your super, insurance and/or retirement account. We won't use it or disclose it to anyone else for any other purpose without first getting your permission or, unless, it's a legal requirement to disclose it.

However, as part of servicing your account, we may need to pass your personal information on to one or more of the following organisations:

- Australian Taxation Office (ATO);
- Australian Prudential Regulation Authority (APRA);
- Australian Securities and Investments Commission (ASIC);
- Australian Transaction Reports and Analysis Centre (AUSTRAC);
- Centrelink or the Department of Veterans' Affairs;
- the Fund Administrator;
- the Fund's insurer;
- lawyers;

- mailing houses;
- auditors;
- actuaries; and
- other superannuation funds (including the Fund's nominated ERF).

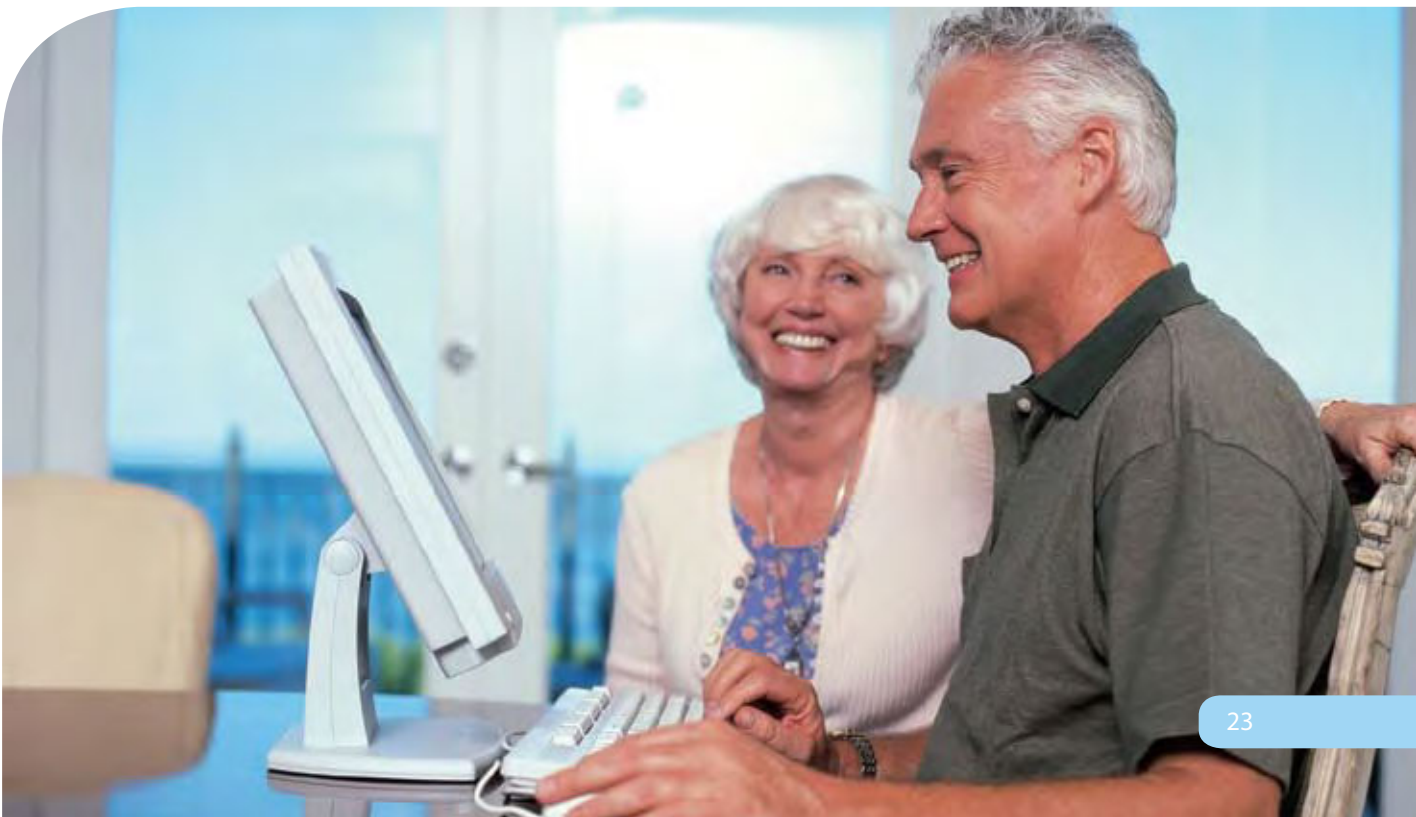
For your protection, there are laws we have to follow to ensure that the Fund isn't being used to launder money or finance terrorism. So we might ask you to provide proof of your identity before you withdraw any money from the Fund or open up an income stream account with us. For example, you might have to confirm your full name, date of birth and address.

You can ask to see the information we hold about you or a copy of our Privacy Statement at any time online at www.walisp.com.au or by contacting:

The Privacy Officer
WA Local Government Superannuation Plan
PO Box Z5493
St George's Terrace
Perth WA 6831

T: (08) 9480 3500 or 1300 99 85 42 (country WA)
F: (08) 9480 3501

More information about privacy laws can be obtained by contacting the Federal Privacy Commissioner's hotline on 1300 363 992 or by visiting www.privacy.gov.au





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