



- » **Super 5 year performance –**
10.1% for Diversified Moderate
- » **More *super changes***
on the cards



Contact Us

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Superannuation Plan
ABN 64 066 797 162
AFSL No 269006
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Ultra important fine print

As you know, we're now a Public Offer super fund. This is such great news, because it means that any member of the public can join our fund. However, as a Public Offer fund, we must be able to guarantee the safety of your hard earned money, by showing proof that we have the necessary funds backing us up. That's why we hold the required \$5 million dollar bank guarantee. You can get more info about this guarantee by contacting the Trustee.

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Please note that the information contained in this publication is of a general nature only. It has not been prepared taking into account your particular investment objectives, financial situation and particular needs. You should assess whether any advice is appropriate to your individual investment objectives, financial situation and particular needs before making any investment decision. You should also consider seeking the assistance of a professional adviser. In particular, you should obtain a Product Disclosure Statement for the relevant financial product and consider the Statement before making any decision in relation to the matters set out in this publication.



Message from your Chairman

Dear Member

It's been a whirlwind of ups and downs on the financial markets, since our last Annual Report. With the US being the most powerful country in the world, whenever something bad goes on over there, you can expect the rest of the world to react negatively. The US sub-prime mortgage woes and credit crunch crisis have been a thorn in everyone's side. Although, luckily, the Fund didn't have much direct exposure. And, because these issues are likely to be around for the foreseeable future, markets will continue to be volatile.

No one likes to see their account balance negatively impacted. But try to remember some golden rules of thumb during times like these:

1. Markets usually fall after such long periods of fantastic performance. But, then they always rise again!
2. Super's a long term investment. So any falls now won't even register as a blip down the track. If you flip to pages 10 – 15, you'll see how good our long term performance continues to be, which ultimately boosts your hip pocket. And we're delighted to report that all of our diversified investment options outperformed the Mercer Investment Performance Survey to 30 June 2008.
3. Stay focused on your retirement goal and don't make snap decisions to switch investment options based on what's happening now – especially without first getting good financial advice!

If you need advice, we're always happy to help you out on this front. Remember, financial advice doesn't cost you any extra with us – it's all part of the service you get as one of our members.

We've gone public – hooray!

We're thrilled to have been granted our Public Offer licence! This means that anyone can join the Fund and enjoy all the terrific benefits of being a member with us. And, we've got some great new offerings in the pipeline. So tell your friends and family. If they want their future super secured, we've got something for everyone.

Andrea is back on board

I'm delighted to welcome back Andrea Ballantyne to the Trustee Board. In our recent member elections, you voted Andrea as replacement for Stephen Goode, our outgoing inaugural elected representative. Thank you Stephen for all your hard work. You made an incredible contribution to the Fund and the Board and we wish you all the best in your future endeavours.

Andrea previously made her mark on the Trustee Board between 1998 and 2004, when she actively promoted the employer matching contribution scheme – a great way for everyone to boost their super. She was also on the Audit and Investment Committee during this time. Andrea has worked with the LGRCEU for the past 15 years as Industrial Advocate and Treasurer. Congratulations, Andrea. It's great to have you back on board.

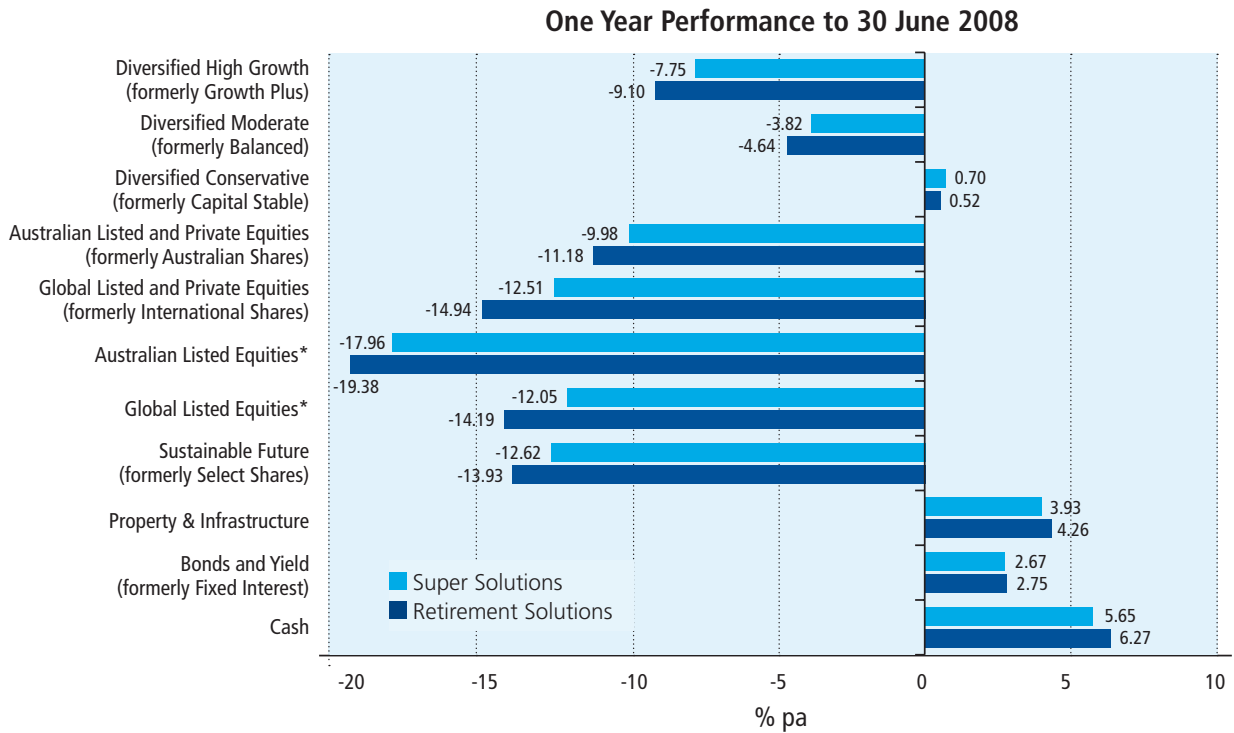
Until next year...

Nick Catania
CHAIRMAN

A snap shot of your super fund



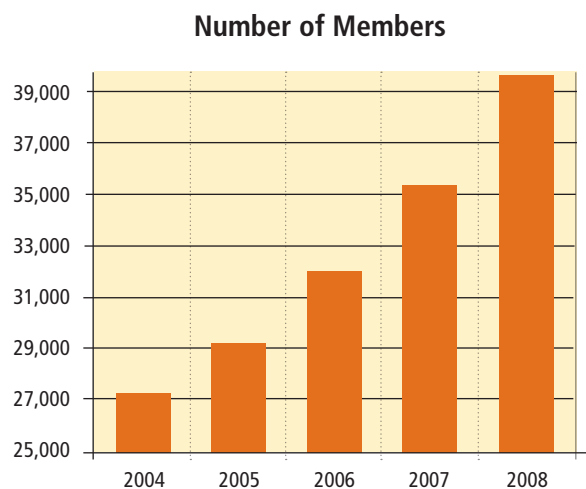
How has your super performed?



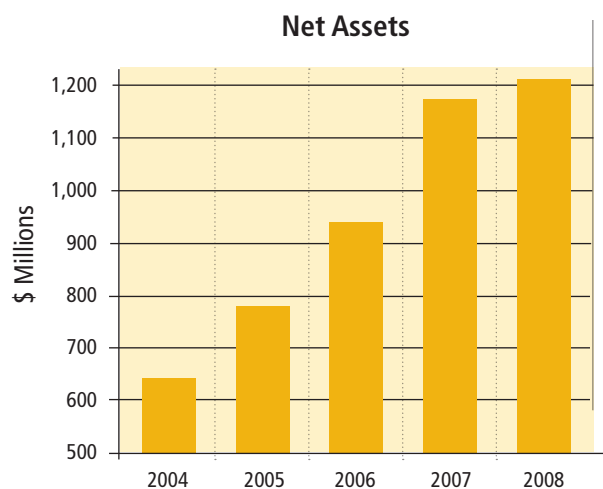
**Annualised rate since inception 1 December 2007.*

All returns shown are net of Investment Management Fees and applicable taxes. Investment markets can fall as well as rise, so you shouldn't rely on past performance as a guarantee of what future performance might be. You may also get back less than you originally invested because of fluctuations in investment returns, fees, tax and insurance premiums (if applicable).

How has your fund grown?



Since 2004 membership has grown by 45%.



Since 2004 the net funds under management for members has grown by 89%.

Where have you been investing your money?



The following table shows the total number of members in each option and the total funds invested as at 30 June 2008 and 2007:

Investment Option	30 June 2008		30 June 2007	
	Number	\$m	Number	\$m
Diversified High Growth (formerly Growth Plus)	6,493	227.9	5,993	240.3
Diversified Moderate (formerly Balanced)	24,075	375.3	21,166	362.8
Diversified Conservative (formerly Capital Stable)	9,708	367.6	10,096	365.3
Australian Listed and Private Equities (formerly Australian Shares)	2,902	44.7	2,672	50.6
Global Listed and Private Equities (formerly International Shares)	1,639	16.3	1,558	18.1
Australian Listed Equities	130	2.1	N/A	N/A
Global Listed Equities	81	1.0	N/A	N/A
Sustainable Future (formerly Select Shares)	2,452	64.8	2,079	73.9
Property & Infrastructure	3,154	66.6	2,848	61.5
Bonds and Yield (formerly Fixed Interest)	624	3.5	551	2.8
Cash	1,643	48.1	1,290	16.0
Total	52,901*	1,217.9	48,253*	1,191.3

* The total number of members in each investment option is greater than the total number of members in the Fund, as some members have their super invested in more than one investment option.

How are earnings allocated to your account?

Earnings on your chosen investment option(s) are calculated daily and allocated monthly. As earnings are declared, they are either added to or taken out of your account, after the deduction of fees and taxes including any Surcharge for previous years. Although the Surcharge was abolished from 1 July 2005, you may still see reference to it on your statement, as the Tax Office issues Surcharge liabilities in arrears. If applicable, any Surcharge amounts will be deducted from your employer's contribution accounts.

Should you switch investment options, partially withdraw your account balance or leave the Fund prior to the end of the Fund's reporting year (between 1 July and 30 June), any earnings from the date that declared earnings was last applied to the date of the transaction, will be calculated using an interim rate, applicable to your chosen investment option(s).

What's new for you?

» With the change in Federal Government last year, came a couple of new super ideas. At the time of writing, these changes were only proposals, so there's a chance that they might not be approved. We'll let you know via our website if and when they get the green light.

Check out the other super changes that recently came into play though, as they might affect you.



Super budget changes (just ideas at this stage)

Temporary residents and super

This proposal covers temporary residents who have worked in Australia and have left without claiming their super. Under proposed legislation, any unclaimed super will automatically be paid to the ATO. The changes were supposed to kick in from 1 July 2008. However, they're now likely to start some time before the end of this year.

Same gender relationships from 1 July 2009

Same gender relationships are currently treated differently to opposite gender relationships for the purposes of super. However, new legislation proposes to change this, with more equality hopefully starting in July next year.

Incomes testing on salary sacrificing from 1 July 2009

Salary sacrificing into your super is a great way of growing your account balance, potentially lowering how much tax you pay and cashing in on some great benefits, like the co-contribution. So, if you're currently salary sacrificing, this proposed change could affect you.

This proposal aims to include salary sacrificed amounts as part of the incomes test. Although these contributions will still only be taxed at 15%, your overall annual income won't be reduced as it is now for assessment of assistance eligibility.

In short, your eligibility for various government financial assistance schemes like the co-contribution, child support and family assistance may be affected.

Senior Australian Tax Offset (SATO) from 1 July 2008

The SATO applies to people of Age Pension or Service Pension age and refers to the amount of tax free income eligible seniors can receive. So more Australians will receive more money in their accounts. Over the next three years, the SATO is proposed to increase by the following amounts:

Description	Tax free income			
	2007/08	2008/09	2009/10	2010/11
Singles	\$25,867	\$28,867	\$29,867	\$30,867
Couples (per person)	\$21,680	\$24,680	\$25,680	\$26,680



Other super changes (these have come into play!)

First Home Saver Accounts (FHSA) from 1 October 2008

If you're a first home buyer and you're finding it hard to break into the property market, this is a beauty. From this October, you'll have access to the Government's First Home Saver Accounts (FHSA).

FHSAs can be provided by Public Offer super funds, life insurers, banks, building and friendly societies and credit unions.

To be eligible, you must:

- be between 18 and 64 years;
- provide your Tax File Number to the FHSA provider;
- have never had an FHSA; and
- have never previously purchased or built a first home to live in.

New SG calculation from 1 July 2008

Since 1 July 2008, a new calculation for working out your Superannuation Guarantee amount came into effect. To calculate how much they need to put into your super each year, your employer must now multiply your Ordinary Time Earnings (OTE) by 9%. OTE refers to the amount of hours you usually work, excluding overtime.

This change means that some employees may actually get a higher amount of compulsory super paid into their account than before.

Increase to low rate cap

The low rate cap is the lump sum amount of money you can receive tax-free if you're between 55 and 59 years. It increases in jumps of \$5,000 in line with AWOTE. For the 2008/09 financial year, the low rate cap is \$145,000. If you'd like more info about this tax threshold, visit www.ato.gov.au

Increase to untaxed plan cap

This refers to any lump sum payments which contain an "untaxed" part to them. Untaxed money will receive concessional tax treatment up to the untaxed plan cap. For the 2008/09 financial year, the untaxed plan cap is \$1,045,000. If you'd like more info about this tax threshold, visit www.ato.gov.au

Access to super for the terminally ill

New legislation now allows terminally ill people, of any age, to access their super. This can provide much needed financial support during a difficult time for everyone involved. The money is tax-free, provided it's taken as a lump sum and not as a pension. Certain conditions apply, so please call us to find out more.

Changes to transition to retirement income stream rules

Changes to the transition to retirement income stream rules now allow you to withdraw money in excess of the current 10% pa limit. So, if you're a member of our Retirement Solutions – Transitional Income Stream, you may be affected.

Previously, if you were a member of a transitional income stream product, you could only receive income payments equal to an amount of up to 10% of your annual account balance as at 1 July each year, regardless of whether you had retired or reached age 65.

The new rules allow you to exceed the 10% cap and withdraw an unlimited annual amount if you retire, turn age 65, have a terminal illness, die or become totally and permanently disabled. In practice, this was always the case, but the legislation didn't spell it out.

Fees

» Did you know that the WA Local Government Super Plan is a not for profit super fund?

This means that all money is reinvested back into the Fund to benefit members and not external shareholders. As a leading industry fund, we invite you to compare our fees and services (see table) with other super funds. We think you'll find them highly competitive. What's more, we're one of the largest WA based super funds. This means you get personal service when you want it and our size gives us bargaining power to pass on terrific savings to you.

Fee	Amount	How and When Paid
Establishment Fee	Nil	Not Applicable
Contribution Fee	Nil	Not Applicable
Rollover / Transfer In Fee	Nil	Not Applicable
Withdrawal Fee	\$75.00	Deducted from your account at the time of the withdrawal.
Termination Fee	Nil if transferring your super into another internal Plan product. \$75.00 if transferring to another super fund.	If applicable, this fee is deducted from your account at the time you close your account.
Investment Switching Fee	Nil for the first 2 switches in each financial year and \$50.00 per switch thereafter.	Deducted from your account at the time the switch is effective.
Management Costs – Super Accounts only	\$1.05 per week + Between 0.20% and 1.68% pa depending on your chosen investment option(s)*.	Deducted from your account each month. Deducted from earnings on a monthly basis before earnings are allocated to your account.
Management Costs – Pension Accounts Only	0.20% on the first \$500,000, then 0.15% for the next \$500,000 and 0% for the remaining balance. A minimum fee of \$250 applies. + Between 0.24% and 1.72% pa depending on your chosen investment option(s)*.	Deducted from your account each month. Deducted from earnings on a monthly basis before earnings are allocated to your account.

* These fees include external Investment Management Fees, valuation and consultancy fees. Each investment option has more than one investment manager who may charge different fees. Therefore, the actual amount deducted from earnings on a particular option can vary. The fees shown above are indicative only and reflect the actual fee as at 30 June 2008.

For more information on fees and other costs, please read the Product Disclosure Statement (PDS). You can download a copy from our website at www.walgsp.com.au or call us and we'll send one out to you.

A look at the markets



» 2008 saw a dramatic reversal of the upward trend in investment markets around the world.

After four years of very strong returns in both equity and property markets, the credit crisis early in the financial year, triggered by the sub-prime mortgage market in the USA together with signs of slowing economic growth in much of the developed world, caused a major market correction. The credit crisis has resulted in a severe loss of confidence in the world's financial markets to the extent that the US and global financial systems have been assisted by the US Federal Reserve and other central banks.

Australian shares

The Australian share market declined by over 13.7% over the year, and is down almost 30% from its high point in October 2007. The market continues to be driven by the influences of the sub-prime induced concerns in the US leading to dislocation in credit markets and fears of a US economic recession. This has affected financial stocks in particular. At the same time, energy and materials stocks have been rising on the back of strong commodity prices and rising oil prices. Over the 12 months, large cap stocks (+12.8%) outperformed small caps (-20.5%), while major resource stocks (+28.9%) significantly outperformed industrial stocks (-25.5%).

Global shares

International share markets as reflected by the MSCI World (ex Australia) Index have declined by more than 21% in Australian dollar terms. The rising Australian dollar has contributed to this decline – in local currency terms the Index fell by 15.7%.

Most major overseas markets also fell during the year – the US by 23.2%, UK by 23.7% and Japan by 25.7%. Germany was the exception, where the market rose by 6.5%.

Major markets continue to be held back by fallout from the sub-prime mortgage crisis. The banking sector in the US has seen job losses as well as financial losses which, together with falling house prices, have added to the concerns of the economic slowdown.

Property

After a prolonged period of sustained growth, the listed property sector was affected by the world's financial crisis and fell by 37.7%. This contrasts markedly with a continuous record of positive annual returns from 1989 to 2007, resulting in a four year return of 20.0% pa and a 10 year return of 14.6% pa to June 2007. The market remains weak as investors remain concerned about debt levels, rising interest rates, offshore exposure and uncertainty over future dividend payments.

However, underlying non-residential property markets remain generally sound. The unlisted property sector rose by 14.7% over the year, as measured by the Mercer Unlisted Property Index. The office sector, in particular, has contributed to the growth this year, as vacancies have fallen to very low levels in several capital cities, forcing rents to rise in most commercial centres.

Interest rates

The RBA left its official cash rate unchanged at 7.25% in May, while the further reduction by the US Federal Reserve to 2.0% in April maintained the interest rate differential between the two countries. Long-term rates in Australia remain below short-term cash rates, with 10-year government bond yields at 6.45%, while 90 day bank bills are at 7.8%. Official interest rates in the Euro zone (4.0%) and Japan (0.5%) were unchanged over the quarter. Following recent comments by the Reserve Bank, there is now an expectation that interest rates in Australia have peaked and a reduction in official rates is expected in the 3rd quarter of 2008.

Commentary provided by Counterpoint Group July 2008.

Diversified Portfolios

Portfolio

Diversified High Growth (formerly called Growth Plus)

Diversified Moderate (formerly called Balanced)

Level of risk and return

- Moderately high with a negative return expected to occur once approximately every 5 years.

- Moderate with a negative return expected to occur once approximately every 12 years.

Minimum investment timeframe

- Four to six years.

- Three to five years.

Who might this investment suit?

- Anyone seeking a highly growth-oriented, aggressive, diversified portfolio and who is comfortable with a high level of volatility in returns.

- Members who are seeking a diversified portfolio, which invests predominantly in growth assets and who are comfortable with a medium level of volatility in returns.

Objectives

- To achieve a return that at least equals the performance of the top 25% of peer group funds, as measured by a recognised performance survey, over rolling three to five year periods.
- To achieve a positive return over each 12 month period, while recognising the possibility that a negative return may occur once approximately every five years.
- To achieve a return after tax and Investment Management Fees that exceeds CPI (ie inflation) by approximately 4% pa over rolling periods of five years or more.

- To provide moderate growth whilst minimising the risk of a negative return in any one year.
- To achieve a return that at least equals the performance of the top 25% of peer group funds, as measured by a recognised performance survey, over rolling three to five year periods.
- To achieve a positive return over each 12 month period, while recognising the possibility that a negative return may occur once approximately every 12 years.
- To achieve a return after tax and Investment Management Fees that exceeds CPI (ie inflation) by approximately 3% pa over rolling periods of five years or more.

Strategy

- To achieve results consistent with the investment objectives, this option will invest predominantly in shares and property/infrastructure, with the remainder in debt and alternative strategies, with an emphasis on the growth sector.

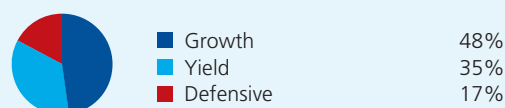
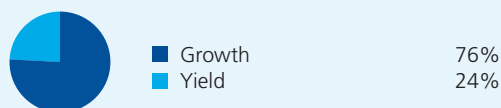
- To achieve results consistent with the investment objectives, this option will be diversified across the main investment sectors of shares and property/infrastructure, debt, alternative yield, fixed interest securities and cash.

Asset allocation as at 30 June

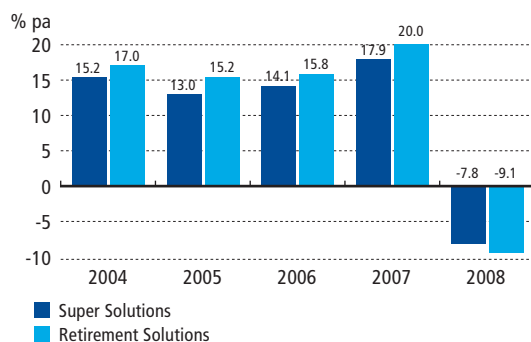
Sector	2007	2008
Australian shares	50.2	43.0
International shares	30.2	35.0
Property / infrastructure	15.7	17.9
Fixed interest	0.0	0.0
Alternative strategies	3.9	4.1
Cash	0.0	0.0

Sector	2007	2008
Australian shares	37.2	32.6
International shares	14.0	20.8
Property / infrastructure	25.9	28.8
Fixed interest	13.8	5.7
Alternative strategies	8.0	8.9
Cash	1.0	3.3

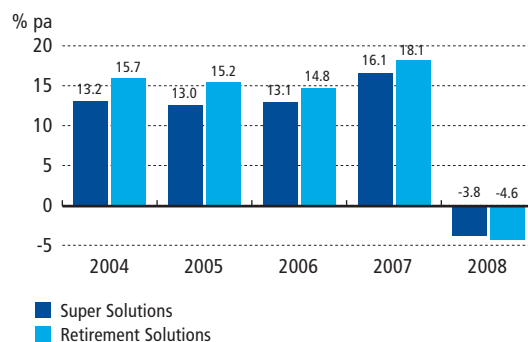
Benchmark asset allocation



Performance to 30 June



The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 10.1% pa and 11.2%, respectively.



The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 10.1% pa and 11.5%, respectively.



How an investment option performs in the past doesn't mean it will perform the same in the future. Its returns may be higher or lower. You might also get back less than the amount you originally invested, due to fluctuations in investment returns and the deduction of applicable fees, taxes and insurance premiums.

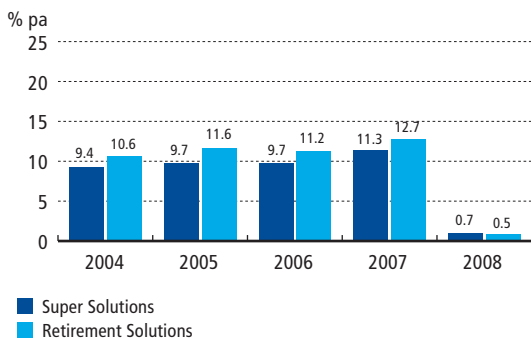
Diversified Conservative (formerly called Capital Stable)

- Low with a negative return expected to occur once approximately every 20 years.
- Two to four years.
- Members who are seeking a conservative portfolio, which invests predominantly in defensive assets and who are comfortable with low volatility in returns and lower long term earnings.
- To provide moderate growth whilst preserving capital and avoiding the risk of a negative return in any one year.
- To achieve a return that at least equals the performance of the top 25% of peer group funds, as measured by a recognised performance survey, over rolling three to five year periods.
- To achieve a positive return over each 12 month period, while recognising the possibility that a negative return may occur once approximately every 20 years.
- To achieve a return after tax and Investment Management Fees that exceeds CPI (ie inflation) by approximately 2% pa over rolling periods of five years or more.
- To achieve results consistent with the investment objectives, this option will invest predominantly in alternative yield, fixed interest securities and cash, with the remainder in shares and property/ infrastructure.

Sector	2007	2008
Australian shares	14.4	14.3
International shares	5.5	9.0
Property / infrastructure	20.9	26.6
Fixed interest	17.2	13.0
Alternative strategies	13.3	14.2
Cash	28.8	22.9



■ Defensive 50%
■ Yield 30%
■ Growth 20%



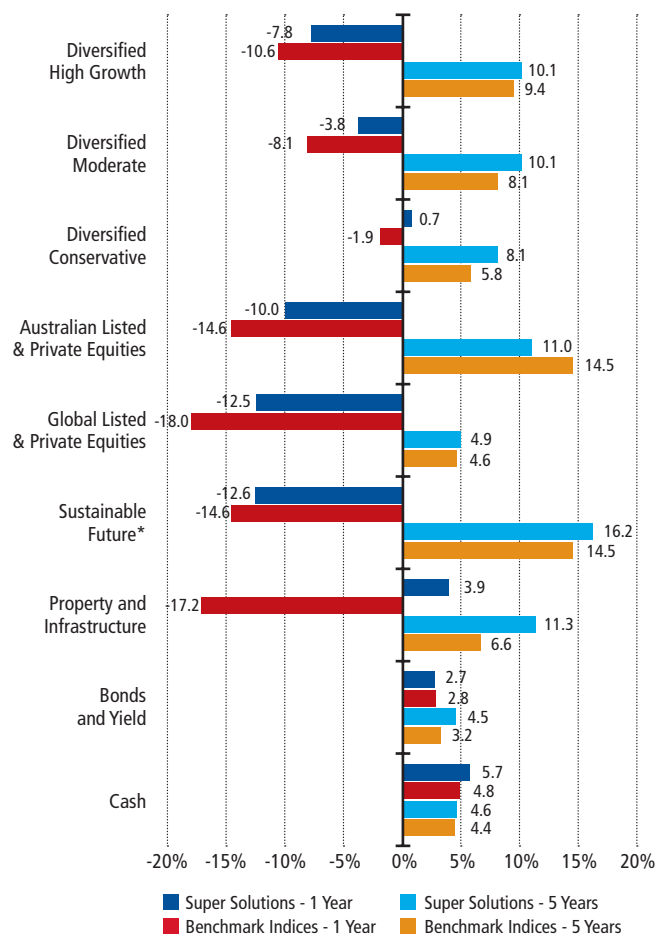
The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 8.1% pa and 9.2%, respectively.

Compare our performance

The Rainmaker/Selecting Super Benchmark Indices provide consumers and super funds with the most relevant means of comparing their investment returns against performance benchmarks. These indices are compiled from a detailed analysis of actual super fund performance, which covers over \$460 billion in super money on behalf of nearly 16 million member accounts in Australia.

The indices reflect net investment performance as comparable to what members would actually receive in their accounts and include master trusts, industry funds, Government funds and corporate funds.

One and Five Year Performance to 30 June 2008 Fund versus Benchmark Indices



* The Sustainable Future option has been compared to Australian equities, but has not been included in the actual survey.

Source: Rainmaker/Selecting Super Benchmark Indices, June 2008.

Sector-Specific Portfolios

Portfolio

Australian Listed and Private Equities (formerly called Australian Shares)

Global Listed and Private Equities (formerly called International Shares)

Level of risk and return

- High with the possibility of a negative return expected to occur once in every 3 to 5 years.

- High with the possibility of a negative return expected to occur once in every 3 to 5 years.

Minimum investment timeframe

- Five to eight years.

- Five to eight years.

Who might this investment suit?

- Members who wish to invest in a diverse range of Australian companies, including both listed and unlisted.

- Members who wish to invest in a diverse range of listed and unlisted companies throughout the world.

Objectives

- To exceed the overall return of the S&P/ASX 300 Accumulation Index over rolling five to seven year periods.

- To exceed the overall return of international share markets over rolling five to seven year periods, where the index for return will comprise 50% of the MSCI World (ex Australia) Index \$A Unhedged and 50% of the MSCI World (ex Australia) Index Local Currency Hedged.

Strategy

- To achieve results consistent with the investment objective, by investing predominantly in companies listed on the Australian Stock Exchange, with a proportion in unlisted companies. To provide long term growth, while minimising risk, this option will invest across different investment managers using varying investment styles.

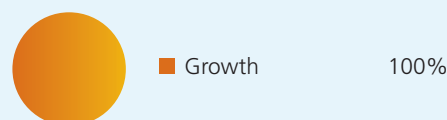
- To achieve results consistent with the investment objective, by investing predominantly in companies listed on the major international stock exchanges, with a proportion in unlisted companies. To provide long term growth, while minimising risk, this option will invest across different investment managers using varying investment styles.

Asset allocation as at 30 June

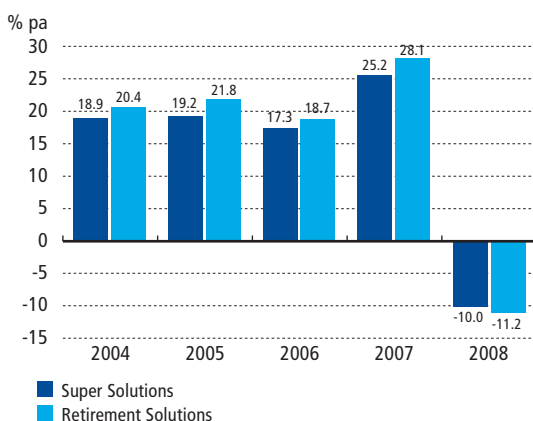
Sector	2007	2008
Australian shares	100.0	100.0

Sector	2007	2008
International shares	100.0	100.0

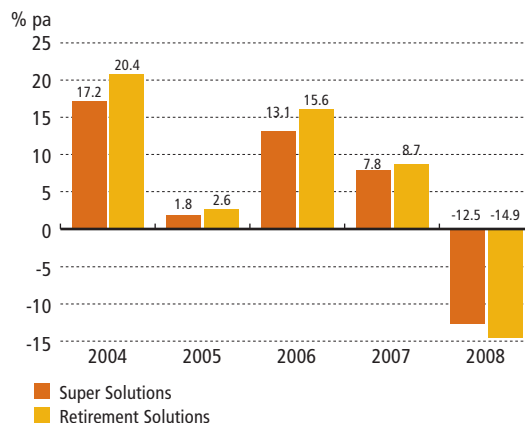
Benchmark asset allocation



Performance to 30 June



The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 11.0% pa and 11.7%, respectively.



The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 4.9% pa and 5.5%, respectively.



How an investment option performs in the past doesn't mean it will perform the same in the future. Its returns may be higher or lower. You might also get back less than the amount you originally invested, due to fluctuations in investment returns and the deduction of applicable fees, taxes and insurance premiums.

Australian Listed Equities

Global Listed Equities

- High with the possibility of a negative return expected to occur once in every 3 to 5 years.

- High with the possibility of a negative return expected to occur once in every 3 to 5 years.

- Four to six years.

- Four to six years.

- Members who wish to invest in a diverse range of listed Australian companies.

- Members who wish to invest in a diverse range of listed companies throughout the world.

- To exceed the overall return of the S&P/ASX 300 Accumulation Index over rolling three to five year periods.

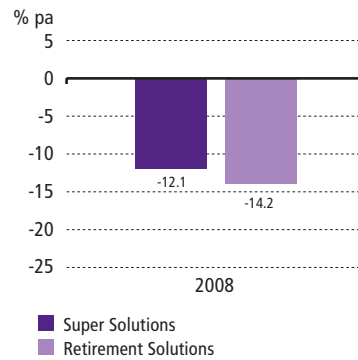
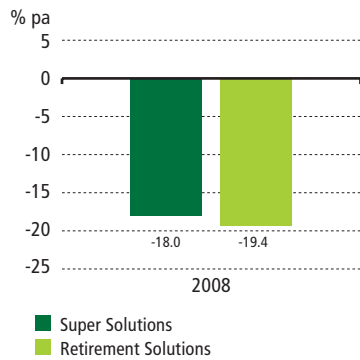
- To exceed the overall return of international share markets over rolling three to five year periods, where the index for return will comprise 50% of the MSCI World (ex Australia) Index \$A Unhedged and 50% of the MSCI World (ex Australia) Index Local Currency Hedged.

- To achieve results consistent with the investment objective, by investing in companies listed on the Australian Stock Exchange. To provide long term growth, while minimising risk, this option will invest mainly in index style approaches but may also invest across different investment managers using varying investment styles.

- To achieve results consistent with the investment objective, by investing in companies listed on the major international stock exchanges. To provide long term growth, while minimising risk, this option will invest mainly in index style approaches but may also invest across different investment managers using varying investment styles.

Sector	2007	2008
Australian shares	100.0	100.0

Sector	2007	2008
International shares	100.0	100.0



This investment option was launched on 1 December 2007 and, therefore, five year performance is unavailable. The rate shown is an annualised return since inception.

This investment option was launched on 1 December 2007 and, therefore, five year performance is unavailable. The rate shown is an annualised return since inception.

Sector-Specific Portfolios

Portfolio

Sustainable Future (formerly called Select Shares)

Property and Infrastructure

Level of risk and return

- High with the possibility of a negative return expected to occur once in every 3 to 5 years.

- Moderate with the possibility of a negative return expected to occur once in every 10 to 15 years.

Minimum investment timeframe

- Four to six years.

- Four to six years.

Who might this investment suit?

- Members who wish to invest in Australian companies that operate within socially responsible criteria.

- Members who wish to invest in a diversified mix of Australian and international property and infrastructure.

Objectives

- To exceed the overall return of the S&P/ASX 300 Accumulation Index, over rolling three to five year periods.

- To exceed the overall return of the benchmark index over rolling three to five year periods, where the benchmark index comprises 30% of the S&P/ASX 300 Property Accumulation Index (Listed Property) and 70% of the Mercer Direct Property Index.

Strategy

- To achieve results consistent with the investment objective, by investing in Australian shares that consider labour standards and social, environmental and ethical criteria, as well as financial return potential. Investments will focus predominantly on shares and securities listed on the Australian Stock Exchange.

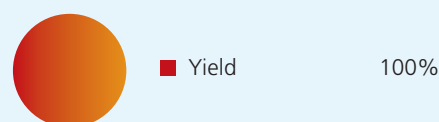
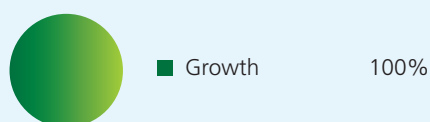
- To achieve results consistent with the investment objective, by investing in property securities (listed on the Australian Stock Exchange), unlisted property and infrastructure assets (through specialist managed funds) and direct property.

Asset allocation as at 30 June

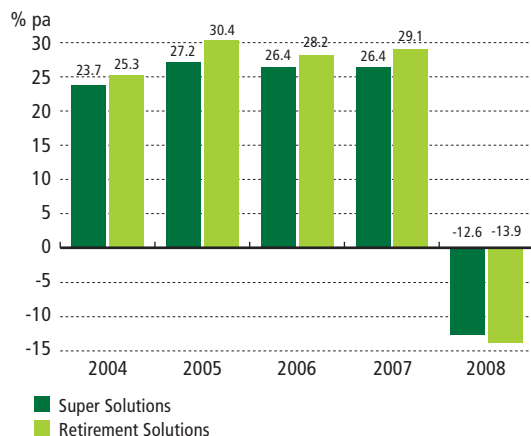
Sector	2007	2008
Australian shares	100.0	100.0

Sector	2007	2008
Listed Property	18.5	6.1
Unlisted Property	50.4	52.6
Infrastructure	31.1	41.3

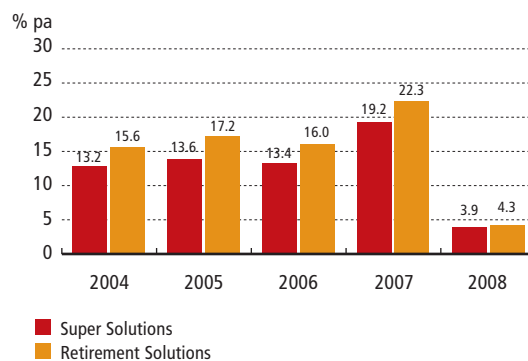
Benchmark asset allocation



Performance to 30 June



The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 16.2% pa and 17.1%, respectively.



The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 11.3% pa and 13.1%, respectively.



How an investment option performs in the past doesn't mean it will perform the same in the future. Its returns may be higher or lower. You might also get back less than the amount you originally invested, due to fluctuations in investment returns and the deduction of applicable fees, taxes and insurance premiums.

Bonds and Yield (formerly called Fixed Interest)

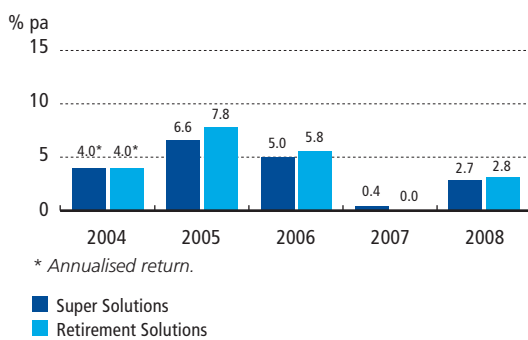
Cash

- Low with the possibility of a negative return expected to occur once in every 15 to 20 years.
- One to three years.
- Members who want a lower risk investment that provides potentially higher returns than those offered by cash investments.
- Members who want to invest in a diversified mix of Australian and international fixed interest securities.
- To exceed the overall return of the index over rolling three to five year periods, where the index for returns will comprise 60% of the UBS Warburg Australian Composite (All Maturities) Index and 40% of the Lehman Brothers Global Aggregate Index (Hedged).
- To achieve results consistent with the investment objective, by investing in a range of fixed interest securities including government and semi-government bonds and corporate bonds. To minimise risk, this option will invest across different investment managers using varying investment styles.

- Very low with no possibility of a negative return expected in any given year.
- Up to two years.
- Members wishing to preserve their capital and who are not comfortable with any level of volatility. This option also suits those members wanting to access their capital in the short term.
- To preserve capital at all times, whilst providing a high degree of liquidity.
- To exceed the market return on cash over all time periods.
- To achieve results consistent with the investment objectives, by investing predominantly in cash and liquid assets such as bank bills, short dated government bonds, bank deposits and cash pooled funds.

Sector	2007	2008
Fixed interest	100.0	100.0

Sector	2007	2008
Cash	100.0	100.0



The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 4.5% pa and 5.1%, respectively.



The compound average return for Super Solutions and Retirement Solutions over five years to 30 June 2008 was 4.6% pa and 5.3%, respectively.

Specialist Investment Managers



Investments over 5%

The Fund invests directly and indirectly in different assets to try and maximise returns for you. Direct investments include assets like property and shares. Indirect investments are those purchased through our use of specialist investment managers. We're required by law to let you know which of these investments exceeded 5% of our overall holdings. As at 30 June 2008, these were as follows:

Investment	% at 30 June 2008
AMP Capital Investors Limited	5.74
Barclays Global Investors	10.48
K2 Asset Management	5.93
Macquarie Investment Management Limited	5.83

Investment managers

During the year to 30 June 2008, the Fund employed the following investment managers:

ABN AMRO Capital Management	EG Funds Management
Advance Powder Technology	GBS Venture Partners
Adveq Management	Generation Investment Management
AMP Capital Investors	GMO Australia Limited
ANZ Specialist Asset Management	Gottex Fund Management
Archer Capital	Gresham Property Funds Management
Babcock & Brown	Hamilton Lane
Balmoral Capital	Hawkesbridge Private Equity
Bank West	Industry Funds Management
Basis Capital Funds Management	Industry Super Holdings
Barclays Global Investors	Investa Funds Management
BT Financial Group	Ironbridge Capital
Centro Properties Group	JF Infrastructure
Challenger Managed Investments	K2 Asset Management
CHAMP	Legg Mason Asset Management
Charter Hall Funds Management	Lend Lease Investment Management
Cooper Investors	LinQ Resources
Credit Suisse Asset Management	Macquarie Investment Management
Deutsche Asset Management	Marathon Asset Management
DLJ Merchant Banking Partners	MFS Investment Management
	MGPA
	MIR Investment Management

Montagu Newhall Associates	Principal Global Investors
Perennial Institutional Investment Trusts	Propel Investments
Perpetual Investment Management	Trustee (Direct) (Property at 105 St Georges Tce)
Paradise Investment Management	WALFS
Pioneer Alternative Investment Management	Wesbeam
	Wolseley Private Equity

Managing risk

Derivatives are a type of investment often used by investment managers to control risk and can include futures, options and swaps. The Fund authorises their use to protect assets, minimise risk and to reduce costs. The Fund does not use derivatives for gearing or speculative purposes.

To protect against the improper use of derivatives, each investment manager we engage, provides us with a Risk Management Statement. The Trustee has reviewed each of these Statements and is satisfied that they are in keeping with the applicable investment strategies. Copies of the Statements are available on request.

Using reserves

It's not uncommon for super funds to hold reserves of money for specific purposes. The Fund invests its reserves in the Balanced Option.

These reserves are used to pay for special projects and long term capital requirements. Any differences between the fees charged to members and the actual expenditure by the Fund may be added to or subtracted from these reserves throughout the year.

Over the past three years to 30 June, the reserves were as follows:

Year Ending 30 June	Amount of Reserve	
	\$ millions	%
2008	10.7	0.87
2007	8.2	0.68
2006	6.2	0.65

Financial statements

for the year ending 30 June 2008

The following summary of the Fund's financial statements has been taken from the Unaudited Accounts for the year ended 30 June 2008. The Audited Accounts and Auditor's Report will be available in October 2008 and can be obtained by contacting the Administrator on (08) 9480 3500 or 1800 630 524 (country WA). If there are any significant changes between the Unaudited and Audited Accounts, we'll be sure to let you know. The Trustee believes that all contributions due have been received by the Fund.

Statement of net assets

	\$'000 2007	\$'000 2008
INVESTMENTS		
Cash at Bank	35,529	22,997
Cash Deposits	80,301	102,188
Fixed Interest Securities	104,742	23,163
Securities in Australian Listed Equities	22,011	28,592
Units in International Equity Trusts	156,282	174,821
Direct Property	17,400	24,250
Units in Property Trusts	236,754	235,025
Subscriber Bonds	3,734	3,861
Units in Aust Equity Trusts	405,609	431,108
Private Equity (Unlisted)	111,451	162,963
Other Assets (Accruals etc)	50,697	31,368
TOTAL ASSETS	1,224,510	1,240,336
Less LIABILITIES		
Creditors and Accruals	3,236	3,211
Provision for Income Tax	12,716	733
Provision for Deferred Income Tax	8,808	7,671
TOTAL LIABILITIES	24,760	11,615
NET ASSETS Available to Pay Benefits (at 30 June)	1,199,750	1,228,721
REPRESENTED BY:		
Allocated to Members' Accumulation Accounts	1,139,419	1,100,835
Allocated to Members' Allocated Pension Accounts	52,126	117,190
Unallocated to Members' Accounts	8,205	10,696
TOTAL	1,199,750	1,228,721

Statement of changes in net assets

	\$'000 2007	\$'000 2008
Net Assets at 1st July	942,574	1,199,750
Plus INCOME		
Investment Income (Net)	112,682	77,774
Changes in Net Market Value of Assets	61,276	(128,222)
Employer Contributions (including Salary Sacrifice)	99,644	120,052
Member Contributions	31,749	41,441
Transfers In	33,103	15,196
Insurance Proceeds and Rebates	3,331	4,803
TOTAL INCOME	1,284,359	1,330,794
Less OUTGOINGS		
Benefit Payments	42,100	80,694
Contributions Surcharge	1,781	10
Insurance Premiums	5,810	4,608
Income Tax Expense	28,843	9,821
Self Administration & Trustee Expenses	6,075	6,940
TOTAL OUTGOINGS	84,609	102,073
NET ASSETS Available to Pay Benefits (at 30 June)	1,199,750	1,228,721

Your Trustee Board

The Trustee of the Fund for this reporting period is WA Local Government Superannuation Plan Pty Ltd. Your Trustee Board is an integral and crucial part of the Fund. Meeting once a month, it ensures that the Fund is managed in accordance with the rules and regulations set out in the Trust Deed and the relevant legislation. Above all, your Trustee Board is responsible for making decisions about your super and retirement money for the benefit of all members.

The faces behind your board

As at 30 June 2008, the Trustee Board consisted of the following eight Trustee Directors:

Member Representatives



Stephen Goode, Private Consultant

During the year, Stephen resigned from the Board and we wish him every success with his future endeavours.

Stephen established his consultancy business in 2004, following a successful

30 year career in the finance industry and, most recently, as Chief Executive Officer within local government.

His appointments as a Trustee Director to the Fund and Western Financial commenced with his election by members in 2003. Stephen was also a member of the Fund's Investment Committee. The Board welcomes Ms Andrea Ballantyne, replacing Stephen's position as Member Representative.



David James, Quality Traffic Management

David commenced his career with Westpac, where he was employed for 13 years in various positions, before establishing his own retail business

for the next 15 years. David then spent the next 13 years with the City of Bunbury, before moving to Quality Traffic Management. He has been the union representative for the LGRCEU for the last 11 years and President since 2005.



Kevin Sim, City of Cockburn

Kevin has played an integral role with the Fund, having occupied the roles of Alternate Director for six years until 2003, at which time he was then elected as a Member

Representative. He currently also serves on the Fund's Investment Committee. Kevin has worked in the Land Administration Department at the City of Cockburn for the last 19 years.

Employer Representatives



Nick Catania (Chairman), Mayor, Town of Vincent

Nick has enjoyed a distinguished career within local government, spanning nearly 20 years. In 1988, he became a Member of Parliament, representing the seat of

Balcatta until 1997. He then spent the next five years with the West Australian Retail Council, after which he was elected for his current post as Mayor of the Town of Vincent. Nick is currently the Chairman of the Fund's Trustee Board and the North Perth Community Bank Board.



Jason Buckley, CEO, Town of Cambridge

Jason has worked within local government for over 20 years. He commenced his career at Wanneroo, after which he was employed at Bayswater and Nedlands.

Jason has now been with the Town of Cambridge for the past 13 years. For the majority of his time at Cambridge, Jason was an executive responsible for corporate and community functions. He was appointed as Chief Executive Officer in July 2006. Jason has a professional background in accounting and is a qualified CPA. Jason joined the Board in January 2006 as an Employer Representative.



Ken Pech, Councillor, Shire of Gnowangerup

Ken is an Employer Representative on the Board and serves on the Compliance and Risk Management Committee. He is again President for the Shire of Gnowangerup

having served as Deputy for the previous two terms and prior to this was Shire President between 1986 and 1994. Ken also served as President of the WA Local Government Association between 1996 and 1998 and has received the Member of the Order of Australia for service to Local Government and the Community.

Independent Directors



Alex Bajada (Chair, Investment Committee), Investment Consultant

Alex has been a member of the Fund's Trustee Board for the past 16 years. As an independent Investment Consultant, Alex has extensive experience in the

corporate sector and has been heavily involved in the management of public companies. His professional tenure has generally involved senior level Directorship or Chairman positions.

Alex is currently the Executive Director of corporate consultancy firm, Spartan Nominees Pty Ltd, Chairman of Advance Energy Ltd and AXG Mining Limited and Managing Director of Excalibur Mining Corporation Limited.



Tim Shanahan (Chair, Compliance and Risk Management Committee) Director, Energy and Minerals Initiative, The University of Western Australia

Tim has been a Trustee Director with the Fund since 2004 and is Chairman of the

Compliance and Risk Management Committee. After receiving his law degree from the University of Western Australia in 1982, Tim joined the Western Australian Municipal Association – the representative organisation of local government in Western Australia – as Executive Director from 1989 to 2000.

He is a Trustee of the Committee for the Economic Development of Australia (CEDA) and Chairman of the Australia Day Council, WA. Tim has received the Public Service Medal and the Centenary Medal for outstanding service to local government in Western Australia.

How are the Directors elected?

The election of directors differs depending on their position. The two Independent Directors are appointed by the Board. The remaining six directors, while appointed by the Board, are nominated as follows:

- One director is nominated by the Western Australian Local Government Association (WALGA);
- One director is selected by the Board from people nominated by an "eligible employer". This is an employer who has selected the Fund as the default fund and requires any additional employer contribution to be paid to the Fund. This will take effect from 30 June 2010, upon the expiry of the current Director's term (ie WALGA nominee – Elected Member, Country);
- One director is nominated by Local Government Managers Australia (LGMA), as an "eligible employer". This became effective at 1 July 2008;
- One director is nominated by the Australian Services Union (ASU);
- One director is nominated by the Western Australian Municipal, Road Boards, Parks and Racecourse Employees' Union of Workers (LGRCEU); and
- One director is elected from amongst members through a secret ballot.

There are rules regarding tied votes and vacancies for the member-elected Member Representative position, which are available on written request.

The Fund's Constitution was amended to reflect the procedural change for appointing Directors.



Trustee insurance

The Trustee Company has taken out indemnity insurance to protect itself, the Directors and the Fund against any potential legal action that may result from its operation of the Fund.

This insurance is currently provided by Vero Insurance Limited and all costs are borne by the Fund.

Do you know where all your super is?



» If you're not an active member of the Fund and your account balance is less than \$500 or you're a "lost" member, your super may be transferred into the Fund's nominated Eligible Rollover Fund (ERF).

What's an ERF?

An ERF is a type of super fund that accepts small account balances, lost super (see below) and inactive accounts. Any transfers into the ERF normally occur after 30 June each year, following the completion of the Fund's annual review.

About the Fund's ERF

The ERF used by the Fund is:

AUSfund, Level 31, 2 Lonsdale Street, Melbourne VIC 4303

E: info@ausfund.net.au W: www.unclaimedsuper.com.au

If your super is transferred into the ERF, the Trustee of the WA Local Government Superannuation Plan will no longer have any involvement with your account. In addition, any insurance you may have will lapse. You will need to contact the ERF directly for all enquiries about your super and to obtain a copy of the current Product Disclosure Statement.

As the Fund's ERF has a different investment, insurance and fee structure to that offered by the Fund, it's important that you stay in touch with your super to determine whether the ERF will meet your ongoing personal objectives and needs.

All members transferred to the ERF will be subject to the member protection rules, regardless of whether your account balance exceeds \$1,000. Please refer to our Product Disclosure Statement for further information about the Fund's ERF.



What's a "lost" member?

You're classed as a "lost" member if any of the following apply:

- the Trustee receives one unclaimed written communication piece returned from your address; or
- the Trustee has never received your address details; or
- no employer contributions or rollovers have been made on your behalf in the last five years.



WA Local Financial Services Pty Ltd trading as Western Financial ABN 61 118 657 819 AR No 302707 Administrator and Authorised Representative of WA Local Government Superannuation Plan Pty Ltd ABN 64 066 797 162 AFSL No 269006 RSE No L0001137 RSE Reg No R1004380

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western financial