



ENERGY INDUSTRIES®
SUPERANNUATION SCHEME



focused service



solid returns



ANNUAL REPORT 2011

Contents

Note from the Chair	3
Message from Richard Powis, the New CEO	4
Review of the Markets	5
Returns and Rankings	6
Your Investment	7
The Team Behind Your Super	14
Your Board	15
About the Service Providers	16
Taxes, Fees and Charges.....	17
Financial Statements	19
More Information	21
Important Changes	22
Contact Us.....	25



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Members should not rely solely on this information and should consider their own personal objectives, financial situation and needs before acting on this information. Prior to making any investment decision you should obtain and consider the relevant Product Disclosure Statement (PDS) pertaining to your Scheme membership and seek professional investment advice.



This Product Disclosure Statement is printed on Impress, an environmentally responsible paper manufactured using Elemental Chlorine Free (ECF) pulp sourced from sustainable, well managed forests. Impress is certified under ISO14001 international environmental management systems.

Careful Stewardship

I'm delighted to report that in these times of market volatility, our overall investment performance for the 2010/11 financial year has produced solid returns.

Indeed, we believe the best way to support our members, particularly those whose superannuation has been buffeted by the GFC and its wake, is by delivering sound performance.

Guiding our investment approach is a sense of stewardship – we never lose sight that the money we are investing is yours. We review our investment options regularly. We ensure their underlying investments are sufficiently diverse, and that we're not exposing members to an unreasonably high level of risk. In this, we are assisted by our asset adviser, Mercer, a globally renowned consultancy with over 30 years' experience.

I'd also like to welcome the new CEO of Energy Industries Superannuation Scheme, Richard Powis. Richard's goals are very much aligned with those of the Board: to provide members with consistently sound returns and high quality service. Richard brings with him a wealth of experience, having previously held several top-level positions within both the energy and superannuation sectors.

Any questions or comments about your Annual Report, please call us on **1300 369 901**.

Regards,



John Eisenhuth

Chair

Energy Industries
Superannuation
Scheme



Message from Richard Powis, the New CEO

I'm delighted to have been appointed Chief Executive Officer of the Energy Industries Superannuation Scheme (EISS).

It's a role that I'm approaching with absolute enthusiasm and wealth of expertise, having previously served as CEO of FuturePlus Financial Services, the administrator for EISS.

My resumé also includes eight years as CEO for Integral Energy, plus several energy industry Board positions including the EISS Trustee Board.



These roles have provided me with a fully rounded insight into all aspects of EISS: from the decisions made in the board room; the administrative challenges faced; and most importantly the concerns and needs of you – the EISS members.

Aside from my appointment, the past 12 months have seen other changes including EISS's acquisition of

FuturePlus Financial Services. Not only is it expected to be a good long term investment for the Fund, but will enable us to offer members a more dedicated set of services. Already, we've employed additional financial planners for Port Macquarie and Nowra, to complement those servicing Sydney, Newcastle and Lismore.

As new CEO I'm resolutely committed to EISS's core mission: to help maximise your retirement savings through consistently sound returns; and to provide you with the high quality service you'd expect from a premier super fund.

Regards,

A handwritten signature in black ink that reads "R. Powis". The signature is written in a cursive, slightly stylized font.

Richard Powis

CEO

Energy Industries Superannuation Scheme

Review of the Markets

The story of the 2010/11 financial year, notwithstanding subsequent market activity, was one of strong share market returns that were in line with long-term averages, despite global economic uncertainty and natural disasters. The Australian share market was up nearly 12%, although that was pruned back in the final quarter of the year by about 4%.

Globally, returns from share markets differed greatly depending on the currency in which they were measured. During the year, the Australian dollar appreciated by 26.8% against the US dollar and appreciated against most other major currencies. Taking a strengthening Australian dollar into account, global share returns for 2010/11 were 2.7%. Stripping out the impact of the Australian dollar, this figure changes to 22.3%.

Patchy conditions in the US saw additional stimulus in the form of quantitative easing. This involves the government purchasing previously issued financial instruments from private institutions via newly created money. It's designed to inject additional liquidity into the economy, to encourage businesses to spend and to increase consumer confidence.

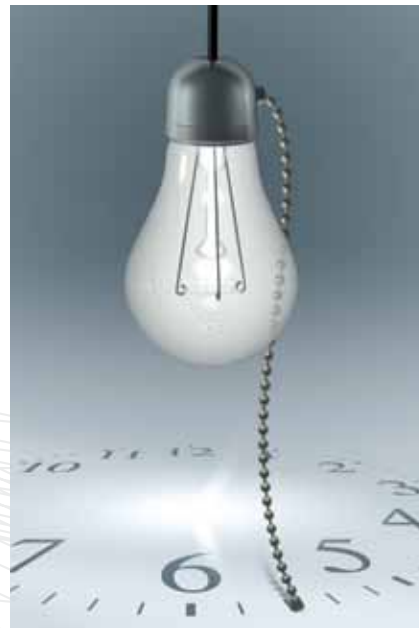
Generally, the financial markets reacted positively to these initiatives. Questions remain, however, over the long-term affect of US stimulus including the potential of inflationary fallout.

Elsewhere, the European debt crisis continued to play on investors' minds. Problems emanating from Greece spread to other European countries. Ireland received bail-out funds of approximately AUD\$115 billion to

avoid defaulting on its debt obligations. Fear haunted markets as investors speculated on who would be next, with Portugal, Spain and Italy seemingly the most likely. It was, in fact, Greece which required a second bail-out package to the value of AUD\$112 billion to aid in its debt repayments towards the end of the financial year.

Overall, the 2011 financial year played out well for investors. It remains to be seen, however, whether 2012 will be viewed similarly.

These are uncertain times we live in.



Returns and Rankings

Investment Returns

Throughout 2010/11 the economic outlook was uncertain and investment markets remained volatile but we were able to improve our investment returns across nearly all our investment options.

All of our strategies finished the financial year in the second quartile of all super funds in Australia with the exception of Cash, which was a third-quartile performer due to the lower-risk nature of our Cash fund compared to peers. However over three years Cash ranks in the top quartile of all super funds.



Go to www.eisuper.com.au for more details on investment returns.

Rankings

Super funds are regularly rated for their performance and their range of product and services.

The Energy Industries Superannuation Scheme received a Gold ranking from SuperRatings for the Accumulation Scheme

and the Account-Based Pension Plan. SuperRatings is Australia's leading rating agency for super funds.

The Energy Industries Superannuation Scheme performed strongly in most of the major categories and was particularly commended for the range and the cost of our automatic and voluntary insurance products.

SelectingSuper AAA Rating

SelectingSuper is Australia's leading financial services information company and has awarded the Energy Industries Superannuation Scheme with a AAA rating which denotes an exceptional quality super fund.

SelectingSuper assessed the Energy Industries Superannuation Scheme against a range of benchmarks in the industry and the fund rated exceptionally well on an overall assessment of organisational strength, administration, communications, investment performance, insurance, and other extra services.

The Energy Industries Superannuation Scheme is recognised as being among Australia's leading superannuation providers.



Accumulation Scheme Returns for 2010/11*		Rank
High Growth	10.4%	27 out of 91
Diversified	9.1%	38 out of 121
Balanced	7.8%	28 out of 63
Capital Guarded	6.7%	52 out of 114
Cash	4.0%	56 out of 82

* Net of fees and charges

Your Investment

This section of the Annual Report lists the strategies for each of the investment options, along with more detailed information on past performance, asset allocations and definitions.

Net earnings rates (investment return on the assets of the Scheme after payment of transaction costs, taxes and other expenses) disclosed in the tables on the following pages may not be the same as the rate credited to a member's benefit because of the effect of cash flow timings.

The net earnings allotted to your accounts during this period are calculated daily, based upon the applicable unit prices of the underlying investment strategies you

are invested in. These unit prices are derived from the market value of the investments in your underlying investment strategy after adjustments for taxes, fees and expenses. You should note that any direct fees, contributions tax or expenses (such as insurance premiums) are deducted directly from your account and are not taken into account when deriving applicable unit prices.

Please note that the following tables show returns for the past net earning rates and these figures are not an indicator of future net earning rates and that member benefits invested in any particular investment strategy are not guaranteed and the value of their investment may fall.

High Growth

High Growth - Provides diversified exposure to the asset classes with the highest expected return.

Definition - The High Growth strategy generally invests a very high proportion of its funds in growth assets, such as Australian and international equities and property. This combination aims to earn high real investment growth of CPI + 4.5% p.a. over 10 years. Because the emphasis is on growth, you should keep in mind that there may be what financial professionals call 'short-term volatility' in this strategy. In other words, the value of the investment may fluctuate over the short term.

Objective - CPI + 4.5% p.a. over 10 years.

Risks - There is a significant chance that the investment value may decrease in the short term. The chance of a negative return in any one year is one in four.

Risk Profile - High.

Asset allocation				
	Asset classes	Target allocation	Allowable asset class ranges	Actual 2011 (as at 30 June)
Growth assets	Listed equities (Includes Australian equities, International equities and listed property)	71%	60-95% total for all	70.6%
	Unlisted property	3%	0-6%	1.5%
	Private equity	5%	0-15%	5.3%
	Semi liquids & Absolute return	16%	0%-20% total for both	15.9%
Total growth assets		95%	90-100%	93.4%
Defensive assets	Fixed income	4%	0-10%	1.4%
	Semi liquids & Absolute return	0%	0%	0.0%
	Cash	1%	0-10%	5.2%
Total defensive assets		5%	0-10%	6.6%
Total assets				100%

Investment returns over 5 years for Pool A as at 30 June (all figures are represented to one decimal place)					
	2007	2008	2009	2010	2011
Accumulation and Executive Schemes (Divisions A, E and N)	14.5%	-12.2%	-19.5%	11.1%	10.4%
Rollover Plan (Division F)	14.3%	-13.4%	-20.5%	9.3%	9.9%
Account-Based Pension Plan (Division F)	16.0%	-14.2%	-22.7%	11.6%	11.6%

Your Investment

Diversified

Diversified - Provides diversified exposure to a range of asset classes.

Definition - The Diversified strategy generally invests a high proportion of its funds in growth assets, such as Australian and international equities and property. The balance is invested in income-producing assets. This combination aims to earn real investment growth of CPI + 3.5% p.a. over seven years. Because the emphasis is on growth, you should keep in mind that there may be what financial professionals call 'short-term volatility' in this strategy. In other words, the value of the investment may fluctuate over the short term. This volatility is not as great as it is in the High Growth strategy.

Objective - CPI + 3.5% p.a. over seven years.

Risks - There is potential for the value of the investment to decrease in the short term. The chance of a negative return in any year is one in six.

Risk Profile - High/Medium.

Asset allocation				
	Asset classes	Target allocation	Allowable asset class ranges	Actual 2011 (as at 30 June)
Growth assets	Listed Equities (Includes Australian equities, International equities and listed property)	56.5%	45% -75% total for all	54.4%
	Unlisted property	2%	0%-6%	1.6%
	Private equity	2.5%	0-10%	2.5%
	Semi liquids & Absolute return	14%	0% -20% total for both	13.7%
Total growth assets		75%	70-80%	72.2%
Defensive assets	Fixed income	20%	10-30%	15.4%
	Semi liquids & Absolute return	3%	0% -10% total for both	0%
	Cash	2%	0-15%	12.3%
Total defensive assets		25%	20-30%	27.8%
Total assets				100%

Investment returns over 5 years for Pool A as at 30 June (all figures are represented to one decimal place)					
	2007	2008	2009	2010	2011
Accumulation and Executive Schemes (Divisions A, E and N)	12.6%	-8.7%	-14.6%	10.5%	9.1%
Rollover Plan (Division F)	12.0%	-10.2%	-14.5%	9.5%	8.5%
Account-Based Pension Plan (Division F)	13.1%	-10.0%	-17.0%	10.9%	10.3%

Your Investment

Balanced

Balanced - Provides diversified exposure to a range of asset classes.

Definition - The Balanced strategy generally invests a proportion of its funds in growth assets such as Australian and international equities, property, private equity and the balance in income-producing assets, such as interest-bearing securities. This combination aims to earn real investment growth of CPI + 3% p.a. over five years. There are more assets that produce income, which makes the strategy more stable than the High Growth and Diversified strategies.

Objective - CPI + 3% p.a. over five years.

Risks - There is a possibility that the value of the investment will decrease in the short term. The chance of a negative return in any year is one in eight.

Risk Profile - Medium.

Asset allocation				
	Asset classes	Target allocation	Allowable asset class ranges	Actual 2011 (as at 30 June)
Growth assets	Listed Equities (Includes Australian equities, International equities and listed property)	42%	30%-60% total for all	41.5%
	Unlisted property	2%	0-6%	0.9%
	Private equity	2%	0-5%	1.8%
	Semi liquids & Absolute return	14%	0%-20% total for both	13.9%
Total growth assets		60%	55-65%	58.2%
Defensive assets	Fixed income	32%	15-45%	27.7%
	Semi liquids & Absolute return	4%	0%-10% total for both	0%
	Cash	4%	0%-15%	14.1%
Total defensive assets		40%	35-45%	41.8%
Total assets				100%

Investment returns over 5 years for Pool A as at 30 June (all figures are represented to one decimal place)					
	2007	2008	2009	2010	2011
Accumulation and Executive Schemes (Divisions A, E and N)	10.0%	-5.2%	-10.4%	11.6%	7.8%
Rollover Plan (Division F)	9.8%	-6.4%	-11.0%	10.9%	7.5%
Account-Based Pension Plan (Division F)	10.5%	-6.5%	-12.5%	12.3%	8.8%

Your Investment

Capital Guarded

Capital Guarded - Provides diversified exposure to a range of asset classes.

Definition - The Capital Guarded strategy generally invests a small proportion in growth assets and the balance in income-producing assets such as interest-bearing securities. This combination aims to keep investment return fluctuations to a minimum and achieve growth of CPI + 2.5% p.a. over three years. Although it is relatively more stable than the High Growth, Diversified and Balanced strategies, the returns and the value of the investment can still fluctuate.

Objective - CPI + 2.5% p.a. over three years.

Risks - Although the emphasis is more on security, returns and the value of the investment can still fluctuate. The chance of a negative return in any year is one in 15.

Risk Profile - Medium/Low.

Asset allocation				
	Asset classes	Target allocation	Allowable asset class ranges	Actual 2011 (as at 30 June)
Growth assets	Listed Equities (Includes Australian equities, International equities and listed property)	25%	0%-40% total for all	23.8%
	Unlisted property	2%	0-6%	0.6%
	Private equity	0%	0%	0%
	Semi liquid assets & Absolute return	13%	0-20% total for both	12.8%
Total growth assets		40%	35-45%	37.2%
Defensive assets	Fixed income	48%	25-65%	43.3%
	Semi liquid assets & Absolute return	4%	0-15% total for both	0%
	Cash	8%	0%-20%	19.5%
Total defensive assets		60%	55-65%	62.8%
Total assets				100%

Investment returns over 5 years for Pool A as at 30 June (all figures are represented to one decimal place)					
	2007	2008	2009	2010	2011
Accumulation and Executive Schemes (Divisions A, E and N)	7.3%	-1.4%	-5.9%	10.1%	6.7%
Rollover Plan (Division F)	7.2%	-2.0%	-6.1%	9.7%	6.6%
Account-Based Pension Plan (Division F)	7.9%	-2.2%	-7.4%	10.7%	7.5%

Your Investment

Cash

Cash - Provides exposure to cash.

Definition - The Cash strategy invests predominantly in short-term Australian money market assets. This strategy is suited to investors targeting above RBA cash rate returns with negligible risk of capital loss.

Objective - Equal to the 90 day Bank Bill Index (after tax).

Risks - Negligible risk of capital loss in any given year.

Risk Profile - Low.



Asset - 100% cash and income-producing assets

Asset Allocation as at 30 June	Indicative 2011	Actual 2011 (as at 30 June)
Cash and income-producing assets	100%	100%

Investment returns over 5 years for Pool A as at 30 June (all figures are represented to one decimal place)

	2007	2008	2009	2010	2011
Accumulation and Executive Schemes (Divisions A, E and N)	6.3%	5.3%	4.7%	4.5%	4.0%
Rollover Plan (Division F)	5.5%	4.6%	4.1%	3.8%	4.0%
Account-Based Pension Plan (Division F)	6.6%	5.2%	4.9%	3.9%	4.5%

Your Investment

Growth Strategy

(Formerly Retirement and Defined Benefit Schemes - Trustee Selection)

For real investment growth above the inflation rate over the medium to long term.

Definition - The Growth strategy generally invests a high proportion of its funds in growth assets, such as Australian and international equities and property. The balance is invested in income-producing assets. This combination aims to earn real investment growth above the inflation rate over a five year period. Because the emphasis is on growth, you should keep in mind that there may be what financial professionals call 'short-term volatility' in this strategy. In other words, the value of the investment may fluctuate over the short term.

Objective - To target a real rate of return after tax of 5% p.a. over a five year period.

Risks - There is a significant chance that the investment value may decrease in the short term. The chance of a negative return in any year is one in four.

Risk Profile - High/Medium.

Asset allocation				
	Asset classes	Target allocation	Allowable asset class ranges	Actual 2011 (as at 30 June)
Growth assets	Listed Equities (Includes Australian equities, International equities and listed property)	63.5%	30-80%	62.7%
	Unlisted property	3%	0-20%	2.4%
	Private equity	2.5%	0-30%	1.7%
	Semi liquid assets & Absolute return	16%	0-20%	16.9%
Total growth assets		85%	80-90%	83.6%
Defensive assets	Fixed income	13%	0-75%	10.5%
	Semi liquid assets & Absolute return	0%	0-25%	0%
	Cash	2%	0-25%	5.9%
Total defensive assets		15%	10-20%	16.4%
Total assets				100%

Investment returns over 5 years as at 30 June (all figures are represented to one decimal place)					
	2007	2008	2009	2010	2011
Retirement and Defined Benefit Scheme (Pool B) Contributory	15.4%	-8.6%	-17.3%	10.6%	11.1%
Retirement and Defined Benefit Scheme (Pool B) Deferred	14.7%	-9.4%	-18.3%	10.1%	10.2%
Retirement and Defined Benefit Basic Benefit Accumulation Account	15.1%	-9.0%	-17.7%	9.8%	10.7%

Your Investment

Member Investment Choice

Retirement Scheme Members only (Pool B)

Retirement Scheme members have access to Member Investment Choice in addition to Trustee Selection (now called Growth) by choosing one of the five investment strategies shown below. Member investment choice is the facility by which you can elect which investment strategy is to apply to your following benefit components:

For Contributory Members

- ◆ Your Contributor Financed Benefit; and
- ◆ Basic Benefit Accumulation account

For Deferred Members

- ◆ Your Total Account Balance

These investment strategies commenced 1 October 2005. The tables below show the investment returns for the financial years ending in 2008, 2009, 2010 and 2011.

Investment returns as at 30 June 2008 (all figures are represented to one decimal place)			
Strategies	Contributor Financed Benefit	Basic Benefit Accumulation Account	Deferred members
High Growth	-12.9%	-13.2%	-13.6%
Diversified	-9.0%	-9.3%	-9.7%
Balanced	-5.2%	-5.5%	-6.0%
Capital Guarded	-1.4%	-1.7%	-2.1%
Cash	4.9%	4.6%	4.1%

Investment returns as at 30 June 2009 (all figures are represented to one decimal place)			
Strategies	Contributor Financed Benefit	Basic Benefit Accumulation Account	Deferred members
High Growth	-19.4%	-19.8%	-20.7%
Diversified	-15.1%	-15.3%	-16.0%
Balanced	-11.1%	-11.3%	-12.1%
Capital Guarded	-7.0%	-7.5%	-8.0%
Cash	5.1%	4.9%	4.5%

Investment returns as at 30 June 2010 (all figures are represented to one decimal place)			
Strategies	Contributor Financed Benefit	Basic Benefit Accumulation Account	Deferred members
High Growth	11.3%	11.8%	10.0%
Diversified	10.6%	10.8%	10.2%
Balanced	11.7%	11.7%	11.2%
Capital Guarded	10.2%	10.1%	9.3%
Cash	4.4%	4.0%	3.6%

Investment returns as at 30 June 2011 (all figures are represented to one decimal place)			
Strategies	Contributor Financed Benefit	Basic Benefit Accumulation Account	Deferred members
High Growth	11.2%	10.4%	9.2%
Diversified	9.4%	9.1%	7.7%
Balanced	8.3%	7.8%	7.1%
Capital Guarded	7.7%	6.7%	5.5%
Cash	4.7%	4.0%	4.0%

The Team Behind Your Super

About the Trustee

Energy Industries Superannuation Scheme Pty Limited (ABN 72 077 947 285) is the Trustee of Pool A (ABN 22 277 243 559) and Pool B (ABN 64 322 090 181) of the Scheme.

The Trustee is a non-profit company solely engaged in the management and control of the Scheme and its assets for the benefit of its members.

Scheme Governance

The Trustee is responsible for managing the Scheme, including the safekeeping of the assets and ensuring it operates in accordance with the Trust Deed, the Corporations Act 2001, the Superannuation Industry (Supervision) Act 1993 and other relevant superannuation legislation.

Role of the Board

The Board is responsible for setting the overall strategy for the Scheme and ensuring it is operating in accordance with the Trust Deed and all applicable laws.

The Board meets most months and receives and reviews reports from its service providers, such as the Administrator (FuturePlus Financial Services), the Custodian (JP Morgan Chase Bank) and investment managers. Where necessary, the Board calls upon specialist advice from advisors, such as solicitors, accountants and the Scheme's actuary.

The Board operates under a Board Charter which, amongst other things, defines the roles and responsibilities of Directors, training requirements for Board members and sets out a Board meeting calendar.

The Board has appointed the Investment Committee and the Risk, Audit and Compliance Committee to allow it to oversee the operations of the Scheme in greater detail.

The Investment Committee (made up of Chair – Bernie Riordan, Terry Downing, Ian Tarrant and John Eisenhuth) generally meets monthly to monitor the performance of the investment managers and oversee the work of the Investment Advisor.

The Risk, Audit and Compliance Committee (made up of Chair – Kevin Murray, John Whelan, Michael Doust and Justin De Lorenzo), meet at least six times per year and reviews the internal controls and risk management of the Scheme and its service providers. Meetings of the Committee are also attended by a representative of the Scheme's internal and external auditors.

The Board continually reviews the Scheme's governance and compliance processes.

Industry Regulator

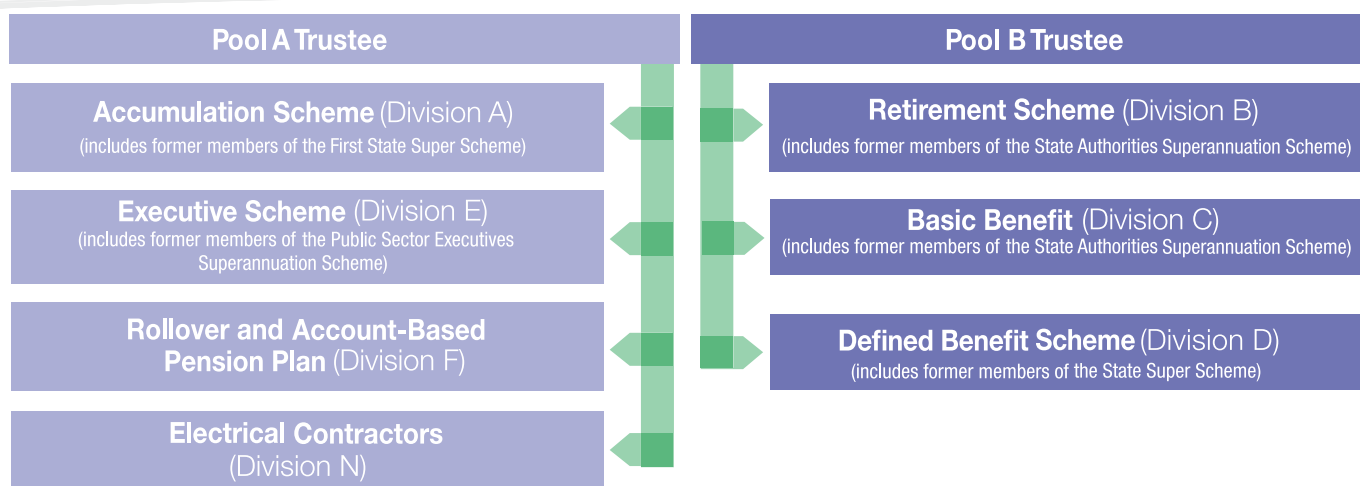
The operations of the Scheme are supervised by the Australian Prudential Regulation Authority (APRA).

Representatives of the Board meet APRA regularly, so as to keep the regulator informed about the activities of the Scheme. These meetings also provide an opportunity for the Board to hear APRA's views about the superannuation industry generally.

Indemnity Insurance

The Trustee is indemnified by a policy of insurance in respect of its duties as Trustee of the Scheme.

Energy Industries Superannuation Scheme Divisions



Your Board



John Eisenhuth - Chair
Appointed by Ausgrid.
Executive General Manager,
Distribution Operations and Reliability,
Ausgrid.



Bernie Riordan
Appointed by Electrical Trades Union
(ETU) NSW Branch.
Secretary, Electrical Trades Union,
NSW Branch.



Michael Doust - Deputy Chair
Appointed by Electrical Trades Union
NSW Branch.
Organiser, Electrical Trades Union NSW
Branch.



John Whelan OAM, JP
Appointed by Unions NSW.
Former President, Unions NSW.
Life Member, National Union
of Workers.



Terry Downing
Appointed by Endeavour Energy.
Deputy Chair, Endeavour Energy.



Ian Tarrant
Appointed by the United Services
Union (USU) of NSW.
Manager, Remuneration and Benefits,
Essential Energy.



Justin De Lorenzo
Appointed by Essential Energy.
Executive General Manager,
Finance and Risk, Essential Energy.



Kevin Murray
Appointed by TransGrid.
Former Managing Director, TransGrid.

About the Service Providers

The Trustee engages external experts such as investment advisers and investment managers, an administrator, a custodian, accountants, solicitors and auditors to assist it with its obligations.

The Trustee reviews its service providers regularly and may from time to time make changes.

Administrator

The Administrator of the Scheme is FuturePlus Financial Services Pty Limited¹. The administrator attends to the



day-to-day operation of the Scheme under a written service agreement. FuturePlus also employs salaried financial planners to assist members. FuturePlus is owned by the Energy Industries Superannuation Scheme.

The Trustee undertakes that it will not deal with FuturePlus more favourably than it would deal with any other independent service provider.

The Trustee has also appointed FuturePlus

as an investment manager to the Scheme under a written service agreement.

Actuary

Mercer Human Resource Consulting Pty Limited

Auditor

Audit Office of New South Wales

Asset Consultant

Mercer Asset Consulting

Custodian

JPMorgan Chase Bank (Sydney Branch). The custodian holds the Scheme's assets under a written service agreement.

Investment Managers for the Year Ended 30 June 2011

AMP Capital Investors

Ardea Investment Management

Arnhem Investment Management

Blackrock Investment Management Australia

BT Investment Management

Charter Hall Funds Management

Genesis Investment Management

Goldman Sachs Asset Management

Kapstream Capital

LSV Asset Management

Macquarie Investment Management

Magellan Asset Management

MFS Institutional Advisors

Quentin Ayers

Schroder Investment Management Australia

Select Credit Union

UBS Global Asset Management

Valad Property Group

Wilshire Australia

Legal Advisors

DLA Phillips Fox

Clayton Utz

1. FuturePlus Financial Services Pty Limited (ABN 90 080 972 630) is an Australian Financial Services Licensee (AFSL: 238445).

Taxes, Fees and Charges

General Tax Information

Your Scheme is required to pay tax of up to 15% on all employer contributions¹ received (including contributions made by way of Salary Sacrifice). Any tax payable in respect of these contributions is deducted from your account. Personal contributions made on an after-tax basis are not subject to tax.

From 1 July 2005, the Federal Government abolished the surcharge payable on certain superannuation contributions. However, any debt accrued prior to this date is still payable and will be deducted from your account. The Australian Tax Office (ATO) determines the amount of surcharge (if any) which relates to your contributions. All surcharge amounts are deducted from your account and paid to the ATO on your behalf (except for the Retirement and Defined Benefit Schemes), which are held as a debt until the time your benefit is paid.

Fees and Other Costs

There are a number of fees levied by your Scheme. These include:

Investment costs and expense recovery fee

These are the fees and costs for investing the assets and for payment of certain other costs associated with operating your Scheme (full details of these types of fees can be found on our website or in your PDS). Note that investment management fees are not charged directly to your account. These fees are applied daily on the market value of the assets in each particular investment strategy and are deducted prior to the declaration of the relevant unit price or the striking of the Crediting Rate (in the case of Growth).

Administration fee

The Trustee sets the administration fee at the level needed to recover the cost of administering a member's

account. Where applicable, this fee is charged on a monthly basis. A separate administration fee is not charged on Rollover Plan, Account-Based Pension Plan (formerly called Allocated Pension Plan), or the Defined Benefit (Division D) Scheme. The table below lists all fees charged to members' accounts. For further details refer to the PDS, contact Member Services on **1300 369 901** or visit the website www.eisuper.com.au

Member protection

If you are a protected member, any administration fee deducted from your account cannot exceed the earnings on your account balance in that financial year. This means that your account balance will not fall because of administration fees (excluding insurance and taxes). During the last financial year, account balances with less than \$1,000 were protected. It is important to note that member protection will not fully apply in times of poor or negative returns, as Superannuation Law provides that the Scheme can charge a protected member a nominal administration fee of no more than the investment return, plus \$10 in such times (subject to certain pre-conditions met by the Trustee).



Administration, other fees and insurance premiums charged in Pool A				
For the year ended 30 June 2011	Accumulation Scheme	Executive Scheme	Electrical Contractors Division	Rollover and Account-Based Pension Plan
Administration fee: non contributing member	75c per week	\$3.00 per month	75c per week	N/A
Administration fee: contributing member	75c per week	\$6.33 per month	75c per week	N/A
Basic Death or Invalidity cover	\$15 per month	\$25 per month ²	\$3.40 per month	N/A
Benefit payment fee	\$20 per payment	\$30 per payment	\$20 per payment	No charge
Optional investment switch in any financial year	\$20 per switch ³	\$30 per switch ³	\$20 per switch ³	No charge
Voluntary insurance	The cost will vary depending on the amount insured and other factors			N/A

1. Net of allowable deductions e.g. administration and insurance fees.

2. Only available to new members to the Scheme from 1 July 2005.

3. The first switch is free in any financial year. Any subsequent switches in that financial year are charged the stated amount.

Taxes, Fees and Charges

Investment Fees Charged in Pool A

Investment fees charged to Division A, E and N members for the year ended 30 June 2011 ¹					
Months	High Growth	Diversified	Balanced	Capital Guarded	Cash
July - June	0.67%	0.65%	0.63%	0.61%	0.56%

Investment fees charged to Division F members for the year ended 30 June 2011 ²					
Months	High Growth	Diversified	Balanced	Capital Guarded	Cash
July - June	1.00%	0.97%	0.92%	0.88%	0.72%

Administration fees charged in Pool B		
	Retirement Scheme	Defined Benefit Scheme
Administration fee – Contributory	75c per week	N/A
Administration fee – Deferred	75c per week	N/A
Administration fee – Accumulation Account	N/A	N/A

Investment Fees Charged in Pool B (Accumulation accounts only)

Investment fees charged in Division B to contributory members excluding any Basic Benefit Accumulation Account for the year ended 30 June 2011 ³						
Month	High Growth	Growth	Diversified	Balanced	Capital Guarded	Cash
July - June	0.24%	0.23%	0.22%	0.20%	0.18%	0.13%

Investment fees charged in Division B to contributory members for the Basic Benefit Accumulation Account for the year ended 30 June 2011 ⁴						
Month	High Growth	Growth	Diversified	Balanced	Capital Guarded	Cash
July - June	0.60%	0.59%	0.58%	0.56%	0.54%	0.49%

Investment fees charged in Division B to deferred members for the year ended 30 June 2011 ⁵						
Month	High Growth	Growth	Diversified	Balanced	Capital Guarded	Cash
July - June	1.13%	1.13%	1.12%	1.10%	1.07%	1.03%

Family Law Fees

As at the 30 June 2011, the following fees were payable for the provision of Family Law information and for the actual “splitting of the benefit”.

Accumulation Scheme, Executive Scheme and Rollover and Account – Based Pension Plan (includes GST)	
Request for information ⁶	\$110
Benefit split fee ⁷	\$88

Retirement, Basic Benefit and Defined Benefit Schemes (includes GST)	
Request for information ⁶	
Current members	\$275
Deferred members	\$110
Pensioners	\$110
Benefit split fee ⁷	\$88

Further fees and charges disclosure is provided in your annual member statement and also in the PDSs which are available at www.eisuper.com.au

1. Maximum 1 % fee applies for all investment options.
2. The Investment Fees include investment management, financial planning and account administration.
3. A maximum 0.55% fee applies for the Contributor Financed Benefit.
4. A maximum 0.892% fee applies for the Basic Benefit Accumulation Account.
5. A maximum 1.4% fee applies.
6. This fee is payable by the person requesting the information.
7. This fee is generally payable by the member and non-member spouse in equal parts (\$44 each). However, if the non-member spouse is entitled to the whole amount of a splittable payment, the entire amount is payable by the non-member spouse. The member’s share of the fee is deducted from the member’s account and the non-member spouse’s share is deducted from the non-member spouse’s splittable payment prior to the transfer of the payment out of the Scheme.

Financial Statements

Pool A

Operating Statement for the year ended 30 June 2011		
	30-Jun-10 (\$ '000)	30-Jun-11 (\$ '000)
Revenue		
Net investment revenue	98,476	110,503
Employer contributions	128,175	144,210
Member contributions	3,404	2,799
Transfers in	88,822	129,180
Total revenue	318,877	386,692
Less outgoings		
Administrative expenses	9,534	9,116
Contributions surcharge	-	3
Income tax expense	24,465	26,625
Total outgoings	33,999	35,744
Benefits accrued as a result of operations	284,878	350,948

Statement of Financial Position for the year ended 30 June 2011		
	30-Jun-10 (\$ '000)	30-Jun-11 (\$ '000)
Investments		
Short-term investment	419	445
Unit trusts	1,046,634	1,316,441
Pooled Superannuation Trusts	-	-
Total investments	1,047,053	1,316,886
Other assets		
Cash	21,555	27,030
Receivables	144	50
Deferred tax assets	13,249	12,828
Total assets	1,082,001	1,356,794
Less liabilities		
Payables	1,490	1,596
Current tax liability	12,532	13,850
Total liabilities	14,022	15,446
Net assets available to pay benefits	1,067,979	1,341,348

The complete Financial Report, including the Auditor's Report is available on request by calling Member Services on 1300 369 901 or by going to our website www.eisuper.com.au

Financial Statements

Pool B

Statement of changes in net assets for the year ended 30 June 2011		
	30-Jun-10 (\$ '000)	30-Jun-11 (\$ '000)
Net investment revenue	179,607	199,479
Employer contributions	141,684	154,541
Member contributions	3,286	2,650
Transfers in	673	2,468
Total revenue	325,250	359,138
Less outgoings		
Benefits paid	90,305	136,153
Administrative expenses	7,549	9,680
Contributions surcharge	-	2
Income tax expense (benefit)	40,954	39,357
Total outgoings	138,808	185,192
Net profit/loss	186,442	173,946

Statement of net assets for the year ended 30 June 2011		
	30-Jun-10 (\$ '000)	30-Jun-11 (\$ '000)
Investments		
Unlisted equities and trusts	1,761,152	1,943,989
Property	-	-
Total investments	1,761,152	1,943,989
Other assets		
Cash	17,538	15,540
Receivables	99	123
Current tax assets	-	-
Deferred tax assets	38,923	34,401
Total assets	1,817,712	1,994,053
Less liabilities		
Payables	1,939	3,273
Current tax liability	25,778	26,839
Deferred tax liability	-	-
Total liabilities	27,717	30,112
Net assets available to pay benefits	1,789,995	1,963,941

The complete Financial Statements, including the Auditor's Report, are available on request by calling Member Services on **1300 369 901**, or by going to our website www.eisuper.com.au

Large Investments

The Energy Investment Fund (EIF) is a wholesale investment trust. The majority of the Scheme assets are invested through EIF. The investment pool of EIF is allocated across a range of investment managers. Investment managers (and/or their weightings) are changed at appropriate times. Other than investments made through EIF, during the year there were no individual investments that exceeded 5% of Pool A assets, 5% of Pool B assets or 5% in a single enterprise.

More Information

Complaints

With our focus on quality service and transparency, the Trustee wishes to ensure that any enquiries or complaints are handled courteously and promptly. We hope that you will always receive satisfactory service from your Scheme and that all your enquiries are promptly attended to. However, if you are dissatisfied with the service you are receiving, you may lodge a formal complaint. This should be made in writing to:

Complaints Resolution Officer

Energy Industries Superannuation Scheme
PO Box N835
Grosvenor Place NSW 1220

The Complaints Resolution Officer will consider your complaint on behalf of the Trustee and provide you with a response as soon as possible. If you are not satisfied with the response, or your complaint has not been resolved within 90 days, you have the option of referring your complaint to the Superannuation Complaints Tribunal. The Tribunal is an independent body established by the Commonwealth Government to review certain types of decisions. The contact details are:

Superannuation Complaints Tribunal

Locked Bag 3060, GPO Melbourne VIC 3001
Ph: [1300 780 808](tel:1300780808)

Pool A Reserves

The Scheme operates the following reserves in Pool A:

Operational Risk Reserve

The Operational Risk Reserve was established on 30 June 2008 to cover the risk of loss from inadequate or failed internal processes, people and systems or from external events.

Unit Pricing Equalisation Reserve (UPER)

UPER operates for the purpose of allowing reimbursement to members who have been disadvantaged by an error or anomaly to the unit price they have been allocated and that amount cannot be recovered from external sources. The maximum amount that may be maintained in this reserve for this purpose is 0.3% of assets. If the reserve exceeds this figure for any reason, that excess amount may be credited to the earnings and distributed to members.

Administration and tax reserves

Deductions are made from members' accounts and investment earnings to pay for the Scheme's income tax liabilities and operational expenses. These deductions are set out in this report. The administration and tax reserves are invested in cash and applied towards the expenses they relate to as and when they become payable. Changes to the balance held in each of the above mentioned reserve accounts as at 30 June for the last three years are as follows:

Year	DORI (\$'000)	UPER (\$'000)	Admin (\$'000)	Tax (\$'000)	Operational Risk ¹ (\$'000)
2009	212	223	11	1,383	(80)
2010	(882)	74	11	(1,450)	947
2011	-	113	17	(185)	122

Reserves

The assets which support these reserves are held effectively in cash, either in a bank account, a cash management account or as a cash investment in a unit trust.

Derivatives

Derivatives are used to adjust the weightings of the various portfolios in line with your Scheme's overall investment strategy. Various derivatives may be applied, such as futures and options. Strict investment guidelines detail all limits approved on the use of derivatives are in place. Currency hedging activities are also carried out in relation to the international equities portfolio, within strictly defined parameters. Derivatives can also be used to protect against possible adverse moves in the markets, to implement tactical asset allocations, or to enter or exit the market at a defined price level. Under no circumstances can they be used to gear the investment portfolio or be used for speculative trading. Various managers in EIF have, at times, made use of derivatives as part of their portfolio management activities during 2010/2011. The Trustees require that all derivatives positions are (a) fully cash covered; (b) are offset to existing assets; or (c) are used to alter the exposures in underlying asset classes.

Eligible Rollover Fund

An Eligible Rollover Fund (ERF) is a fund which is established for the purpose of accepting and protecting benefits in respect of members of superannuation funds. If transferred to an ERF, a member ceases to have any rights which he or she previously had against the transferring fund. The Trustee has nominated 'Australia's Unclaimed Super Fund' (AUSfund) as the ERF to which such members' benefits may be paid².

Contact details are as follows:

AUSfund Administration

PO Box 2468, Kent Town SA 5071
Ph: [1300 361 798](tel:1300361798)
Fax: [1300 366 233](tel:1300366233)

The Trustee will transfer a benefit to the nominated ERF in circumstances where a benefit is split under family law. A benefit may also be transferred to that ERF for inactive accounts (where no superannuation contributions are being made) with less than \$400.

1. Established on 30 June 2008

2. Industry Funds Investments Limited (IFI) - ABN 17 006 883 227, AFSL 229881 is the Responsible Entity of AUSfund, Australia's Unclaimed Super Fund - ABN 85 945 681 973U.

Important Changes

Changes to Investment Strategies

During the reporting period and after 30 June 2010 there have been a number of changes to the Scheme's investment strategies.

- ◆ In June 2010, the Trustee Selection strategy was split into its defined benefit and the member contributor components. There was no change to the underlying investment approach of the underlying assets.
- ◆ For members of the Defined Benefit Scheme, the investment option named Trustee Selection was re-named 'Defined Benefit Selection'.
- ◆ For Retirement Scheme members, from 1 November 2010, the Trustee decided to change the name of the investment known as "Trustee Selection" to "Growth". The name "Growth" best reflects the risk profile and objectives of the strategy given that the major proportion of assets (approximately 80%)

are invested in growth type assets such as Australian and international equities. Changes have now also been made to the asset allocation ranges, objectives and risks of the Growth strategy following advice from our asset consultant Mercers to make them consistent with those of the other investment strategies.

- ◆ In August 2010, changes were made to the asset allocation ranges, the objectives and risks of the following investment strategies - High Growth, Diversified, Balanced and Capital Guarded.

For more details about these asset allocation ranges, refer to the Supplementary Product Disclosure Statement (SPDS) dated 1 August 2010.

Below is a summary of the investment objective, risk profile and asset allocation ranges of each investment strategy.

Strategy		Objective and risk profile	
High Growth		CPI plus 4.5% p.a. over ten years. Chance of a negative return in any one year is one in four.	
Growth assets		Defensive assets	
Australian and international equities, and listed property	60-95% total for all	Fixed interest	0-10%
Unlisted property	0-6%	Cash	0-10%
Private equity	0-15%		
Semi-liquid assets and absolute return	0-20% total for both		
Total growth assets	90-100%	Total defensive assets	0-10%

Strategy (from 1 November 2010)		Investment objective	
Growth¹		CPI plus 4% pa over seven years.	
Growth assets		Defensive assets	
Australian and international equities, and listed property	50-70% total for all	Fixed interest	5-20%
Unlisted property	0-6%	Cash	0-10%
Private equity	0-15%		
Semi-liquid assets and absolute return	0-20% total for both		
Total growth assets	80-90%	Total defensive assets	10-20%

1. This strategy is only available to members of the Retirement Scheme.

Important Changes

Strategy	Objective and risk profile		
Diversified	CPI plus 3.5% pa over seven years. Chance of a negative return in any one year is one in six.		
Growth assets		Defensive assets	
Australian and international equities, and listed property	45-75% total for all	Fixed interest	10-30%
Unlisted property	0-6%	Semi-liquid assets and absolute return	0-10% total for both
Private equity	0-10%	Cash	0-15%
Semi-liquid assets and absolute return	0-20% total for both		
Total growth assets	70-80%	Total defensive assets	20-30%

Strategy	Objective and risk profile		
Balanced	CPI plus 3% pa over five years. Chance of a negative return in any one year is one in eight.		
Growth assets		Defensive assets	
Australian and international equities, and listed property	30-60% total for all	Fixed interest	15-45%
Unlisted property	0-6%	Semi-liquid assets and absolute return	0-10% total for both
Private equity	0-5%	Cash	0-15%
Semi-liquid assets and absolute return	0-20% total for both		
Total growth assets	55-65%	Total defensive assets	35-45%

Strategy	Objective and risk profile		
Capital Guarded	CPI plus 2.5% pa over three years. Chance of a negative return in any one year is one in 15.		
Growth assets		Defensive assets	
Australian and international equities, and listed property	0-40% total for all	Fixed interest	25-65%
Unlisted property	0-6%	Semi-liquid assets and absolute return	0-15% total for both
Semi-liquid assets and absolute return	0-20% total for both	Cash	0-20%
Total growth assets	35-45%	Total defensive assets	55-65%

Strategy	Objective and risk profile
Cash	Equal to the 90-day Bank Bill Index (after tax). Negligible risk of capital loss in any given year.
Asset allocation	100% Cash and income-producing assets.

Important Changes

Trustee Selection¹

The following is a summary of the asset allocation and investment objective details of the Trustee Selection strategy of the Retirement and Defined Benefit Schemes during the year ended 30 June 2011.

- ◆ Asset Allocation - same as the "Growth Strategy" (refer to page 22).
- ◆ Objective - CPI + 4% over a rolling seven year period.

It was also (and continues to be) the asset allocation and investment objective details of the member contributor portion of the Defined Benefit Scheme.

Legislative Changes

Excess contributions tax relief

At present, if you exceed the concessional cap by any amount, the excess amount is taxed at 31.5%, which is in addition to the 15% contributions tax paid on the initial contributions, giving a total taxed amount of 46.5%.

It is proposed from 1 July 2011 that individuals who breach their concessional contributions cap by up to \$10,000 can request that these excess contributions be refunded to them. The refunded contributions are then taxed at the taxpayers' marginal rate and there are no amounts over the concessional cap.

This will only apply in the first year that the breach occurs and will only ever occur once.

Over 50s concessional contribution cap indexation

From 1 July 2012, the concessional cap for over-50s will be at least \$50,000 (indexation with AWOTE) if a member's account balance is less than \$500,000 (it should be noted that legislation for these changes is not yet passed). If the account balance is over \$500,000 then the concessional cap will be \$25,000 or whatever the indexed amount is at 1 July 2012.

From 1 July 2012, the over-50s cap will always be \$25,000 more than the under-50s cap (even once it has been indexed).

Minimum pension payment relief 2011/2012

The minimum pension drawdown relief introduced by the Government during the Global Financial Crisis will be phased out by 2012/2013.

The Government has deemed that a member only has to withdraw 75% of the legislated minimum pension payment for the 2011/2012 year.

For example a member aged 65 must withdraw 3.75% of their account balance for the 2011/2012 year, rather than 5% under the regular minimum pension payment rules.

Co-contribution threshold to remain the same

The income levels at which co-contributions start reducing (\$31,920) and cut out all together (\$61,920) will remain unchanged for the next 12 months.

EISS Now Owns FuturePlus

During the 2010/11 financial year Energy Industries Superannuation Scheme acquired full ownership of FuturePlus, the administrator of the Scheme. The Trustee undertakes that it will not deal with FuturePlus any more favourably than it would deal with any other independent service provider.

1. The name Trustee Selection has changed in the 2010/11 financial year. From 1 September 2010, the name changed to Defined Benefit Selection for Division D members. From 1 November 2010 the name changed to Growth for Division B members.

Contact Us

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ANNUAL REPORT 2011



ENERGY INDUSTRIES®
SUPERANNUATION SCHEME