



Elizabeth Kisvarda at Preston and Northcote Community Hospital took membership to 10,000 for the first time.

HSB

Hospitals Superannuation Board

VICTORIA

Report

of

**HOSPITALS SUPERANNUATION
BOARD**

for the

Year ended 30 June 1984

Ordered by the Legislative Assembly to be printed

No. 6

MELBOURNE
F D ATKINSON GOVERNMENT PRINTER

1985

HIGHLIGHTS

This report includes details of -

Hospitals Superannuation Act Amendments

In the report are details of significant improvements introduced by recent legislative amendments.

Growth in Fund's Assets

As at the 30th June, 1984 the net assets of the Fund were in excess of \$170,000,000. This represented an increase of approximately 17% during the year.

Fund Membership

Fund membership reached 9,840 as at the 30th June, 1984. This represented the largest numerical increase since 1977.

New offices

In August, 1983 the Board's operations were transferred to 691 Burke Road, Camberwell, to occupy part of the office building purchased by the Fund during the previous financial year.

HOSPITALS SUPERANNUATION BOARD

Mr. J.M. Ryder - Chairman
Mr. H.J. Hopkins - Deputy Chairman
Mr. J.A.S. McNair
Mr. R.A. Campbell
Miss M.H. Peters
Mr. R.W. Shepherd

DEPUTY REPRESENTATIVE OF CONTRIBUTORS

Dr. I. Horacek

MANAGER

Mr. A. Rackemann, F.A.S.A., C.P.A.

CONSULTING ACTUARY

Mr. V.H. Arnold, F.I.A., A.S.A.

ACTUARY

Messrs. E.S. Knight and Co.

AUDITOR

Auditor General

INTERNAL AUDITOR

Messrs. Priestley and Morris

OFFICE

691 Burke Road, Camberwell 3124.

HOSPITALS SUPERANNUATION FUND

EIGHTEENTH ANNUAL REPORT

YEAR ENDED 30TH JUNE, 1984

The Honourable the Treasurer, Melbourne

Sir,

Section 9 of the Hospitals Superannuation Act 1965 provides that:
"The Board shall in each year submit to the Minister, to be laid before both Houses of Parliament, a report dealing with the general administration and working of this Act."

In accordance with the provisions of this Section the Board has pleasure in submitting its eighteenth annual report to be laid before both Houses of Parliament, in respect of the year ended 30th June, 1984.

HOSPITALS SUPERANNUATION BOARD

Members of the Board are:-

Mr. J.M. Ryder, F.I.A., F.I.A.A., A.S.A., F.S.S. (Chairman)
(Government Statist and Actuary)

Mr. H.J. Hopkins, B. Com., A.A.S.A., D.P.A. (Deputy Chairman)

Mr. J.A.S. McNair, F.C.A, R.C.A.

Mr. R.A. Campbell, J.P., F.H.A., A.C.I.S., A.A.S.A. (Sen.), R.C.A.

Miss M.H. Peters, R.N., R.M., I.W.C., Dip. N. Admin.

Mr. R.W. Shepherd, J.P.

Deputy Representative of Contributors

Dr. Ivan Horacek, M.B., B.S. (Melb.), F.R.C.P.A., Dip. Com. Stud.

HOSPITALS SUPERANNUATION FUND

There were 9840 members as at the 30th June, 1984, compared with 9519 members as at 30th June, 1983. The number of members making supplementary contributions decreased from 1541 as at the 30th June, 1983, to 1462 as at the 30th June, 1984. There were 8801 pension contributors as at the 30th June, 1984, compared with 8360 pension contributors as at the 30th June, 1983.

The number of participating institutions as at the 30th June, 1984 was 335 comprising 251 "A" class institutions, and 84 "B" class institutions. Corresponding figures as at 30th June, 1983 were 328, 247 and 81.

Financial statements, membership details, a list of participating institutions and a table containing statistical and financial details for the period from the 1st July, 1966 to the 30th June, 1984, are set out in the accompanying schedules.

CONTRIBUTIONS AND LEVY

Contributions and levy received were:-

	1983/84		1982/83	
	\$000	\$000	\$000	\$000
(LUMP SUM SCHEME)				
Ordinary Contributions	13,480		11,910	
Additional Payments				
Fund Levy	963		850	
Supplementary Contributions	909		908	
" "(Lump sum)	<u>48</u>	15,400	<u>22</u>	13,690
(PENSION SCHEME)				
Contributions	4,552		3,971	
Levy	6,804	<u>11,356</u>	5,589	<u>9,560</u>
		<u>\$26,756</u>		<u>\$23,250</u>

BENEFITS

Details of benefit payments are:-

	<u>Lump Sum Scheme</u>		<u>Pension Scheme</u>	
	<u>1983/84</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1982/83</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Death	1,141,742	710,396	314,807	222,248
Disability	3,431,643	2,947,298	1,145,084	863,376
Retrenchment	264,898	49,527		
Retirement (including early retirement)	7,293,200	6,492,646	4,293,315	3,313,583
Resignation	2,478,811	1,865,415	474,418	377,861
Children's Allowances	17,209	11,433	35,183	25,470
Supplementary Contributions	1,119,573	942,979		
	<u>15,747,076</u>	<u>13,019,694</u>	<u>6,262,807</u>	<u>4,802,538</u>
	<u>No.</u>	<u>No.</u>	<u>No.</u>	<u>No.</u>
Death	22	26	164	123
Disability	113	97	413	333
Retrenchment	8	2		
Retirement (including early retirement)	298	303	1,654	1,427
Resignation	399	397	373	375
Children's Allowances	118	120	66	58
Supplementary Contributions	171	177		
	<u>1,129</u>	<u>1,122</u>	<u>2,670</u>	<u>2,316</u>

(in respect of many former contributors, benefits were paid from both the lump sum and pension schemes.)

WELFARE PAYMENTS

The following grants were made from the Welfare Account:-

	<u>1983/84</u>	<u>1982/83</u>
	\$	\$
Death of member	6,000	
Loss of pay	6,046	4,939
Superannuation and pension contributions	5,245	2,304
Funeral	4,200	600
Other	<u>1,675</u>	<u>78</u>
	<u>23,166</u>	<u>7,921</u>

Payments were made in respect of 42 members or former members for the year ended 30th June, 1984. The Board also made a loan of \$1,000 from the Welfare Account.

INVESTMENTS

Total investments of the Fund increased by \$24,959,000 or 17% during the year. As at 30th June funds were invested as follows:-

	<u>1983/84</u>	<u>1982/83</u>
	\$000	\$000
Life Assurance Companies' Schemes	98,235	83,252
Trustee Company's Scheme		500
Government and Semi-Government Stock	48,948	33,961
Mortgage Loans	22,534	23,076
Short Term Money Market and Bank Deposits	5,375	9,450
Land and Building	<u>1,620</u>	<u>1,514</u>
	<u>176,712</u>	<u>151,753</u>

DISTRIBUTION

Amounts distributed to members' accounts and other accounts maintained in the Fund were:-

	1983/84		1982/83	
	\$000	\$000	\$000	\$000
Earnings (plus appreciation less depreciation in market value of Fund's investments.)	19,081		22,528	
Surplus available for distribution	<u>936</u>	20,017	<u>690</u>	23,218
Transfer from Income Stabilization Reserve		2,217		
Less transfer to Income Stabilization Reserve				<u>2,743</u>
		<u>22,234</u>		<u>20,475</u>

Distribution was made at the following rates:-

<u>ORDINARY CONTRIBUTIONS</u>	<u>1983/84</u>	<u>1982/83</u>
Earnings	14.0	16.0
Surplus	<u>1.0</u>	<u>1.0</u>
	<u>15.0</u>	<u>17.0</u>

SUPPLEMENTARY CONTRIBUTIONS

Surplus is not distributed to members' accounts for supplementary contributions.

MANAGEMENT EXPENSES

Administrative expenses for the year totalled \$1,570,000 or 5.87 per cent of contribution and levy income.

Details are contained in Schedule 8 of this report.

ADMINISTRATION OF SUPERANNUATION SCHEMES UNDER PART IVA

As at the 30th June, 1984, 9 institutions had elected to have their superannuation schemes administered under these provisions.

HOSPITALS SUPERANNUATION (AMENDMENT) ACT 1983

The provisions of this Act came into operation on various dates during November and December, 1983. The changes incorporated in this Act included the following:-

1. Retrenchment benefits

A benefit is now payable upon retrenchment after ten years continuous employment with participating institutions. Previously it was necessary for the contributor to have had ten years continuous employment with the institution from which he/she was retrenched.

2. Pension payments for children

Where a contributor dies, the allowance for eligible children has been increased from \$8.50 to \$12.50 per week. If the contributor's spouse has died, or if the contributor is divorced, the pension payment applicable is \$25 per week.

3. Commutation of Pensions

The provisions relating to commutation have been expanded so that a pensioner may make more than one application to commute part of his pension providing he has not attained the age of 68 years.

The spouse of a deceased contributor to the pension scheme is now also entitled to commute his/her pension in the same way as pensioners who were former contributors.

These options are subject to the same conditions under which applications for commutation may normally be made.

4. Foregoing pension increases

Pensions are increased in line with movements in the Consumer Price Index and are automatically adjusted twice a year. If an increase in the pension from the Fund results in the pensioner becoming ineligible for social security fringe benefits, the pensioner may now apply to the Board to have the increase withheld.

5. Interest on pension contributions

When a contributor resigns and elects to receive a refund of his/her contributions to the pension fund, interest will now be paid from 1 July 1983.

6. Leave of absence

Previously, leave of absence without pay (in circumstances other than ill-health) has not been regarded as membership when calculating benefits.

Now, a member who elects to pay 3 1/2 times contributions while on leave of absence will have the period taken into account.

COMMUNICATION

The Board places considerable emphasis on its programme of communication to both current and prospective members.

i. Seminars

Regular seminars were held for appropriate administrative officers of health care agencies in Melbourne and in country areas. These equip participants to deal with the bulk of day-to-day superannuation matters and queries.

Steps were taken to introduce retirement seminars; the first one is scheduled for early 1985.

ii. Fund Representatives

The Board has five representatives who make regular visits to participating institutions. Frequency and length of call is related to size of institution; it varies from weekly for the largest, to a minimum of once a year in the smaller. (87% of employment is in the largest 55 institutions).

iii. Benefit Reports

A comprehensive report is forwarded to each member showing entitlements as at 30th June.

In addition, a 'Report to Members' was distributed, giving financial and other information about the Fund in easily understood format.

iv. Other projects

These included

- . Completion of an audio-visual explaining the Fund. Most larger institutions have videotape copies.
- . Periodical newsletters on changes to the Fund and on topical issues.
- . Review and redesign of the Board's forms and start of work on a procedures manual.

COMPUTERISATION

The Board's computerisation programme has advanced a further stage in that the mortgage loan system has been successfully programmed and is now operational.

ECONOMIC AND BUDGET REVIEW COMMITTEE

Representatives of the Board gave evidence at a public hearing on the 13th July, 1983. A considerable amount of information has also been prepared and included in written submissions.

Following release of the Committee's first report, the Board implemented several changes in the content of the Annual Report and is reviewing arrangements for provision of actuarial services.

The Board will also be involved in discussions with the Department of Management and Budget concerning the extension of investment powers.

APPRECIATION

The Board records its appreciation to members of the Staff and the Board's professional advisers for their services during the year.

J.M. RYDER, Chairman

H.J. HOPKINS, Deputy Chairman

J.A.S. McNAIR, Member

R.A. CAMPBELL, Member

M.H. PETERS, Member

R.W. SHEPHERD, Member

A. RACKEMANN, Manager.
691 Burke Road,
CAMBERWELL. 3124

SCHEDULE 1

HOSPITALS SUPERANNUATION FUND
BALANCE SHEET AS AT 30TH JUNE, 1984

	1984 \$000	1983 \$000
CONTRIBUTORS' FUNDS		
Members' Accounts (Schedule 2)	135,607	117,222
Pension Scheme (Schedule 3)	29,551	21,835
Other Funds (Schedule 4)	3,518	3,265
Reserves (Schedule 5)	2,275	3,877
	<u>170,951</u>	<u>146,199</u>
Represented by:		
FIXED ASSETS		
Office Equipment, Furniture, Fittings and Motor Vehicles (Note 2)	410	181
INVESTMENTS (Note 1)		
Life Assurance Companies' Schemes	98,235	83,252
Trustee Company's Scheme		500
Government and Semi-Government Stock	48,948	33,961
Mortgage Loans (Note 3)	22,534	23,076
Short Term Money Market and Bank Deposits	5,375	9,450
Land and Building at cost	1,620	1,514
	<u>176,712</u>	<u>151,753</u>
NON-CURRENT ASSET		
Deferred Expenditure (Note 4)	181	148
CURRENT ASSETS		
Cash at Bank (Note 5)	163	176
Sundry Debtors (Note 6)	683	502
Income Accrued	1,551	1,020
Benefits and Prepaid Expenses	24	106
	<u>2,421</u>	<u>1,804</u>
	179,724	153,886
Less:		
CURRENT LIABILITIES		
Sundry Creditors and Accrued Expenses	388	322
Contributions Received in Advance	1,067	1,059
Benefits Payable (Note 7)	7,192	6,206
Provision for Long Service Leave	126	100
	<u>8,773</u>	<u>7,687</u>
	<u>170,951</u>	<u>146,199</u>

HOSPITALS SUPERANNUATION FUND

MEMBERS' ACCOUNTS

YEAR ENDED 30TH JUNE, 1984

	Total 1984 \$000	1983 \$000	Approved Scheme 1984 \$000	1983 \$000	Provident Account 1984 \$000	1983 \$000	Supplementary Contributions 1984 \$000	1983 \$000	Non- Contributing 1984 \$000	1983 \$000
Contributions Received	14,437	12,839	13,388	11,808	92	102	957	929		
Distribution of Investment Income as per Investment Income Statement (Schedule 6)	16,149	15,528	14,749	14,081	367	417	985	993	48	37
Distribution as per Withdrawal Surplus Statement (Schedule 7)	1,058	897	1,033	871	25	26				
Transfers Under Part IVA	3	1			3	1				
	31,647	29,265	29,170	26,760	487	546	1,942	1,922	48	37
Less:										
Lump Sum Benefits Paid	10,242	8,375	8,209	6,713	421	444	1,065	922	547	296
Transfer of Surplus Arising on Withdrawal of Members from the Fund as per Withdrawal Surplus Statement (Schedule 7)	927	687	926	686	1	1				
Transfers of Members' Balances			645	278	56	22	90	36	(791)	(336)
Management Charges as per Management Income and Expenditure Statement (Schedule 8)	672	599	615	544	4	4	53	51		
Insurance Premiums Charged (Schedule 4)	1,421	1,231	1,421	1,231						
	13,262	10,892	11,816	9,452	482	471	1,208	1,009	(244)	(40)
Net Increase	18,385	18,373	17,354	17,308	5	75	734	913	292	77
Balance at 1st July, 1983	117,222	98,849	106,238	88,930	3,039	2,964	7,467	6,554	478	401
Balance at 30th June, 1984	135,607	117,222	123,592	106,238	3,044	3,039	8,201	7,467	770	478

HOSPITALS SUPERANNUATION FUNDPENSION SCHEME

YEAR ENDED 30TH JUNE, 1984

	Total	Pension Contributors' Fund		Institutions' Fund	
	1984	1984	1983	1984	1983
	\$000	\$000	\$000	\$000	\$000
Contributions Received	4,552	3,971	3,971	6,804	5,589
Levy Received	6,804	5,589			
Distribution of Investment Income as per Investment Income Statement (Schedule 6)	3,420	2,738	3,480	2,903	(165)
	14,776	12,298	8,032	6,874	5,424
Less:					
Pensions Paid	5,774	4,399	182	121	4,278
Lump Sum Benefits Paid	488	389	488	389	
Management Charge as per Management Income and Expenditure Statement (Schedule 8)	798	635		798	635
	7,060	5,423	670	510	4,913
Net Increase	7,716	6,875	7,362	6,364	511
Balance at 1st July, 1983	21,835	14,960	22,880	16,516	(1,045)
Balance at 30th June, 1984	29,551	21,835	30,242	22,880	(1,045)

	HOSPITALS SUPERANNUATION FUND		OTHER FUNDS					
	YEAR ENDED 30TH JUNE, 1984		Terminal Benefits		Additional		Management	
	1984	1983	Mortgage	Class 'b'	Payments	Accumulated	1984	1983
	\$000	\$000	Indemnity	Institutions	Fund	Fund	\$000	\$000
			1984	1984	1983	1984	1984	1983
			\$000	\$000	\$000	\$000	\$000	\$000
Contributions Received	172	153		172	153			
Levy Received	963	850				963	850	
Distribution of Investment								
Income as per Investment								
Income Statement (Schedule 6)	298	304	(20)	3	3	(76)	(75)	
Management Net Income								
Transferred as per								
Management Income and								
Expenditure Statement								
(Schedule 8)	128	200					128	200
Insurance Premiums Charged								
to Members' Accounts								
(Schedule 2)	1,421	1,231	1,421	1,231				
Insurance Premiums Received								
for Additional Cover	1	1	1	1				
Transfer from Annuitants		9		9				
Benefit Adjustment Surplus		6						6
Less:								
Benefits Paid	2,438	2,291	1,378	1,292	152	161	908	838
Transfer to Management								
Capital Account (Schedule 5)	292	34					292	34
	2,730	2,325	1,378	1,292	152	161	908	838
Net Increase (Decrease)	253	429	24	(58)	3	375	(21)	(57)
Balance at 1st July, 1983	3,265	2,836	354	412	19	2,785	(523)	(466)
Balance at 30th June, 1984	3,518	3,265	378	354	22	3,196	(544)	(523)

HOSPITALS SUPERANNUATION FUNDINVESTMENT INCOME STATEMENTYEAR ENDED 30TH JUNE, 1984

	1984 <u>\$000</u>	1983 <u>\$000</u>
Income from:		
Life Assurance Companies' Schemes	9,478	14,786
Trustee Company's Scheme	46	72
Interest Received:		
Government and Semi-Government Stock	5,187	2,812
Mortgage Loans:		
Commercial Loans	2,519	2,380
Members' Loans	811	781
Short Term Money Market and Bank Deposits	994	1,641
Increase to Book Value of Government and Semi-Government Stock (Note 1)	25	72
Net Rental Income	21	(17)
TOTAL INCOME	<u>19,081</u>	<u>22,527</u>
Transfer from Income Stabilization Reserve (Schedule 5)	2,095	(2,949)
INCOME AVAILABLE FOR DISTRIBUTION	<u><u>21,176</u></u>	<u><u>19,578</u></u>

DISTRIBUTION OF INVESTMENT INCOME

Members' Accounts (Schedule 2)	16,149	15,528
Pension Scheme (Schedule 3)	3,420	2,738
Other Funds (Schedule 4)	298	304
Reserves (Schedule 5)	347	105
Management Income and Expenditure Statement (Schedule 8)	171	153
Benefits Payable:		
Deferred Benefits	262	230
Disability Benefits	518	508
Annuities	11	11
Insurance Proceeds held temporarily		1
	<u><u>21,176</u></u>	<u><u>19,578</u></u>

HOSPITALS SUPERANNUATION FUNDWITHDRAWAL SURPLUS STATEMENTYEAR ENDED 30TH JUNE, 1984

	<u>1984</u> <u>\$000</u>	<u>1983</u> <u>\$000</u>
Surplus Arising on Withdrawal of Members from the Fund (Schedule 2)	927	687
Surplus Arising on Payment of Deferred and Disability Benefits	<u>9</u>	<u>4</u>
	936	691
Transfer from Income Stabilization Reserve (Schedule 5)	<u>122</u>	<u>206</u>
DISTRIBUTED TO MEMBERS' ACCOUNTS (Schedule 2)	<u><u>1,058</u></u>	<u><u>897</u></u>

HOSPITALS SUPERANNUATION FUND
MANAGEMENT INCOME AND EXPENDITURE STATEMENT
YEAR ENDED 30TH JUNE, 1984

	1984 <u>\$000</u>	1983 <u>\$000</u>
Management Charges Received from:		
Members' Accounts (Schedule 2)	672	599
Pension Scheme (Schedule 3)	798	635
Deferred, Disability and Annuities Accounts	43	41
Distribution of Investment Income as per Investment Income Statement (Schedule 6)	171	153
Commission and Other Income	14	23
	<u>1,698</u>	<u>1,451</u>
Less:		
Salaries	766	669
Long Service Leave	29	20
Staff Superannuation	52	46
Actuarial Fees	41	56
Audit Fees	35	20
Board Members' Fees	13	13
Depreciation	63	40
Legal Fees	2	2
Medical Fees	55	59
Rent	91	46
Computer Operating Expenses	79	52
Promotional Expenses	101	45
Other Expenses	243	183
	<u>1,570</u>	<u>1,251</u>
NET INCOME Transferred to Management Accumulated Fund (Schedule 4)	<u>128</u>	<u>200</u>

HOSPITALS SUPERANNUATION FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS AT 30TH JUNE, 1984

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting: The accounts have been prepared on the basis of historical cost principles and, except where stated, do not take into account changing money values or current valuations of non-current assets. The accrual basis and the going concern basis have also been applied in preparing the accounts.

Valuation of Investments: Investments in Life Assurance Companies' Schemes have been included in the balance sheet at market values determined by those companies as at balance date.

Investments in Government and Semi-Government Stock have been included at cost plus a portion of the difference between cost and face value relating to the number of years to maturity so that the book value at maturity will be equal to the face value. The face value of Government and Semi-Government Stock held at balance date amounted to \$48,964,000 (1983 \$33,992,000). It is the Board's policy to hold these investments until maturity.

Loans and deposits have been included at the amount of principal outstanding plus interest charged but unpaid. Interest from the last due date to balance date has been included as Income Accrued.

Provision has not been made for depreciation of the building. This is a departure from the accounting standards issued by The Institute of Chartered Accountants in Australia which require buildings to be depreciated over their estimated useful lives. The property is to be independently valued each three years and included in the balance sheet at that valuation.

Depreciation of Fixed Assets: Depreciation has been provided on all fixed assets and has been calculated on the straight line basis.

	1984 <u>\$000</u>	1983 <u>\$000</u>
2. OFFICE EQUIPMENT, FURNITURE, FITTINGS AND MOTOR VEHICLES		
At Cost	603	311
Less: Provision for Depreciation	193	130
	<u>410</u>	<u>181</u>
3. MORTGAGE LOANS		
Commercial Loans	16,472	16,954
Members' Loans	6,062	6,122
	<u>22,534</u>	<u>23,076</u>

HOSPITALS SUPERANNUATION FUNDNOTES TO AND FORMING PART OF THE ACCOUNTS AT 30TH JUNE, 1984

	1984 <u>\$000</u>	1983 <u>\$000</u>
4. DEFERRED EXPENDITURE		
Computer System Development Costs	291	209
Less: Amount written off	<u>110</u>	<u>61</u>
	<u>181</u>	<u>148</u>
5. CASH AT BANK		
General Account	68	111
Secretary's Advance Account	90	60
Pension Fund Account	<u>5</u>	<u>5</u>
	<u>163</u>	<u>176</u>
6. SUNDRY DEBTORS		
Contributions Due	303	235
Health Commission of Victoria:		
Terminal Benefits paid or payable to employees of Class "A" Institutions	377	266
Other	<u>3</u>	<u>1</u>
	<u>683</u>	<u>502</u>
7. BENEFITS PAYABLE		
Benefits Payable	1,008	919
Deferred Benefits	2,262	1,661
Disability Benefits	3,838	3,553
Annuities	<u>84</u>	<u>73</u>
	<u>7,192</u>	<u>6,206</u>
8. COMMITMENT FOR CAPITAL EXPENDITURE		
Estimated commitment for capital expenditure on the building not provided for in the accounts	<u>N11</u>	<u>300</u>

HOSPITALS SUPERANNUATION FUNDFUNDS STATEMENTYEAR ENDED 30TH JUNE, 1984

	1984 <u>\$000</u>	1983 <u>\$000</u>
SOURCE OF FUNDS		
Investment Income	19,081	22,527
Less: Investment Income Distributed to Benefits Payable etc.	791	750
	<u>18,290</u>	<u>21,777</u>
Management Other Income	57	64
	<u>18,347</u>	<u>21,841</u>
Less: Management Expenses	1,570	1,251
Less: Non-Cash Items	138	95
	<u>1,432</u>	<u>1,156</u>
	<u>16,915</u>	<u>20,685</u>
Contributions Received	19,161	16,963
Levies Received	7,767	6,439
Transfers from Other Funds	3	1
Sundry Other Items	10	24
Increase in Net Current Liabilities	443	1,084
	<u>44,299</u>	<u>45,196</u>
APPLICATION OF FUNDS		
Payments of Benefits:		
Lump Sum	13,168	11,055
Pensions	5,774	4,399
Welfare Grants	24	8
	<u>18,966</u>	<u>15,462</u>
Net Investment of Funds:		
Life Assurance Companies' Schemes	14,983	16,285
Trustee Company's Scheme	(500)	
Government and Semi- Government Stock	14,987	8,496
Mortgage Loans	(542)	500
Short Term Money Market and Bank Deposits	(4,075)	2,781
Land and Building	106	1,514
	<u>24,959</u>	<u>29,576</u>
Net Purchase of Fixed Assets and Computer System Development Costs	374	158
	<u>44,299</u>	<u>45,196</u>

HOSPITALS SUPERANNUATION BOARD

STATEMENTS ON FINANCIAL ACCOUNTS

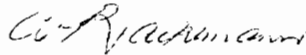
Statement on behalf of the Board Members:

In the opinion of the Hospitals Superannuation Board the accompanying accounts, set out in Schedules 1-10, are drawn up so as to present fairly the state of affairs of the Funds administered by the Board, under the provisions of the Hospitals Superannuation Act 1965, at 30 June, 1984, and of the results of those Funds, for the year then ended.

Dated this twentieth day of November, 1984.



J.M. Ryder
CHAIRMAN

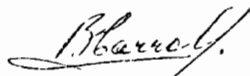


A. Rackemann
MANAGER

Statement by Principal Accounting Officer:

I, B. Carroll being the person in charge of the preparation of the accompanying accounts of the Funds administered by the Board, under the provisions of the Hospitals Superannuation Act 1965, for the year ended 30 June, 1984, state that in my opinion such accounts present fairly the results for the period and of the state of affairs of those Funds at 30 June, 1984.

Dated this twentieth day of November, 1984.



B. Carroll, A.A.S.A.
FINANCE OFFICER



AUDITOR-GENERAL'S REPORT

The books and accounts of the Hospitals Superannuation Fund, the Pension Contributors' Fund and the Institutions' Fund have been audited as required by Sections 17 and 35ZG of the Hospitals Superannuation Act 1965 and in accordance with Australian Auditing Standards.

As indicated in note 1 to the accounts, certain investments of the Funds are held in the names of life assurance companies. These investments totalling \$98 234 660 have been included in the accounts on the basis of statements furnished by the abovementioned companies and have not been independently verified by audit.

Subject to the above, in my opinion, the attached financial statements of the abovementioned Funds set out in Schedules 1 to 10 present fairly the state of the affairs of the Funds as at 30 June 1984 and the results of their operations for the year then ended.

MELBOURNE
30/11/1984

B.J. WALDRON
Auditor-General

ACTUARY'S REPORT

Lump Sum Scheme

Benefits under the Lump Sum Scheme are funded primarily by members' contributions (3.5% of salary) and matching employer contributions (3.5%). Retirement, retrenchment, death and disability benefits are subsidised on a pay-as-you-go basis by the Health Commission (for members of Class A Institutions) and by Class B Institutions paying an extra 1% of salary in respect of their employees.

An additional small levy (determined on a pay-as-you-go basis and currently 0.5% of members' salaries) is payable by all employing institutions to make up members' account balances, where necessary, to the defined benefits provided by the 1980 Regulations.

Pension Scheme

Benefits under the Pension Scheme are partly financed by members' contributions (generally at 2.5% of salary).

Employers' contributions, which have been determined on a pay-as-you-go basis, are currently 3.91% of members' salaries.

Previous and next reviews

The current rates of pay-as-you-go contributions were adopted following investigations made in 1981 and they are all being reviewed again based on data as at 30 June 1984. The most significant change expected in the future is a progressive increase in the employer contribution rate to the Pension Scheme, as its liabilities mature.

Contingent liability on termination

The Fund operates under the Hospitals Superannuation Act and Regulations which make no provision for its termination. If the Fund were to be terminated by legislative amendments it can be presumed that any contingent liabilities of any of the parties would be specified in those amendments.

G.I. Burgess
E S Knight & Co.

2 November 1984

TABLE A
MEMBERSHIP DETAILS FOR YEAR ENDED 30TH JUNE 1984
(LUMP SUM SCHEME)

	APPROVED SCHEME	PROVIDENT ACCOUNT	NON-CONTRIBUTING MEMBERS	TOTAL
NEW ADMISSIONS AND TRANSFERS				
New Admissions	1,133	-	-	1,133
Transfers	3	-	23	26
	<u>1,136</u>	<u>-</u>	<u>23</u>	<u>1,159</u>
EXITS AND TRANSFERS				
Exits	778	9	25	812
Transfers	21	5	-	26
	<u>799</u>	<u>14</u>	<u>25</u>	<u>838</u>
Number as at 1st July, 1983	9,420	69	30	9,519
<u>Plus</u> New Admissions and Transfers	1,136	-	23	1,159
	<u>10,556</u>	<u>69</u>	<u>53</u>	<u>10,678</u>
<u>Less</u> Exits and Transfers	799	14	25	838
	<u>9,757(a)</u>	<u>55</u>	<u>28</u>	<u>9,840(b)</u>

(a) 55 members who have accounts in both the Approved Scheme and Provident Account are included in this figure

(b) 8801 members are also contributors to the Pension Scheme.

TABLE B
DETAILS OF CONTRIBUTORS, CONTRIBUTIONS, LEVY
BENEFIT PAYMENTS AND ASSETS 1966-1984

	<u>CONTRIBUTORS</u>		
	Lump Sum Scheme		Pension Scheme*
	Ordinary	Supplementary	
1st July, 1966	3,436		
30th June, 1967	3,658	522	
30th June, 1968	4,043	776	
30th June, 1969	4,841	1,092	
30th June, 1970	5,298	1,293	
30th June, 1971	5,794	1,476	
30th June, 1972	6,424	1,757	
30th June, 1973	7,009	1,982	
30th June, 1974	7,625	2,207	
30th June, 1975	8,162	2,260	
30th June, 1976	8,744	2,235	
30th June, 1977	9,189	2,147	4,220
30th June, 1978	9,284	1,942	7,033
30th June, 1979	9,203	1,830	7,203
30th June, 1980	9,206	1,742	7,396
30th June, 1981	9,195	1,635	7,838
30th June, 1982	9,154	1,597	7,922
30th June, 1983	9,489	1,541	8,360
30th June, 1984	9,812	1,462	8,801

* Contributors to the Pension Scheme are also contributors to the Lump Sum Scheme.

CONTRIBUTIONS AND LEVY

	Lump Sum Scheme		Pension Scheme	
	Ordinary Contributions	Supplementary Contributions	Contributions	Levy
	\$000	\$000	\$000	\$000
1966-67	1,040	28		
1967-68	1,226	55		
1968-69	1,442	77		
1969-70	1,743	104		
1970-71	2,125	138		
1971-72	2,759	192		
1972-73	3,335	247*		
1973-74	4,257	383*		
1974-75	5,743	535*		
1975-76	7,401	657*		
1976-77	8,450	736*	174	48
1977-78	7,080**	741* **	2,159	622
1978-79	7,650**	710* **	2,381	772
1979-80	8,267**	812* **	2,594	2,034***
1980-81	9,074**	891* **	2,890	2,668***
1981-82	10,133**	934* **	3,320	3,016***
1982-83	11,910**	930* **	3,971	5,589***
1983-84	13,480**	957* **	4,552	6,804***

* Includes Lump Sum Contributions

** The method of determination of these figures has been altered in that refunds of contributions in respect of previous years have been deducted, whereas this was not done in previous years.

*** The Levy was increased from .78% to 2.37% of pension contributors' Fund Salary from the 7th September, 1979 and was again increased to 3.91% from the 6th August, 1982.

An Additional Payments Fund Levy was introduced effective from the 7th August, 1981. The payment required to be made by institutions is currently .5% of contributor's Fund salaries and the amounts received were -

1981-82	\$618,573	1982-83	\$850,287	1983-84	\$963,105
---------	-----------	---------	-----------	---------	-----------

BENEFIT PAYMENTS

	Lump Sum Scheme \$	Pension Scheme \$
1966-67	421,690	
1967-68	404,673	
1968-69	586,946	
1969-70	756,023	
1970-71	995,579	
1971-72	1,175,230	
1972-73	1,410,505	
1973-74	2,094,126	
1974-75	2,782,543	
1975-76	3,376,853	
1976-77	4,744,268	14,668
1977-78*	7,365,037	670,250
1978-79*	7,024,876	1,202,734
1979-80*	8,018,709	1,834,451
1980-81*	9,623,387	2,577,354
1981-82*	12,296,290	3,713,079
1982-83*	13,019,694	4,802,538
1983-84	15,747,076	6,262,807

*The method of determination of benefits for the last six years under the Lump Sum Scheme has been altered from the method adopted in previous years. Prior to the year ended 30th June, 1978, benefit statistics related to actual payments during the year, whereas for subsequent years they relate to payments approved irrespective of the actual payment made during the year. In all cases applications for benefits which have been received, but not processed, are included in the totals.

ASSETS

	\$000
1st July, 1966	5,528
30th June, 1967	6,679
30th June, 1968	8,086
30th June, 1969	9,870
30th June, 1970	11,933
30th June, 1971	14,326
30th June, 1972	17,569
30th June, 1973	21,326
30th June, 1974	25,237
30th June, 1975	31,499
30th June, 1976	41,214
30th June, 1977	51,186
30th June, 1978*	59,615
30th June, 1979*	70,925
30th June, 1980*	89,642
30th June, 1981*	107,088
30th June, 1982*	117,643
30th June, 1983*	146,199
30th June, 1984*	170,951

* The method of determination of this figure has been altered in that current liabilities have been deducted from total assets, whereas this was not done in previous years.

TABLE L

PARTICIPATING INSTITUTIONS - CLASS A

As at 1st July, 1983 -

Adult Deaf Society of Victoria
After Care Hospital
Alexander
Alexandra District Hospital,
Alfred Hospital
Altona District Hospital
Ambulance Officers' Training Centre
Ambulance Service - Melbourne
Apollo Bay and District Memorial Hospital
Ararat and District Hospital
Association for the Blind
Austin Hospital
Bacchus Marsh and District War Memorial Hospital
Ballarat and District Ambulance Service
Ballarat Base Hospital
Barwon Regional Association for Alcohol and Drug Dependence
Beeac and District Hospital
Benalla and District Memorial Hospital
The Bendigo and Northern District Base Hospital
Bendigo Home and Hospital for the Aged
Bethany
Bethlehem Public Hospital
Birregurra and District Community Hospital
Boort District Hospital
Box Hill Hospital
Braille and Talking Book Library
Brighton Community Hospital (Southern Memorial)
Broadford and District Community Health Centre Society
Broadmeadows Community Health Services
Brunswick Community Health Service
Burwood and District Community Hospital
The Camperdown District Hospital
Caritas Christi Hospice
Carlton Community Health Service Society
Caroline Chisholm Society
Casterton Memorial Hospital
Castlemaine District Community Hospital
Caulfield Hospital
Central Gippsland Hospital
Central Victoria District Ambulance Service
Chelsea Community Health Centre
Churchill Community Health Centre
Claremont Home
The Clunes District Hospital
Cobram District Hospital
Cohuna District Hospital
Colac District Hospital

Coleraine and District Hospital
Collingwood Community Health Centre
Corio Community Health Centre
Corryong District Hospital
Council to Homeless Persons
Craigieburn Community Health Centre
The Creswick District Hospital
Dandenong and District Hospital
Daylesford District Hospital
Deer Park Community Health Services
Dimboola District Hospital
Donald District Hospital
Doveton-Hallam Community Health Centre
The Dunolly District Hospital
Eaglehawk and Long Gully Community Health Centre
East Bentleigh Community Health Centre Society
East Gippsland Ambulance Service
East Gippsland Hospital
East Preston Community Health and Welfare Centre
Echuca District Hospital
Edenhope and District Memorial Hospital
Eildon and District Community Hospital
Elmore District Hospital
Ensay Community Health Centre
Essendon and District Memorial Hospital
Fairfield Hospital
Fawkner Park Community Health Centre
Frankston Hospital
Geelong Community Health and Welfare Centre
Geelong and District Ambulance Service
Geelong District Nursing Society
The Geelong Hospital
Gippsland Base Hospital
The Gippsland Geriatric Centre
Gippsland School of Nursing
Gladswood Home
Glanelg District Ambulance Service
Golden Square-Kangaroo Flat Community Health Centre Society
Goulburn Valley Ambulance Service
Goulburn Valley Base Hospital
Grace McKellar House
Greenvale Geriatric Centre
Hamilton Base Hospital
Hampton Hospital
Healesville and District Hospital
Health Commission of Victoria
Heathcote District Hospital
Heywood and District Memorial Hospital
Hospitals Superannuation Board
The Inglewood Hospital
Inglewood, Wedderburn and Districts Community Health Centre
Kaniva District Hospital
Kensington Community Health Centre
Kerang and District Hospital
Kiewa and Ovens Valley Community Health Services
The Kilmore Hospital

King Valley Community Health Service Society
Kingston Centre
Koroit and District Memorial Hospital
Korumburra District Hospital
Kyabram and District Memorial Community Hospital
Kyneton District Hospital
Lakes Entrance Community Health Centre
Latrobe Valley District Ambulance Service
Latrobe Valley Hospital
Lismore and District Hospital
Lorne Community Hospital
Lyndoch, Warrnambool
Macarthur and District Memorial Hospital
Maffra District Hospital
Maldon Hospital
Manangatang and District Hospital
Mansfield District Hospital
Manvantara
Maroondah Hospital
Maroondah Social Health Centre
Maryborough and District Hospital
Marysville and District Community Care Centre
Mayfield Centre
Melbourne School for Enrolled Nurses
Merbein Community Health Centre
Mercy Maternity Hospital
Mid-Murray District Ambulance Service
Mildura Base Hospital
Minyip and District Hospital
Moe and District Community Health Centre
Moorabbin Hospital
Mordialloc-Cheltenham Community Hospital
The Mortlake District Hospital
Morwell and District Community Hospital
Morwell Community Health Centre
The Mount Eliza Geriatric Centre
Mount Royal Hospital
Mountain District Community Health Service
Multiple Sclerosis Society of Victoria
Myrtleford District War Memorial Hospital
Nathalia District Hospital
The Nhill Hospital
North Richmond Family Care Centre
North-Eastern Victoria District Ambulance Service
Northern District Ambulance Service
Northern District School of Nursing
North-West Victorian Ambulance Service
Numurkah and District War Memorial Hospital
Oakleigh District Community Hospital
Omeo District Hospital
Orbost and District Hospital
Ouyen and District Hospital
Ovens and Murray Hospital for the Aged
Ovens District Hospital
Paraplegic and Quadriplegic Association of Victoria
Peninsula Ambulance Service

Penshurst and District Memorial Hospital
Port Fairy Hospital
Portarlington and District Community Health Centre Society
Portland and District Community Health Centre Society
Portland and District Hospital
Preston and Northcote Community Hospital
Prince Henry's Hospital
Quambatook Community Care Centre Society
The Queen Elizabeth Geriatric Centre
Queen Victoria Medical Centre
Queenscliff and District Community Health Centre
Richmond Community Health Centre
Ripon Peace Memorial Hospital
Robinvale and District Hospital
Rochester and District War Memorial Hospital
Royal Children's Hospital
The Royal Dental Hospital of Melbourne
Royal District Nursing Service
The Royal Melbourne Hospital
The Royal Southern Memorial Hospital
Royal Talbot General Rehabilitation Hospital
The Royal Victorian Eye and Ear Hospital
Royal Victorian Institute for the Blind
The Royal Women's Hospital
Rupanyup and District Hospital
Rutherglen District Hospital
St. Albans Community Health and Resources Centre
St. Arnaud District Hospital
St. George's Hospital
St. John's Homes for Boys and Girls
St. Vincent's Hospital
Sandringham and District Memorial Hospital
Sebastopol Community Health Service Society
Seymour District Memorial Hospital
Shelley Memorial Hospital
Shire of Werribee Community Health Service Society
Skipton and District Memorial Hospital
South Gippsland District Ambulance Service
South Gippsland Hospital
Southern Family Life Service Association
Southern Peninsula Hospital
South-Western Victoria Ambulance Service
Spastic Society of Victoria Ltd.
Springvale and District Community Hospital
Stanhope and District Community Care Centre Society
Stawell District Hospital
Sunbury Community Health Centre
Sunshine and District Community Hospital
Swan Hill District Hospital
Tallangatta Hospital
Tawonga District General Hospital
Terang and District (Norah Cosgrave) Community Hospital
Timboon and District Hospital
Torquay Community Health Centre
Traralgon Community Health Service
The Tweddle Baby Hospital

The Upper Goulburn District Hospital
The Victorian Academy for General Practice Limited
Victorian Baby Health Centres Association (The Queen Elizabeth
Hospital for Mothers and Babies)
Victorian Cytology (Gynaecological) Service
Victorian School for Deaf Children
Wangaratta District Base Hospital
Waranga Memorial Hospital
The Warracknabeal District Hospital
The Warrnambool and District Base Hospital
Werribee District Hospital
West Gippsland Hospital
West Heidelberg Community Health and Welfare Centre
Westadd
Western General Hospital
Westernport Memorial Hospital
Western Region Health Centre Ltd.
Whittlesea Community Health Centre
Willaura and District Hospital
William Angliss Hospital
The Williamstown Hospital
Wimmera Base Hospital
Wimmera District Ambulance Service
Winchelsea and District Hospital
Wodonga District Hospital
Wonthaggi and District Hospital
Woorayl District Memorial Hospital
The Wycheproof Hospital
Yarram and District Hospital
Yarrowonga Community Health Centre
Yarrowonga District Hospital
Yea and District Memorial Hospital
Yooralla Society of Victoria

Additions during the year 1983/84

Better Hearing Australia
Bright District Hospital
Northcote Community Health Centre
San Remo & District Community Health Centre
Waverley Community Health Centre

Deletions during the year 1983/84

Oakleigh District Community Hospital

TOTAL AS AT 30TH JUNE, 1984

- 251

PARTICIPATING INSTITUTIONS - CLASS B

As at 1st July, 1983 -

Alcheringa Home Society
Alkira
Anglican Homes for Elderly People
Australian Catholic Health Care Association
Ballarat Children's Homes
The Baptist Union of Victoria Social Service Department
Berry Street - Child and Family Care
Bethesda Hospital
Bundoora Extended Care Centre
Camberwell Senior Citizens' Hostel Society
Cancer Institute Board
Churches of Christ Department of Community Care
Cobden and District Bush Nursing Hospital
College of Nursing, Australia
Coinda Retarded Children's Centre
The Copelen Street Family Centre of the Uniting Church
Deafness Foundation (Victoria)
Doncaster Community Care and Counselling Centre
Epworth Hospital
Euroa Bush Nursing Hospital
Fairview Homes for the Aged
The Family Planning Association of Victoria
Freemasons Hospital
Glastonbury Children's Home
The Gordon Homes for Boys and Girls
Health Computing Services - Victoria Limited
Helping Hand Association for Mentally Retarded Children of Coburg and
Districts
Helping Hand Association for Mentally Retarded Children, Ivanhoe Branch
Helping Hand Association for Mentally Retarded Children,
Prahran-South Yarra Branch
Karingal
Kindilan School Society
King George V. Memorial Bush Nursing Hospital
Lilydale and District Bush Nursing Hospital
Lincoln Institute
Lumeah
Melbourne City Mission
Melbourne Family Care Organization
Melbourne Newsboys' Club
Mentally Retarded Citizens' Welfare Association
The Menzies Homes for Children
Mercy Family Care Centre
Mercy Private Hospital
Mildura Homes for the Aged
Mission of St. James and St. John
Moorabbin Association for the Intellectually Handicapped
Murchison Bush Nursing Hospital
Neerim District Soldiers' Memorial Bush Nursing Hospital
Noah's Ark Toy Library for Handicapped Children
The Onemda Association

Orana - The Peace Memorial Homes for Children
 Palm Lodge Rehabilitation Centre for Alcohol and Drug Dependent Persons
 Phillip Institute of Technology
 The R.S.L. War Veterans' Homes Trust of Victoria
 Red Cross Blood Transfusion Service
 Returned Services League
 Royal Australian Nursing Federation
 Royal Australian Nursing Federation (Victorian Branch)
 Royal Freemasons' Homes of Victoria
 Sacred Heart Hospital
 St. Andrew's Hospital
 St. Arnaud and District Intellectually Handicapped Persons' Welfare
 Association
 St. John of God Hospital Ballarat
 St. Joseph's Tower Private Nursing Home
 St. Vincent de Paul's Children's Home
 St. Vincent's Private Hospital
 Sale Elderly Citizens' Village
 South Port Community Nursing Home Society
 Sutherland Homes for Children
 Tabulam Nursing Home
 The Templar Homes for the Aged, Bayswater
 Tramways Benefit Society
 Upper Yarra Bush Nursing Hospital
 Vermont Elderly People's Homes
 Victorian Allied Health Professionals Association
 Victorian Bush Nursing Association (Incorporated)
 Victorian Hospitals' Association
 Victorian Medical Postgraduate Foundation
 Victorian Nursing Council
 Western Region Committee for the Disabled
 Wonthaggi and District Elderly Citizens' Homes
 Woodbine Centre

Additions during the year 1983/84

Ballan & District Soldiers' Memorial Bush Nursing Hospital
 Kew Baptist Youth Hostel Limited
 Lancefield and District Bush Nursing Hospital
 Mena House Private Hospital

Deletions during the year 1982/83

Berry Street - Child and Family Care

TOTAL AS AT 30TH JUNE, 1983 - 84

GRAND TOTAL OF ALL INSTITUTIONS
AS AT 30TH JUNE, 1984 - 335