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VINIDEX STAFF SUPERANNUATION PLAN
(A SUB-PLAN OF ANZ SUPER ADVANTAGE SUPERANNUATION FUND)

FUNDING AND SOLVENCY CERTIFICATE UNDER DIVISION 9.3 OF PART 9 OF THE SUPERANNUATION INDUSTRY (SUPERVISION) REGULATIONS

(made in accordance with Section 31(1) of the Superannuation Industry (Supervision) Act 1993)

Background

OnePath Life Limited, as the Administrator of ANZ Super Advantage Superannuation Fund (the “Fund”), has advised that the Vinidex Staff Superannuation Plan (the “Plan”) commenced as a sub-plan of the Fund with effect from 1 September 2003.

I have been advised that the defined benefit section of the Plan is closed to new employees. All new employees will be provided with accumulation benefits under the Plan.

Solvency Certification

On the basis of member details and Plan assets provided as at 30 June 2018 I have determined that the Plan's “net realisable value of assets” was greater than the total of members’ funded Minimum Benefits (MBs) at that date.

I therefore certify that as at 30 June 2018, the Plan was solvent in terms of Regulation 9.15 of the Superannuation Industry (Supervision) Regulations.

The following sections include additional explanatory material required by the Superannuation Industry (Supervision) Act 1993 and the Institute of Actuaries of Australia Professional Standard 407.

Benefit Certificate

I have provided the employer with the Plan's latest Benefit Certificate (dated 14 September 2018). It has an effective date of 1 July 2018 and an expiry date of 30 June 2023.

Minimum Benefits (MBs)

Minimum Benefits for Plan members are defined in the above Benefit Certificate. The Benefit Certificate made specific allowance for members' participation in the Previous Plan through the inclusion of an initial MB amount at the date of transfer.

Effective Date of this Certificate

This Funding and Solvency Certificate has an Effective Date of 1 July 2018.

Expiry Date

The normal Expiry Date of the Funding and Solvency Certificate is 30 June 2023.

However, it will cease immediately to have effect if:

(a) amounts are released from the Plan and are paid to the employer under Section 117 of the Superannuation Industry (Supervision) Act 1993 (the Act);

(b) a "notifiable event" occurs at any time before the Expiry Date;

(c) another Funding and Solvency Certificate takes effect in respect of the Plan;

(d) the employer fails to pay contributions as certified below; and/or

(e) the Actuary forms the opinion that the Funding and Solvency Certificate is no longer appropriate and withdraws the certificate.

Minimum Contribution Rate

The Plan assets and future contributions are expected to provide for coverage of benefits in excess of members' MBs. The minimum employer contribution rates specified to apply to the Plan for the period to the Expiry Date, as recommended in the latest actuarial investigation of the Plan as at 30 June 2018 (my report dated 9 October 2018) are:

- the employer contributes at the rate of 17.0% of defined benefit members' salaries from 1 July 2018;
- such additional monies as are required to cover the cost of administration and insurance expenses – as agreed previously by the employer;
- additional contributions where a defined benefit payment is made from the Plan during a quarter when the Plan is in an "unsatisfactory financial position" (the amount of the additional payment would reflect the Plan's financial position and allow also for the payment of contributions tax); and
- such other "top up" payments as may be advised from time to time by the Plan's Actuary.

"Notifiable" Events

If one of the following "notifiable" events occurs in relation to the Plan during the period when the Funding and Solvency Certificate is in force, this certificate will cease to have effect at the end of the date on which the notifiable event occurs.

In this event the Trustee must obtain a new Funding and Solvency Certificate in accordance with Regulation 9.13 of the Superannuation Industry (Supervision) Regulations.

A “notifiable” event is defined to include the following:

- the amendment of the Plan's benefit provisions such that the level or method of calculation of members benefits results in an increase in benefits;
- the Plan's defined benefit section is re-opened to new membership and new members are provided with benefits which are not fully funded by the employer and the member;
- the market value of the Plan assets for defined benefit members reduces by at least 10% over a Plan Year – i.e. the 12 month period from a Plan Review Date;
- the Plan's rate of investment return on the Plan assets for defined benefit members is less than the rate of increase in the salaries of defined benefit members during any Plan Year;
- the Plan's current Benefit Certificate, issued under the Superannuation Guarantee (Administration) Act 1992, expires or ceases to have effect in accordance with section 10 of the Superannuation Guarantee (Administration) Act 1992;
- there is a change in the investment policy adopted by the Trustee for defined benefit members' assets such that the portfolio of investments no longer represents a balanced investment portfolio;
- an enhanced benefit payment is made to a defined benefit member, where such enhancement exceeds 10% of the value of the benefit due in accordance with the terms of the Plan Summary at the date of benefit payment and the employer does not make any additional contributions to the plan;
- the crediting rate of interest used to add interest to defined benefit members' account balances is greater than the rate determined under the Plan’s Crediting Rate of Interest policy; and
- the level of the Vested Benefit Index for defined benefit members at a Plan Review Date falls below 100% or the level of the Accrued Benefit Index for defined benefit members at a Plan Review Date falls below 95%.

However, after reviewing the details of a specific event that would otherwise be classified as a “notifiable” event, the Actuary may advise the Trustee that such an event does not constitute a “notifiable” event for the purpose of this Certificate.

Occurrences since 30 June 2018

The latest actuarial investigation of the Plan was undertaken as at 30 June 2018 (my report dated 9 October 2018).

During the period from 30 June 2018 to 25 September 2018 it is estimated that the Plan’s assets achieved an average return of approximately 1.1% over the period – i.e. approximately 4.5% per annum. This is less than assumed in the valuation as at 30 June 2018 (6.0% per annum).

I believe that it is reasonable to expect members' MBs remain covered by the available Plan assets during this time.

There are no other matters or occurrences after 30 June 2018 of which I am aware that would affect the contents of this certificate.

Actuarial Guidance Note

This Funding and Solvency Certificate has been prepared in accordance with Professional Standard 407 of the Institute of Actuaries of Australia.

Signed: D.J. O'Keefe

David O'Keefe
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Date: 9 October 2018