



Officers' Superannuation **Fund**
Your Fund.  **Your future.**

Member Annual Report 2002

What's happening with investments?	How your super is affected
Who's looking after your super?	How your Fund is managed
Fund basics	What you need to know in brief
Super update	Super is still an area of change



It's been a difficult year for investments. While the OSF's returns have been adversely affected, OSF returns over one, three and five years have still exceeded median returns in the Mercer Pooled Superannuation Fund Survey (Balanced Funds).

On behalf of the Trustee Board, I am pleased to present the 2002 Member Annual Report to you.

As you know from your regular Fund newsletters and from news reports, this has been a difficult year for investments and superannuation funds. Market reaction to world events during the year, including the tragic events of 11 September, have combined to produce negative returns from sharemarkets throughout the world, including Australia.

Because superannuation savings need to grow in real terms over a long period, superannuation funds generally have large exposures to share investments. As a result, most super funds, including the OSF, have produced low or negative annual returns this year.

It is no doubt uncomfortable to see our superannuation savings affected by negative returns. However, we must also remember that superannuation is a long-term investment. Occasional low and negative returns are to be expected from investing in growth assets such as shares. They are part of the risk that we must take in order to gain from the higher long-term investment returns these assets have traditionally generated.

Disappointment notwithstanding, we are pleased to report that the OSF's investment options have outperformed a number of comparable investment funds (see pages 3 and 4 of this report for detailed information).

The Trustee's primary purpose is to look after your superannuation to ensure that it is invested with professional managers in line with the objectives and strategies that have been set, and to monitor those managers' performance. The Board meets regularly to review all the activities of the Fund and to receive reports from its service providers. Although the Trustee cannot control what happens in investment markets, it will continue to work hard to ensure that the Fund – and your superannuation – is well managed. I would like to thank the Directors and the Bank's staff superannuation policy and administrative teams for their continued efforts during a difficult year.

A handwritten signature in blue ink, appearing to read 'Les Cupper'.

Les Cupper
Chairman



The year in review

Earning rates

Accumulation benefit section – Division F

Page 5

The earning rate for Division F members for the year to 30 June 2002 depends on their chosen investment options.

Mix 10	3.7%
Mix 30	2.3%
Mix 50	0.6%
Mix 70	-1.7%
Mix 90	-4.6%

Defined benefit section – Divisions B, C, D and E

Page 9

The declared earning rate (smoothed) for the year to 30 June 2002 is 8.4%.

Assets

Page 16

The net assets of the OSF at 30 June 2002 were \$5,190 million, compared with \$5,598 million at 30 June 2001.

Benefit payments

Page 16

The OSF paid a total of \$373 million in benefits during the year.

Membership

Total membership of the OSF as at 30 June 2002 was 39,383 compared with 37,212 as at 30 June 2001.

Accumulation benefit section (Division F)

Page 5

Defined benefit section (Divisions B, C, D and E)

Page 9

Fund events

- We would like to welcome all new members of the Fund, including all employees of Commonwealth Fleet Lease and Commonwealth Securities, who joined the Fund this year.
- An actuarial review as at 30 June 2000 confirmed the Fund remains in a sound financial position. The Trustee regularly monitors the Fund's financial position between actuarial reviews, and it believes that the Fund continues to be in a healthy position. The next actuarial review will be conducted in 2003.
- The Staff Super Intranet site was launched in November 2001. At present the site can be accessed only by in-service staff, but we plan to move the site to the Internet, which will give access to post-employment and pensioner members. The site has the latest Fund news, as well as forms for updating your super, fact sheets, member booklets and unit pricing information.

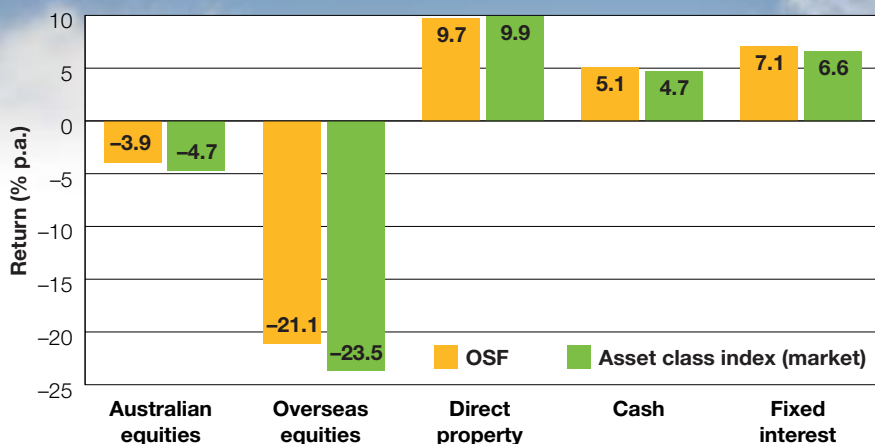
Contents

Chairman's message	Inside cover
The year in review	1
Investment markets 2001–2002	2
Investment managers and asset class performance	3
How the OSF works	4
Accumulation benefit section – Division F	5
If you would like more information	8
Defined benefit section – Divisions B, C, D and E	9
How your Fund is managed	12
Other information	14
Abridged financial information	16

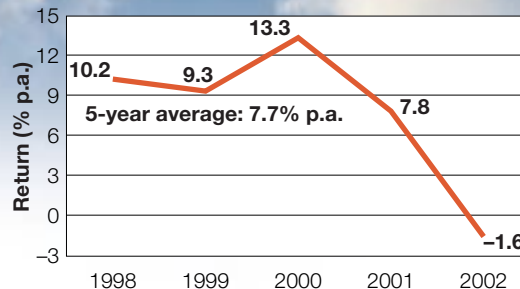


Investment markets in 2001–2002

OSF investment returns by asset class for the year ended 30 June 2002



The OSF's net return on investments over the five years to 30 June 2002



Over the last financial year, investment returns for superannuation funds have generally been negative: the Mercer Pooled Fund Survey shows that the median return for Balanced funds for the year ended 30 June 2002 was -4.1%. This is the first time in fourteen years that most funds have posted negative returns – for most of the last twenty years funds have achieved good to exceptional returns.

The main reason for these results is the fall in sharemarkets around the world. One of the indicators of global sharemarket value, the Morgan Stanley Capital International (MSCI) World Index, fell -23.5% in Australian dollar terms in the year to 30 June 2002.

The United States, the world's largest economy, was in recession in the early part of the year, and then the events of 11 September 2001 brought fears of a global economic slowdown. A series of corporate scandals in the United States – particularly those associated with Enron, Andersen and WorldCom – further eroded confidence, and investors were more interested in selling shares than buying them. Two key indicators of US sharemarket performance showed falls: over the year the Dow Jones Industrial Average fell by 12.0%, and the NASDAQ fell by 32.3%.

Both Europe and Asia also saw sharemarket falls: for example, the United Kingdom sharemarket fell 17.5% and the Japanese sharemarket fell 18.1%.

Strong growth in the Australian economy meant that the local sharemarket was less affected by slowing global economies

than those overseas: the S&P/ASX 200 Accumulation Index fell 4.7% in the year to 30 June 2002.

Fortunately, other assets that the Fund invests in produced better results. The Mercer Unlisted Property Fund Index returned 9.9% for the year to 30 June 2002. This return was mainly due to rental yields received on direct property holdings. Capital growth in property values was minimal, owing to weaker tenant demand, increased vacancy rates and lack of rental growth experienced across most CBD office markets over the last year.

Fixed interest investments also did reasonably well. Following last year's pattern, changing economic conditions resulted in different trends for bonds in each half of the year. In the early months of 2001–02, it looked like the economy was slowing down, and bond yields fell, which enhanced the value of fixed interest investments. In the second half of the year, the economy was growing and recession looked less likely, and bond yields rose. The Fund's benchmark returned 6.6% for the year.

Similarly, short-term interest rates fell in the early part of the year, and then rose in the latter part. The Reserve Bank reduced the official cash rate from 5.00% to 4.25% from September to December 2001, with the aim of boosting the economy at a time when there were fears of a recession following the terrorist attacks in the United States. The Reserve Bank then lifted rates to 4.75% in May and June 2002. The Fund's benchmark for cash investments – the UBS Warburg Australia Bank Bill Index – produced a return of 4.7% over the year.

The OSF's overall investment performance

The OSF achieved an overall investment return of -1.6% (after tax and Fund expenses have been deducted) for the year ended 30 June 2002.

This return compares favourably with those of other major superannuation funds over the same period. It exceeded the result in the Mercer Pooled Superannuation Fund – Balanced survey of net returns, which produced a median return of -4.1% for the year. In addition, research house InTech Financial Services has reported that a survey of major superannuation funds (each with at least \$500 million of assets) produced a median after-tax investment return of -4.9% for the year.

Over the longer term, the OSF also continues to outperform two of the common measures of superannuation fund performance (see box).

The OSF's net investment returns for the last five years are shown in the graph above. The average net earning rate for the five years to 30 June 2002 was 7.7% p.a.

Over the last three- and five-year periods, the OSF has exceeded the median return for Balanced funds in the Mercer Pooled Fund Survey, by 2.5% p.a. and 2.2% p.a. respectively, and net Fund returns have exceeded growth in average weekly ordinary time earnings (AWOTE) by 1.8% p.a. and 4.0% p.a. respectively over the same periods.

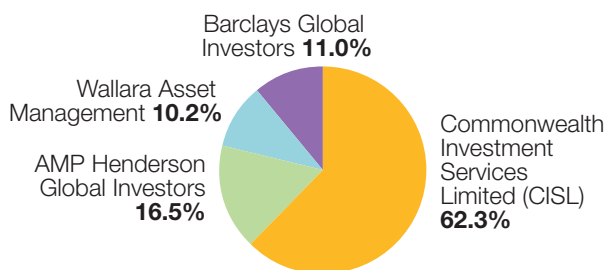
Investment managers and asset class performance 2001–2002

Australian equities

The OSF's Australian equities portfolio outperformed the market benchmark by 0.8% in the 12 months to 30 June 2002, returning -3.9% compared with the market return of -4.7% (S&P/ASX 200 Index). Over three- and five-year periods, the Australian equities asset class has also outperformed the market return.

During the year the Trustee used four professional investment firms to manage the OSF's investments in Australian equities. The percentage of the total Australian equities portfolio managed by each firm as at 30 June 2002 is shown in the pie chart.

Australian equities – investment managers



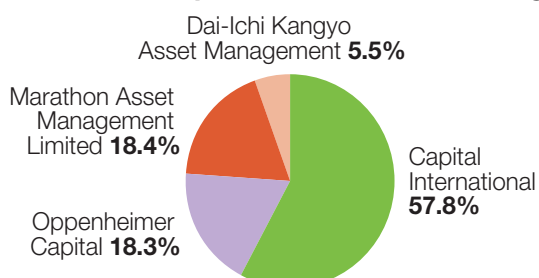
During the year the Trustee reviewed the combination of managers in place and made the following changes. Two managers ceased to operate as managers for the OSF: Portfolio Partners (26 November 2001) and Hopkins Partners (June 2001). They were replaced by Wallara Asset Management and Barclays Global Investors.

International equities

This portfolio outperformed the market benchmark by 2.4% in the 12 months to 30 June 2002, returning -21.1%, compared with a market return of -23.5% (as measured by the MSCI World Index – ex Australia). Over three- and five-year periods, the international equities asset class has also outperformed the market return.

During the year four professional investment management firms managed the OSF's international equities portfolio. The allocation as at 30 June 2002 is shown in the pie chart.

International equities – investment managers

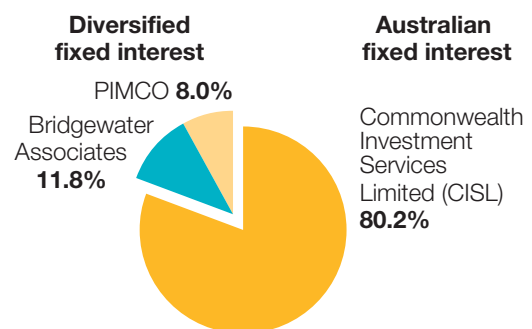


Fixed interest

This portfolio includes Australian and overseas bonds, and indexed bonds. For the year ended 30 June 2002, the fixed interest portfolio outperformed the benchmark by 0.5%.

The Trustee used three professional investment firms to manage its fixed interest portfolio during the year. Each firm was allocated a different strategy, ranging from Diversified Fixed Interest (which includes Australian and overseas bonds and indexed bonds) to Australian Fixed Interest (bonds and indexed bonds). The diversified fixed interest investments are managed by Bridgewater Associates and Pacific Investment Management Company (PIMCO). The percentage of fixed interest assets managed by each firm (by strategy) as at 30 June 2002 is shown in the pie chart.

Fixed interest – investment managers (by strategy)



Direct property

The OSF's direct property portfolio slightly underperformed the market benchmark by 0.2% in the 12 months to 30 June 2002, producing a return of 9.7% compared with the market return of 9.9% (as measured by the Mercer Unlisted Property Fund Index).

The Trustee uses Colonial First State Property to manage this portfolio.

Cash

The cash portfolio outperformed the market benchmark by 0.4%, returning 5.1% compared with a market return of 4.7% (as measured by the UBSWarburg Australia Bank Bill Index). Commonwealth Investment Services Limited (CISL) manages the cash portfolio.



Your benefits in the OSF depend on your membership of a particular division. Non-pensioner members who aren't certain which division of the OSF they belong to can check their latest Annual Benefit Statement – their division is listed at the top of the first page, with their personal details.

Your Fund

The OSF's sole purpose is to provide superannuation benefits to members and their dependants. Benefits may be paid on retirement, total and permanent disablement, death, resignation or retrenchment.

The OSF provides both defined and accumulation benefits depending on which division of the Fund you are in.

You will be a member of at least one OSF division – B, C, D or E (closed defined benefit divisions) or F (the open accumulation division).

Your Member Booklet and most recent Benefit Statement have full details about your division and your benefits.

You should read the relevant section of this report for details of how the Fund's investment returns may apply to your benefits and a description of any fees and charges for the period to 30 June 2002. These are:

- accumulation benefit section – Division F: **page 5**; and
- defined benefit section – Divisions B, C, D and E: **page 9**.

Defined benefits

Members of Divisions B, C, D and E have defined benefit superannuation. Defined benefits:

- are worked out using a formula based on your super salary, period of service and, in some cases, your level of contributions; and
- are not affected by the Fund's investment performance, because the Commonwealth Bank contributes whatever is necessary to finance the defined benefit.

Accumulation benefits

If you are a member of Division C – Basic or Division F, you have accumulation superannuation. Some additional benefits or benefit options in Divisions B, D and E are also accumulation-style benefits.

Accumulation benefits:

- accumulate in an account in your name in the Fund; contributions and investment returns are credited to, and fees and charges are debited from, the account; and
- are directly affected by the Fund's investment returns, which can be positive or negative.

Government guarantee

When the Commonwealth Government fully privatised the Commonwealth Bank on 19 July 1996, it guaranteed the superannuation of people who were OSF members immediately before that time.

Division F members should note that this guarantee is not a protection against negative investment returns.

Investment returns

Since the introduction of Member Investment Choice (MIC) on 22 February 2001, the earning rates applied to your accounts have been the actual investment returns earned by the asset allocations underpinning the investment mix(es) you have chosen (or the default, if you did not make a choice).

Returns are based on the change in unit prices (which are net of investment management fees, taxes and charges on Fund earnings). The net investment earnings of each investment mix increase or decrease the asset values of those mix(es). The changes in asset values are passed onto members by an increase or decrease in the unit price for each investment mix. Past investment results cannot be relied upon as a guide for the future. The value of an investment may both rise and fall, and returns depend on economic conditions, investment management and taxation laws.

In calculating actual earnings for the period, the full return is applied to amounts invested for the whole period. Amounts that were invested for only part of the period (e.g., new contributions) receive the rate(s) of return that applied for the period of time they were actually invested in the Fund.

Your Annual Benefit Statement shows the actual amount of investment earnings applied to your accounts.

Each of the investment mixes available to you has its own investment objectives and strategy, but the Fund also has a broad objective and strategy that applies to all its investments.

Broad investment objective

Each investment option (mix) aims to achieve annual returns that exceed growth in average weekly ordinary time earnings (AWOTE) by a specified amount, while minimising the likelihood of a negative annual return.

Investment strategy

For each mix, the strategy is to invest in a combination of assets most likely to achieve the investment objectives of that mix.

On the following pages you will see that, for each of the strategies offered in the investment mixes, the likelihood of a negative return is noted – a likelihood that increases with the proportion of growth assets in the mix.

Members as at 30 June 2002

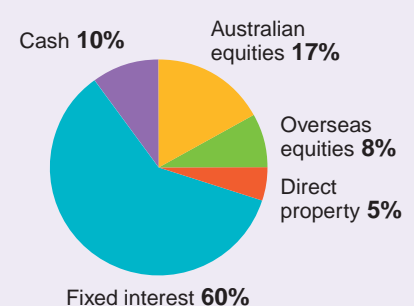
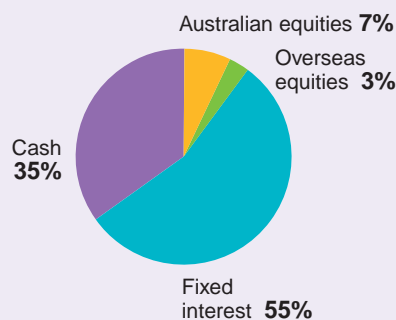
In service	21,959
Post employment	2,955
Spouse accounts	123
Allocated pensioners	15

For details of each of the investment mixes in Division F, please turn to the next page. ➡

	Mix 10	Mix 30
Unit prices		
30 June 2001 <i>(as printed in the 2001 Annual Report)</i>	1.008107	1.009902
Corrected unit price at 30 June 2001 <i>(see Unit Pricing Correction below)</i>	1.014167	1.016512
30 June 2002	1.051320	1.039773
Revised net return		
22 February to 30 June 2001	1.4%	1.7%
Net return		
1 July 2001 to 30 June 2002	3.7%	2.3%
Risk/return profile	Low	Low – Medium
Investment objectives	<ul style="list-style-type: none"> ■ To achieve a net average return of at least 2% p.a. above the growth in average weekly ordinary time earnings (AWOTE). ■ To not incur a negative net annual return, after taxes and investment expenses, more frequently than twice in every 18 years on average. 	<ul style="list-style-type: none"> ■ To achieve a net average return of at least 2.5% p.a. above the growth in average weekly ordinary time earnings (AWOTE). ■ To not incur a negative annual return, after taxes and investment expenses, more frequently than twice in every 13 years on average.
Strategy	10% growth assets 90% income assets	30% growth assets 70% income assets

Asset allocation 2002

2001 allocations were the same as those shown in these graphs



Unit pricing correction

In the September 2002 newsletter, members were informed of an adjustment to unit prices for all mixes. The adjustment was required because of a miscalculation of investment returns for fixed interest securities. All investment mixes were affected, because they all have some fixed interest investments. The prices were corrected on 27 June 2002 and members' accounts have now been updated to ensure they have the correct number of units allocated to them. The miscalculation affected unit prices, and therefore returns, advised in the 2001 Annual Report. The corrected unit prices and returns to 30 June 2001 are shown in the table above.

Update on surcharge objections

Some of you who elected to move your super to Division F in 2000 will know that the Trustee has appealed against a decision in which the Commissioner of Taxation would not approve another method for calculating surchargeable contributions. The Trustee has also lodged an objection to any surcharge tax assessments made on the transfer value. Meanwhile, the Trustee was still required to advise the Australian Tax Office (ATO) of the surchargeable contributions (worked out according to the ATO's method) applying to the transfer value of your super. By now, some of you may have received surcharge assessments.

The Trustee is continuing to pursue both the appeal and the objection. We will continue to keep you informed of any developments.

Mix 50

Mix 70

Mix 90

1.014743

1.018842

1.022312

1.019699

1.021593

1.023192

1.025543

1.004218

0.976217

2.0%

2.2%

2.3%

0.6%

-1.7%

-4.6%

Medium

Medium – High

High

- To achieve a net average return of at least 3.0% p.a. above the growth in average weekly ordinary time earnings (AWOTE).
- To not incur a negative net annual return, after taxes and investment expenses, more frequently than twice in every 10 years on average.

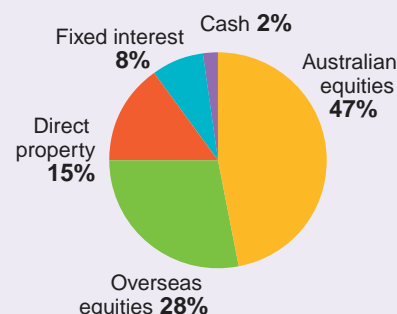
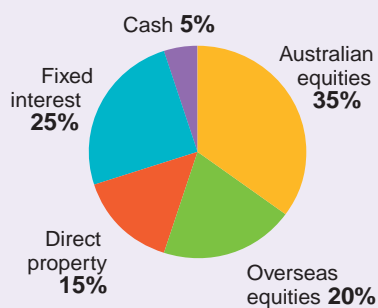
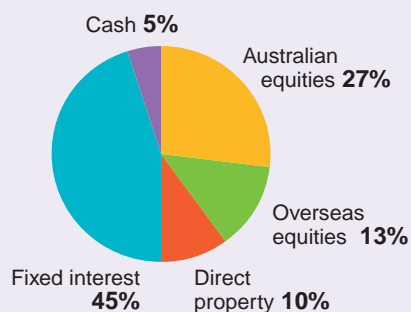
- To achieve a net average return of at least 3.5% p.a. above the growth in average weekly ordinary time earnings (AWOTE).
- To not incur a negative net annual return, after taxes and investment expenses, more frequently than twice in every 9 years on average.

- To achieve a net average return of at least 4.0% p.a. above the growth in average weekly ordinary time earnings (AWOTE).
- To not incur a negative net annual return, after taxes and investment expenses, more frequently than twice in every 8 years on average.

50% growth assets
50% income assets

70% growth assets
30% income assets

90% growth assets
10% income assets



Fees and charges

In the period from 1 July 2001 to 30 June 2002, the following fees and charges have applied.

Charged annually (or earlier on payment of benefit):

- \$2.50 per fortnight basic administration fee;
- around 0.3% p.a. deducted from the investment earning rate(s) for investment-related expenses when unit prices are calculated;
- a charge calculated at the super contribution tax rate (currently 15%) deducted from Employer allocations to your account; and
- insurance premiums for death and disability cover.

Debited at the time the charge is incurred:

- a deduction for surcharge tax (where applicable); and
- a \$20.00 fee applying each time you take advantage of various flexibility features in Division F.

For more information about current fees and charges, see the 'Table of Fees and Charges' and 'Table of Standard Insurance Premium Rates' in the back pocket of your Division F Member Booklet.

Switching your investment strategy

You can change (i.e., switch) your investment choice at any time. Details of the fees and conditions that apply to switches are in Section 5 of your Member Booklet.

Small account protection

If your total account balances in the Fund are less than \$1,000, superannuation legislation requires that your accounts cannot be eroded by fees and charges. That means administration fees debited to your account will not exceed credited earnings. This protection relates only to fees and charges. Negative investment returns are applied to small accounts, just as they are to all other accounts in the Fund.



If you would like more information

As a member of OSF, you are entitled to obtain certain information and documents associated with the operation of the Fund. You can ask to see the original documents or write to the Company Secretary to obtain copies of relevant sections of:

- the Trust Deed and Rules of the OSF;
- audited financial statements;
- reports from the auditor and actuary;

- procedures for the appointment and removal of Trustee Member Directors; and
- returns, certificates or notices submitted to, or received from, the Australian Prudential Regulation Authority (APRA).

OSF Member Services can also provide you with:

- an updated calculation of your account balance in the OSF;

- help when you want to nominate your preferred beneficiaries (to receive your benefit if you die while a member of the Fund);
- assistance when you want to make surcharge offset contributions;
- copies of the Fund newsletter; and
- help with any other enquiries you may have about your benefit entitlements or membership of the OSF.

Contact details for further information

Your Member Booklet is your primary source of information about your entitlements as a member of the OSF. The Staff Super Intranet site also has useful information about membership of the OSF. You can download forms, booklets and fact sheets from the

site (<http://www.cba/staffsuper/osf/index.html>). If you have any questions, these two sources will probably give you the information you are looking for. If not, here is a list of general information sources and contact details.

OSF Member Services

For enquiries about your benefit entitlements, membership and general matters relating to your Fund.

Telephone

1800 023 928 (national freecall)
OR
(02) 9841 7117

Resignations

(02) 9841 6648

Retirements & Pensions

(02) 9841 7600

Facsimile

(02) 9841 6455

Write to

The Company Secretary
Commonwealth Bank Officers Superannuation
Corporation Pty Limited
GPO Box 2719
Sydney NSW 1155

Write to

OSF Member Services
Level 12
150 George Street
Parramatta NSW 2150

Send internal mail to

2052 153

OSF Member Services

Or e-Mail

osfms@cba.com.au

External Financial Advice

A good financial adviser can help you understand the issues you need to think about when looking at your super in the context of your personal circumstances. The following sources can assist you if you want to find an adviser:

Financial Planning Association (FPA)

Listings of financial advisers are provided on the website. You can also check if your adviser is a member of the FPA.

National freecall

1800 626 393

National office

(03) 9614 2289

Website

www.fpa.asn.au

Australian Securities and Investments Commission (ASIC)

You can check with ASIC if an adviser is a licence holder or is an authorised representative of a licence holder through one of these contact points.

Infoline

1300 300 630

National office

(02) 9911 2000

Website

www.asic.gov.au



Defined benefit section – Divisions B, C, D and E

Declared earning rate

The declared (smoothed) earning rate to 30 June 2002 for these divisions is 8.4%.

This is the rate of return credited at 30 June 2002 to any accumulation-style benefits you have in the OSF. It is also the rate applied to your surcharge account (if any).

Note that defined benefit members who receive a pension from the OSF have already been advised of the annual increase in their pension in separate correspondence.

Investment objective

To maximise long-term returns such that they keep pace with salary inflation.

Investment strategy


The strategic asset allocation adopted by the Trustee is to hold approximately 70% in growth assets and 30% in income assets.

Members as at 30 June 2002

Members as at 30 June 2002	
Division B	
In service	451
Post employment	351
Division C	
In service, C Full	6,430
In service, C Basic	189
Division D	
In service	231
Post employment	116
Division E	
In service	1,092
Post employment	533
Pensioners	4,938

OSF declared earning rates for year ended 30 June, 1997–2002

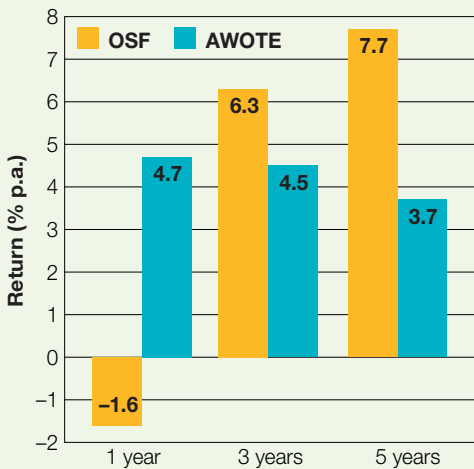
Year	Earning rate p.a. (%)
1997/98	13.7
1998/99	12.4
1999/00	10.5
2000/01	11.0
2001/02	8.4

Please turn the page for more detailed information. 



Defined benefit section – annual information in detail

OSF net investment performance compared to AWOTE over time



Investment objective

The benefits of defined benefit members are generally linked to movements in their level of super salary over time. Accordingly, the Trustee has established the following investment objective:

To maximise the long-term rate of return subject to net returns over rolling five-year periods exceeding the growth in Average Weekly Ordinary Time Earnings (AWOTE) 80% of the time.

Where:

- AWOTE is a measure of the movement in average salaries; and
- net returns are calculated after tax and Fund investment expenses have been deducted.

The graph at left compares the OSF's net investment returns and AWOTE over one, three and five years to 30 June 2002.

Investment strategy

To achieve the Trustee's objective of ensuring that long-term investment returns keep pace with salary inflation,

a large part of the OSF's assets are invested in growth assets, such as shares and property.

These assets have historically earned higher rates of return than other assets, but they also carry higher risks, especially in the short term.

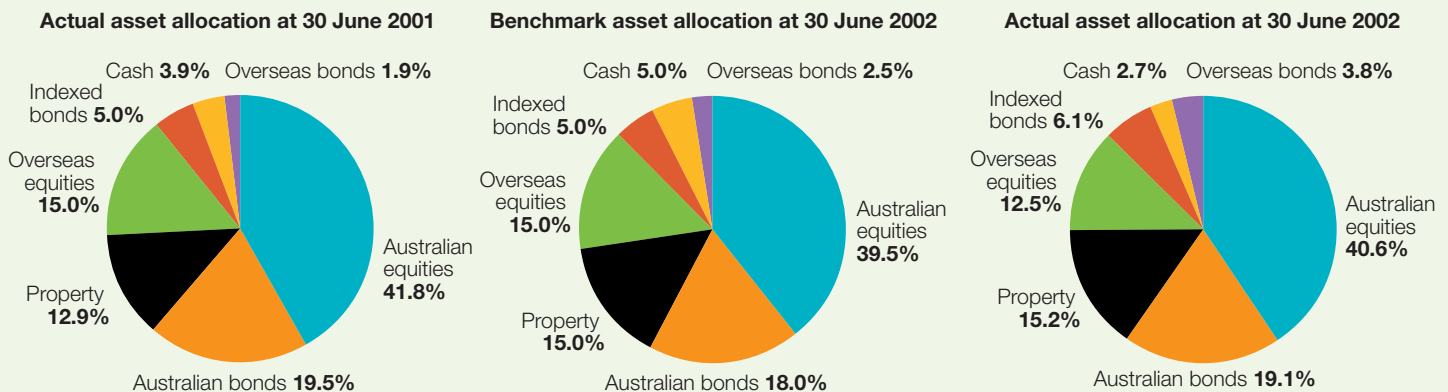
To manage these risks, the Trustee has adopted a strategy of spreading the OSF's investments over a number of asset classes and investment managers. By diversifying the OSF's investments across the major asset classes, the Trustee mixes some low-risk income assets, such as cash and fixed interest, with the higher-risk growth assets.

In this way, poor returns from growth assets (such as shares) in any one period may be offset by better returns from income assets (such as fixed interest), and vice versa.

Over the long term this strategy is expected to reduce investment risk and stabilise the returns on investments.

The pie charts below show the mix of asset classes as per the benchmark asset allocation at 30 June 2002, compared with the actual asset allocations as at 30 June 2001 and 30 June 2002.

The benchmark compared with actual asset allocation 2001 and 2002



Declared earning rate

If you have an accumulation-style benefit as part of your defined benefit in the OSF, it has been credited each fortnight with the Fund's declared earning rate.

The declared earning rate applied to accumulation benefits for the year ended 30 June 2002 of 8.4% is the sum of the declared earning rates applying during the financial year. It is higher than the Fund's net investment return of -1.6%, reflecting the Trustee's approach of 'smoothing', or averaging, actual investment returns.

The Trustee's smoothing policy is outlined in more detail at right.

Financial condition

An actuarial review of the OSF is completed at least every three years. The objective of the review is to assess the Fund's current and expected future financial condition.

The actuarial investigation at 30 June 2000:

- confirmed that the Fund continues to be in a sound financial position; and
- recommended that the Commonwealth Bank continues to suspend contributions to the OSF until the results of the next actuarial investigation are available.

The next actuarial review is due as at 30 June 2003.

Fees and charges

The declared earning rate applied to any accumulation benefits in Divisions B, C, D or E is reduced by around 0.3% p.a. for investment-related expenses. This fee can be changed by

Smoothed investment returns

To calculate the declared earning rate to be applied to any accumulation benefits of Defined Benefit members, the Trustee averages, or 'smooths', annual returns on the Fund's investments. The Trustee's specific smoothing policy is such that the declared earning rate for the year ending 30 September is equal to the three-year average of the Fund's actual returns to 30 June each year.

In determining the Fund's annual return to 30 June, deductions are made for investment management fees and income tax (i.e., the net return for the year is determined) and, since 22 February 2001, the movement in the Division F Mix 70 unit price has been used.

The arrows in the table below show the relationship between the Fund's net earning rate as at 30 June and the declared (smoothed) earning rate as at 30 September each year.

Net earning rate at 30 June and the declared earning rate at 30 September for the last six years

Year	Net investment return at 30 June (% p.a.)	Declared earning rate for year ended 30 September (% p.a.)
1996/97	17.1	11.9
1997/98	10.2	12.3
1998/99	9.3	12.2
1999/00	13.3	10.9
2000/01	7.8	10.1
2001/02	-1.6	6.3

the Trustee. The Trustee can also apply other costs and expenses against the declared earning rate.

An administration fee of \$20 is now charged for any rollover or transfer you wish to make into the Fund. The fee will be deducted from the rollover or transfer amount. This is consistent with the \$20 fee already being charged in Division F for rollovers and transfers made into the OSF.

A charge relating to surcharge tax will be deducted from benefits, where applicable. Your annual benefit statement will tell you if you have a surcharge tax liability.

An actuarial review of the OSF is completed at least every three years. Between actuarial reviews, the Trustee regularly monitors the financial position of the Fund, and it believes that the OSF continues to be in a healthy position.

How your Fund is managed

Your Trustee Board

The OSF is managed by a Corporate Trustee, Commonwealth Bank Officers Superannuation Corporation Pty Limited (ABN 76 074 519 798).

The Trustee's responsibilities are carried out by a Board of Directors, which is made up of:

- four Member Directors;
- four Employer Directors;
- one Alternate Member director; and
- one Alternate Employer director.

Your Member Booklet contains details of how your Trustee Board is appointed. You can also request a copy of the formal procedures for appointment and removal of Member Directors from the Company Secretary.

What does the Trustee Board do?

The main role of the Trustee Board is to ensure the security of your benefits and make certain your rights as a member are protected at all times.

The Board meets at least every two months to conduct the business of the OSF in accordance with the OSF Rules and the requirements of all relevant legislation.

The Directors act in an honorary capacity and are reimbursed only for expenses incurred in carrying out their duties.

The Trustee does not hold indemnity insurance.

Changes in Directors

An election was held in October 2001, and Kim Howland retained his position as a Member-elected Trustee Director. Since 30 June 2002, Mick Leonard has replaced Carolyn Kerr as an Employer-appointed Director, and David Pellarini has joined the Board as the Employer-appointed Alternate Director.



Member Directors

Ms Rita Abacherli

National Procurement Manager – Colonial First State Property
(Alternate Member Director)

Ms Catherine Empson

Project Manager, Decision Systems, Business Performance – Retail Banking Services

Mr John Flynn

Executive Manager – Business Banking

Mr Glen Kelly

Executive Manager – Business Banking

Mr Kim Howland

National Manager, PaySelect – Workplace Distribution, Institutional Banking Services

Policy and Trustee support

The Trustee Board is supported by the Company Secretary and a team of staff who, under the leadership of the Company Secretary, provide day-to-day management and policy support to the Board.

The Staff Superannuation Fund Services team is part of Group Human Resources. The functions of this team include:

- providing advice to the Trustee on investment policy – strategies and implementation;
- management of outsourced service providers;
- development and implementation of the OSF member communication strategy; and
- statutory and compliance work.



Gerard Parlevliet
Company Secretary and
General Manager, Staff
Superannuation Fund Services

Fund administration

The Trustee has also appointed the Bank to provide the day-to-day administration of the Fund on its behalf.

This function is carried out by OSF Member Services (part of HR Services). This team provides the following services to members:

- maintaining member records;
- making benefit payments to members or their dependants; and
- answering member enquiries.

External advisers

The Trustee has appointed the following external advisers to provide specialist services to the OSF:

- **OSF Member Services**
HR Services, Commonwealth Bank of Australia
- **Accounting**
Finance Services, Commonwealth Bank of Australia
- **Actuary**
DJ Solomon, Towers Perrin
- **Internal Auditor**
DA Doyle, Commonwealth Bank of Australia
- **External Auditor**
G I Linton, Ernst and Young
- **Insurer (Division F)**
Hannover Life Re of Australasia Ltd
- **Asset Consultant**
JANA Investment Advisers Pty Ltd



Employer Directors

Mr Les Cupper

Group Executive
– Human Resources

Mr Geoff Ferguson

General Manager,
Payment Systems
Regulation – Retail
Banking Services

Mr Mick Leonard

Executive General
Manager – Group Risk
Management

Mr Les Moth

Executive Manager –
Commonwealth
Fleet Lease

Mr David Pellarini

Executive Adviser,
Strategy Alignment
– Office of the CEO
*(Alternate Employer
Director)*

If you have any enquiries or complaints, you should write to the Company Secretary. The Trustee takes every step to ensure complaints are dealt with promptly and properly.

Enquiries and complaints

The Trustee has established a formal procedure for members and beneficiaries to:

- make enquiries into, or complain about, the operation or management of the OSF in relation to them; and
- to have their enquiry or complaint properly considered and dealt with within 90 days of receipt.

If you wish to make an enquiry or complaint, your correspondence should be sent to:

The Company Secretary
Commonwealth Bank Officers
Superannuation Corporation
Pty Limited
GPO Box 2719
Sydney NSW 1155

When we receive your enquiry or complaint, our internal procedures will ensure that your matter is dealt with within 90 days. In most cases, you will receive a reply within 28 days.

The Trustee will take every step necessary to ensure that your complaint is dealt with properly. It is hoped that any problem can be handled internally to the satisfaction of all parties.

Superannuation Complaints Tribunal

If you are not happy with the way that your complaint has been handled or with the Trustee's decision, you may contact the Superannuation Complaints Tribunal.

The Tribunal is an independent body set up by the Federal Government to assist members and beneficiaries to resolve certain superannuation complaints.

The Tribunal may be able to help you resolve your complaint, but only after you have made use of the Fund's internal complaints handling process. If the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves helping you and the Trustee come to a mutual agreement. If conciliation is unsuccessful, the complaint will be formally referred to the Tribunal for a binding determination.

There are some complaints that the Tribunal cannot consider: for example, complaints relating to the management of the Fund as a whole and complaints against an employer.

If you wish to find out whether the Tribunal is able to handle your complaint and what information you would need to provide, phone the Tribunal for the cost of a local call from anywhere in Australia. The Superannuation Complaints Tribunal can be contacted on **1300 884 114**.

Get your benefit faster

For prompt payment of your super benefit when you leave employment, you should ensure that you provide OSF Member Services with clear payment instructions.

You will receive payment forms to complete, along with your benefit calculation, from OSF Member Services (once your employer advises it of your exit date). Return your completed forms to OSF Member Services as soon as possible.

If you need help completing the forms, call OSF Member Services. If you need financial advice to make a decision about where you want your benefit to be paid, you should contact a licensed financial planner.

Eligible Rollover Fund

In certain situations, unclaimed benefits are transferred to an Eligible Rollover Fund (ERF).

The OSF's current ERF is:

SuperTrace Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124
Phone: 1300 788 750
Fax: (02) 9947 4184

More detailed information about the Fund's ERF policy is contained in your Member Booklet and also on the information sheet included with your Annual Benefit Statement (if applicable).

Derivatives

Derivative products, such as futures and options, may be used as part of the OSF's investment strategy. The use of derivatives is authorised under the Trust Deed and Rules of the OSF (OSF Rules).

The Trustee has established a Risk Management Statement dealing with the use of derivatives and requires a Risk Management Statement from its investment managers before they can use derivatives in managing the Fund's assets. Derivatives are a normal part of the Fund's investment strategy and are used primarily to:

- achieve transactional efficiency;
- reduce volatility; and
- reduce transaction costs.

Derivatives are not used for speculation or for gearing the portfolio.

Assets exceeding 5% of total Fund assets

As at 30 June 2002, the OSF's investments in Commonwealth Government bonds and capital index bonds totalled \$629 million, which was 11.6% of total Fund assets.

Trust Deed changes

During the year the OSF Rules were amended to allow members to move employment between the Commonwealth Bank and its subsidiaries, or subsequently within subsidiaries, and retain their existing membership of an OSF Division.

Superannuation remains an area of change, and the Federal Government has made a number of changes recently. The most important change affects the way superannuation is treated if a marriage breaks down.

What's ahead?

Changes to Family Law legislation will take effect from 28 December 2002. The changes allow superannuation (including current pensions) to be included in the definition of marital property and divided along with other assets on marriage breakdown (that is, a divorce or separation, as defined under the legislation). If a property settlement between the spouses has been finalised before 28 December 2002, the legislation will generally not apply. There may be some limited exceptions, so members should seek professional advice in relation to their personal circumstances.

Under the legislation, the OSF Trustee is responsible for providing certain information to the interested parties to help them come to an agreement regarding their superannuation benefit. The Trustee is currently examining proposed measures to enable splitting of benefits in accordance with any agreement or court order (made by the Family Law Court in instances where the parties cannot reach an agreement).

Abridged financial information

Statement of changes in net assets for the year ended 30 June 2002

	2002		2001	
	\$m	\$m	\$m	\$m
Investment revenue				
Interest	124.0		125.0	
Dividends	79.1		97.6	
Property income	71.7		70.4	
Property trust distributions	8.6		6.4	
Trust distributions	1.9		3.8	
Changes in net market value	(341.8)	(56.5)	203.4	506.6
Contributions revenue				
Employer contributions	—		—	
Member contributions	32.3		33.5	
Transfers from other funds	16.9	49.2	9.4	42.9
Other revenue				
Proceeds from Group Life Insurance	2.9	2.9	1.0	1.0
Total revenue		(4.4)		550.5
Benefit expenses				
Pensions	122.7		116.5	
Lump sum benefits:				
Resignations	72.7		123.1	
Retrenchments	49.2		123.0	
Retirements	29.8		39.4	
Post Employment	91.0		52.5	
Other	7.9	373.3	7.2	461.7
Investment expenses		38.5		38.9
Administration and insurance expenses		7.3		7.6
Superannuation Contributions Surcharge		11.1		2.6
Total expenses		430.2		510.8
Change in net assets before income tax		(434.6)		39.7
Income tax expense (credit)		(26.8)		8.3
Change in net assets after income tax		(407.8)		31.4
Net assets available to pay benefits at the beginning of the year		5,597.9		5,566.5
Net assets available to pay benefits at the end of the year		5,190.1		5,597.9

Statement of net assets
as at 30 June 2002

	2002		2001	
	\$m	\$m	\$m	\$m
Assets				
Cash assets				
Cash at bank	41.0		76.3	
Short-term deposits	9.2	50.2	33.3	109.6
Receivables				
Investment debtors	86.0		102.6	
Interest accrued	24.0		20.2	
Dividends outstanding	12.1		11.4	
Sundry debtors	9.8	131.9	4.4	138.6
Investments				
Commonwealth Government securities	394.4		281.6	
Semi- and local government securities	201.5		357.9	
Indexed bonds	339.8		315.8	
Other fixed interest securities	738.0		720.4	
Convertible notes	0.3		1.4	
Shares in listed companies	2,568.3		3,029.3	
Shares in unlisted companies	131.0		109.9	
Units in listed trusts	66.7		55.0	
Units in unlisted trusts	157.3		157.1	
Property	632.7	5,230.0	622.3	5,650.7
Total assets		5,412.1		5,898.9
Liabilities				
Payables				
Benefits outstanding	31.5		63.2	
Investment creditors	181.9		190.1	
Sundry creditors	2.3	215.7	0.9	254.2
Tax liabilities				
Provision for current taxation	—		4.2	
Provision for deferred taxation	6.3	6.3	42.6	46.8
Total liabilities		222.0		301.0
Net assets available to pay benefits		5,190.1		5,597.9

A copy of the OSF's audited financial report is available on request from the Company Secretary.



For further information, contact:

-  **Telephone:** 1800 023 928 (national freecall), or
(02) 9841 7117
- Resignations** (02) 9841 6648
- Retirements & Pensions** (02) 9841 7600
- Fax:** (02) 9841 6455
-  **E-mail:** osfms@cba.com.au
-  **Write to:** OSF Member Services
Level 12
150 George Street
Parramatta NSW 2150
- Send internal mail to:** 2052 153
OSF Member Services
Parramatta NSW

Officers' Superannuation **Fund**

Your Fund.  **Your future.**