



PUBLIC SECTOR
SUPERANNUATION SCHEME

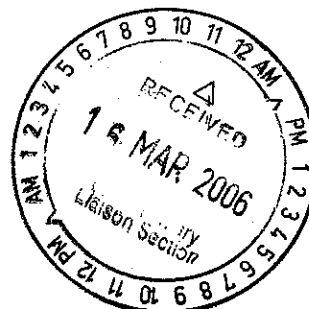


COMMONWEALTH
SUPERANNUATION SCHEME

PSS AFSL 238069

CSS AFSL 238080

Senator the Hon Nick Minchin
Minister for Finance & Administration
Parliament House
CANBERRA ACT 2600



Dear Minister

I refer to your letter of 16 February 2006 which issued your Statement of Expectations (SOE) to the PSS Board (the Board) in accordance with the Australian Government's response to the report on the *Review of the Corporate Governance of Statutory Authorities and Office Holders* (Uhrig Report) of 12 August 2004. I note that Attachment A to the SOE outlined your key expectations of the Board.

Attached is the PSS Board's Statement of Intent outlining the framework through the Board will meet the Government's expectations as provided within your Statement of Expectations.

Yours sincerely

Susan Doyle
Chairman
PSS Board
8 March 2006

PSS Board Statement of Intent

This Statement of Intent provides the framework through which the PSS Board will meet the Government's expectations as provided within the Minister's January 2006 Statement of Expectations and accompanying covering letter.

- 1) The PSS Board will:
 - a) continue to review and implement the investment strategies it has adopted (in accordance with Superannuation Act 1990, Superannuation Act 2005 and the Superannuation Industry (Supervision) Act 1993) for the PSS defined benefit scheme and accumulation plan and administer each in the interests of all stakeholders;
 - b) proactively work with APRA, ASIC and the ATO to meet all of its statutory obligations, including in respect of the broad superannuation prudential and regulatory framework;
 - c) maintain a high level of corporate governance in accordance with its documented governance statement and associated RSE licence requirements;
 - d) meet its fiduciary responsibilities to members and work proactively with individual employer-sponsors to provide an efficient low cost superannuation service, tailored to meet Government superannuation policies and payment systems;
 - e) promote effective and efficient provision of administration services by implementing a revised Service Level Agreement with the Commissioner for Superannuation which encourages effective and efficient practices and procedures; and
 - f) continue to keep the Minister and departmental advisors informed of relevant issues in a timely manner.

- 2) Board Members will:
 - a) discharge their fiduciary and statutory obligations by complying with the Board's Fitness and Propriety Policy including acting ethically and impartially with a high degree of diligence, care and skill; and
 - b) undertake an annual skills evaluation assessment consistent with the Boards governance statement and associated RSE licence requirements.

- 3) The Chairman will manage Public Monies provided to the Board in accordance with the relevant legislation and policy.

March 2006