

19 June 2007

**Report on the Actuarial Review
of the Local Government
Superannuation Scheme
as at 30 June 2006**

MERCER

Human Resource Consulting



Local Government Superannuation Scheme Divisions B, C & D Funding and Solvency Certificate for the purposes of Regulation 9.09 of the Superannuation Industry (Supervision) Regulations

1. Application

This Funding and Solvency Certificate has been prepared for the Trustee of the Local Government Superannuation Scheme in accordance with Guidance Note 461 issued by the Institute of Actuaries of Australia.

This Certificate is effective from 1 July 2006 and expires on 30 June 2011, unless it is replaced earlier or ceases to have effect for other reasons covered in Regulation 9.12(2) of the Superannuation Industry (Supervision) (SIS) Regulations.

2. Trustee Obligations

The Trustee is required under the Regulations to -

- (i) As soon as practicable, give a copy of this Certificate to each employer-sponsor who is associated with the Scheme for Superannuation Guarantee purposes.
- (ii) Notify the Scheme's actuary if any of the events listed in Appendix D1 occurs while this Certificate is in force.

3. Certification

I certify that as at 30 June 2006 the Scheme was solvent (as defined in Part 9 of the SIS Regulations) ie the Scheme's Minimum Benefit Index was not less than 1.

I also certify that, if the employers make contributions as recommended in my Report on the Actuarial Review of the Scheme as at 30 June 2006 then based on the assumptions given in Appendix D3 to this Certificate, the Scheme can be expected to remain solvent (as defined in Part 9 of the SIS Regulations) during the period covered by this Certificate.

The recommended contributions are:

Pooled employers

Division B	50% of 1.9 times member contributions
Division C	50% of 2.5% of salary
Division D	50% of 1.64 times member contributions

from 1 July 2006 to 30 June 2010 and to be reviewed at the 30 June 2009 triennial investigation.

Murrumbidgee Irrigation

nil contribution, commencing as soon as possible.

Red Cross

2.15 times member contributions, payable from 1 July 2007.

JobSupport

As for Pooled employers.

4. Events since the effective date of this Certificate

I am not aware of any events since the effective date of this Certificate that would affect the Certificate's contents. This certificate has been prepared in conjunction with the actuarial review of the Scheme as at 30 June 2006.

5. Related Benefit Certificate

In certifying the Scheme's solvency it is necessary to compare the Scheme's assets with the Minimum Requisite Benefits payable from the Scheme for Superannuation Guarantee purposes. I have taken these benefits to be those described in the Superannuation

Guarantee Benefit Certificate prepared by myself dated 14 June 2006. The expiry date of that Benefit Certificate is 30 June 2010.

For the period from the expiry of that Benefit Certificate to the expiry of this certificate, I have assumed that the Minimum Requisite Benefits will continue to accrue using the rates and formulae described in that Benefit Certificate.

6. Explanation for the Trustee

This Certificate certifies that the Scheme is "solvent" (as defined in the Regulations for Superannuation Guarantee purposes, ie minimum Superannuation Guarantee benefits are covered by the assets). It also certifies that on reasonable assumptions about the future the Scheme is **likely** to remain "solvent" during the period covered by this Certificate.

However, I do not, and cannot, **guarantee** that the Scheme will remain "solvent", even in this limited sense, for the period covered by this Certificate.



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