Visy Glass Australia Superannuation Plan

Actuarial Valuation as at 30 June 2024

18 December 2024

Towers Watson Australia Pty Ltd
ABN 45 002 415 349 AFSL 229921

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Section 1: Purpose and Summary

We are pleased to present our report to the Trustee of the Visy Glass Australia Superannuation Plan, NULIS Nominees (Australia) Limited ("the Trustee") on the actuarial investigation into the Visy Glass Australia Superannuation Plan ("the Plan") as at 30 June 2024. The Plan is a sub-plan of the Plum Division of the MLC Super Fund.

The Plan provides benefits which are of the *"defined benefit"* type where benefits are defined by Salary and period of membership. Additional accumulation benefits are also provided for most Defined Benefit (DB) Members. The Plan also has an Accumulation category, closed to new members since 1 August 2020.

With such a plan, a regular actuarial review is necessary to:

- examine the sufficiency of the assets in relation to members' accrued benefit entitlements;
- determine the recommended Employer contribution rate required to ensure that the Plan maintains a satisfactory financial position;
- examine the suitability of the Plan's insurance and investment arrangements;
- satisfy Clause 1.3.12 of the Participation Schedule which states that the Plan requires an actuarial investigation to be undertaken at least every three years and for the Actuary to review the employer contribution rate; and
- meet legislative and prudential standard requirements, in particular paragraph 23 of Prudential Standard 160 Defined Benefit Matters ("SPS 160"). Under SPS 160 an actuarial investigation is required at least every three years (noting that the Plan does not currently provide defined benefit pensions).

This report has been prepared for the Trustee of the Plan, in my capacity as RSE Actuary to the Plan. The Effective Date of this actuarial valuation is 30 June 2024.

This report has been prepared in accordance with Professional Standards 400, 402 and 404, issued by the Institute of Actuaries of Australia. The previous valuation, which was conducted by Hadas Danziger of WTW, was carried out as at 30 June 2021 with the results set out in a report dated 17 December 2021.

Reliance statement and data

This report is provided subject to the terms set out herein and in our engagement letter dated 23 July 2024 and the Terms and Conditions as set out in the Master Consulting Services Agreement dated 18 March 2015 from Russell Investments novated to WTW on 22 March 2017. This report is provided solely for the Trustee's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, this report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on this report or any advice relating to its contents.

The Trustee may make a copy of this report available to its auditors, the Employer and to any person to whom the Trustee may be required to provide a copy under relevant legislation, but we make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to the Trustee's auditors the Employer or any third party in this regard. The Trustee should draw the provisions of this paragraph to the attention of its auditors and the Employer when passing this report to them.

In preparing this valuation, we have relied upon information and data provided to us orally and in writing by the Trustee and other persons or organisations designated by the Trustee. We have relied on all the data and information provided, including Plan provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

The data and information we have relied upon is shown in Section 2. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may produce results that are not suitable for the purpose of this report and such inaccuracies may produce materially different results that could require that a revised report be issued.

In our opinion, all calculations are in accordance with requirements of applicable legislative requirements, and the procedures followed, and the results presented conform to applicable actuarial standards of practice.

Employer Contributions & Other Recommendations

Considering the aggregate contribution rate results and the investment experience since 30 June 2024 to 30 September 2024, it is recommended that the employer contribute the following from 1 July 2024 to 31 December 2027

- Nil in relation to the funding of defined benefits;
- Nil in relation to the payment of fees and insurance for Accumulation members to be met from the DB surplus;
- Nil in relation to any Employer additional employer contributions to DB members’ accumulation accounts as required; and
- The amount of any salary sacrifice contributions in respect of members who make their own contributions from their pre-tax salary, as applicable.

The ratio of the Plan’s net assets to vested benefits (VBI) in respect of the DB members is expected to remain above 100% to 30 June 2027, the date of the next actuarial investigation, with this level of employer contribution.

We will continue to monitor the financial position of the Plan on a quarterly basis. If the Plan's experience is significantly different from our assumptions, it may be necessary to review the recommended level of contributions. The Trustee or Employer can initiate an interim actuarial review and new contribution recommendation at any time if there is concern that the Plan is approaching a level where the VBI may become less than 100%. An actuarial review is required if the DB VBI falls below the Plan's Shortfall Limit of 100%.

We also recommend that the formula currently being used to determine the insured components of the death and disablement benefits in the Plan be retained.

The next actuarial investigation of the Plan should be conducted with an effective date no later than 30 June 2027 and the recommended Employer contribution rate will be reviewed at that time, or at an earlier date if considered appropriate as a consequence of the regular review of the VBI, or as required by legislation.

We are not aware of any event since 30 June 2024, other than already allowed for, which warrants review of the recommendations in this report.

Funding Status Measures

Vested Benefits

Vested benefits are the benefits payable if all Members voluntarily resigned from service. As at the valuation date, the net assets of the Plan are sufficient to cover the vested benefits. The VBI as at 30 June 2024 is 108.5% in respect of defined benefits only, and 106.4% including accumulation members' benefits and accumulation accounts.

In contrast, as at 30 June 2021, the ratios were 126.7% and 120.9% respectively. This suggests that the Plan's funding position has deteriorated since the previous investigation. This is largely as a result of actual investment returns over the last three years being lower than expected in addition to the current contribution holiday, which is expected to reduce the surplus over time.

Assuming:

a. the benefits described in the Participation Agreement remain unchanged;

b. Employer contributions are paid at the recommended rate;

c. the future experience of the Plan is in accordance with the assumptions made in this actuarial valuation.

Then the assets of the Plan should remain in excess of the vested benefits (both DB and accumulation) up to 30 June 2027.

Under SPS 160, a defined benefit fund is defined to be in a 'satisfactory financial position' if the value of the assets of the fund, excluding the ORFR, is adequate to cover the value of the liabilities of the fund in respect of benefits vested in the members of the fund. On this basis, the financial position of the Plan is expected to remain satisfactory until the next triennial actuarial valuation.

Present Value of Accrued Benefits

The present value of accrued benefits is the actuarial value (using the assumptions and methodology detailed in this report) of the expected future benefits payable from the Plan to the current members and their dependents in respect of Plan membership completed up to the date of the actuarial investigation.

The Plan's net assets are adequate to cover the present value of the accrued benefits of all members of the Plan at the valuation date. The ratio of the Plan's net assets to the present value of accrued benefits index (PVABI) at 30 June 2024 is 116.7% in respect of defined benefits only, and 112.4% including accumulation members' benefits and accumulation accounts.

In contrast, as at 30 June 2021, the ratios were 121.7% and 117.2% respectively. This represents a reduction in the Plan's financial position in relation to the present value of Accrued Benefits. This is partly as a result of the natural ageing of the DB membership in addition to the impact of the contribution holiday, offset by the change in assumptions (used to calculate the present values).

From time to time the value of the Plan's assets may be greater than, or less than, the present value of accrued benefits. These excesses, or shortfalls, arise when the actual experience of the Plan differs from the assumptions used to determine contribution rates.

Retrenchment Benefits

On retrenchment, the benefit payable in most cases is an amount based on the accrued retirement benefit subject to a minimum of vested benefits. For some Category A and B members an equitable share is payable determined by comparing the accrued retirement benefit for all members with the DB assets. at the time of retrenchment. Vested benefits are expected to be at least equal to, if not greater than, the accrued retirement benefit. Therefore, with the coverage of vested benefits greater than 100% at 30 June 2024 it is reasonable to expect that there are sufficient assets to pay members if they were all retrenched.

Minimum Benefits

The Plan is *"solvent"* if the net realisable value of the assets of the Plan, less the value of the benefit entitlements of former members, exceeds the Minimum Requisite Benefits (MRB).

As at the valuation date the net assets of the Plan exceeded the MRBs, and the Plan was in a solvent financial position. The ratio of the Plan's net assets to MRBs (MRBI) at 30 June 2024 is 134.3% in respect of defined benefits only and 124.7% including accumulation members' benefits and accumulation accounts. In contrast, as at 30 June 2021, the ratios were 162.2% and 146.1% respectively.

Shortfall Limit

As required under SPS 160, the Trustee has set a shortfall limit of 100%, which considers the Plan's allocation to growth assets and the current contribution holiday. We are comfortable that this Shortfall Limit is appropriate for the Plan.

Superannuation Guarantee

The Employer's Superannuation Guarantee obligation is fully met for all Members by the Minimum Requisite Benefits provided under the Plan and set out in the Plan's Benefit Certificate dated 23 March 2023 and effective 1 April 2023.

A superannuation fund is *"solvent"* if the net value of its assets, less the value of the benefit entitlements of former members, exceeds the minimum Superannuation Guarantee benefits. At 30 June 2024, the Plan is solvent and based on the actuarial assumptions, we see no reason why it would be unlikely that an actuary will not be able to certify the solvency of the Plan in three years' time.

Investments

As at 30 June 2024, the DB assets were invested as follows:

- 50% in the MLC Stable investment option;
- 41% in the MLC Fixed Interest investment option; and
- 9% in the MLC Enhanced Cash investment option.

The above investments have a combined target asset allocation of 18.5% in growth assets such as shares and property, and 81.5% in income assets such as cash and fixed income.

The current investment strategy is considered suitable to the Plan's liabilities in respect of defined benefit membership at 30 June 2024.

The Trustee regularly monitors the investment managers' performance, and we recommend that this continues.

Insurance

The Plan currently insures the futures service portion of death and Total and Permanent Disablement benefits as well as the full amount of Temporary Disablement benefits. External insurance is appropriate for the Plan given its size.

We have determined that the Plan's insurance protection against death, Total and Permanent Disablement benefits and Temporary Disablement, is adequate as at 30 June 2024. We also consider that the use of external insurance and the formula for calculating the insured benefit continues to be appropriate for the Plan.

Next Valuation

The next actuarial investigation of the Plan should be conducted with an effective date no later than 30 June 2027 and the recommended Employer contribution rate will be reviewed at that time. The contribution requirements may be reviewed at an earlier date if considered appropriate as a consequence of the regular review of the VBI or as required by legislation.

Hadas Danziger
Fellow of the Institute of Actuaries of Australia
RSE Actuary to the Visy Glass Australia Superannuation Plan
18 December 2024

DO:BH | TR:CH | CR,ER: HD

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https://wtwonlineau.sharepoint.com/sites/tctclient_987106_VisySup24/Documents/04.01_Act_Valn/4_Deliverables/WTW_Visy Glass Act Val at 30 June 2024.docx

Section 2: Background and Data

The Visy Glass Australia Superannuation Plan was initially established in accordance with the Trust Deed dated 28 January 1998 with subsequent amendments:

- The Plan commenced as the ACI Packaging Superannuation Fund providing benefits for certain employees of ACI Packaging. Before that date, employees were employed in the glass and plastics divisions of the BTR Nylex group and received superannuation benefits from the BTR Nylex Limited Superannuation Fund. The benefits provided to members of the BTR Nylex Limited Superannuation Fund were replicated in the ACI Packaging Superannuation Fund. With effect from 1 June 2000, all member-related assets and liabilities of the ACI Staff Superannuation Fund were transferred to the ACI Packaging Superannuation Fund. The benefits provided by the ACI Staff Superannuation Fund were also replicated in the ACI Packaging Superannuation Fund.
- On 29 June 2005, the ACI Packaging Superannuation Fund was renamed the O-I Australia Superannuation Fund, providing benefits for certain employees of O-I Australia. On 1 June 2014, the O-I Australia Superannuation Plan was transferred into the Plum Superannuation Fund ("Plum Fund") under a successor fund agreement. With effect from 1 June 2014, Packaging Superannuation Fund Pty Ltd retired as the Trustee of the Plan and PFS Nominees Pty Ltd was appointed the new Trustee of the Plan. Also, with effect from 1 June 2014, the Plan's administration services were transferred from Mercer to Plum Financial Services Limited ("Plum").
- On 1 July 2016, the Plum Fund Trustee transferred all assets and members of the Plum Fund to the MLC Super Fund established by trust deed dated 9 May 2016 (as amended). The members and assets attributable to the Plan were transferred to a sub-plan in the Plum Division of the MLC Super Fund, called the O-I Australia Superannuation Plan.
- The Plan, subsequently became known as the Visy Glass Australia Superannuation Plan from 1 August 2020, providing benefits for employees of Visy Glass Operations (Australia) Pty Ltd.

The current Trustee of the Plan is NULIS Nominees (Australia) Limited. The benefits and conditions of the Plan used for this investigation are those set out in the Participation Schedule of the O-I Australia Superannuation Plan dated 27 March 2018 and amending Participation Schedule of the Visy Glass Superannuation Plan with effect from 4 September 2020.

There are three categories of DB membership of the Plan remaining, namely Categories A, B and Y. All defined benefit categories are now closed to new members.

The major part of the Plan's liabilities relate to lump sum defined benefits (i.e. related to the period of membership and salary over the last few years of membership before termination). In addition, the Plan provides lump sum accumulation benefits for some members (i.e. lump sum benefits related to the accumulation of net contributions and investment earnings thereon) in the Accumulation section.

A detailed description of the benefits valued in this investigation is included in Appendix A.

The Plan is a complying superannuation fund under the Superannuation Industry (Supervision) Act and therefore qualifies for concessional tax treatment.

As a result of sound financial position, and based on updated actuarial advice, a contribution holiday has been in place since 1 September 2014.

Previous Recommendations

The employer contribution rate recommended in the previous actuarial investigation as at 30 June 2021 was:

- Nil in relation to the funding of defined benefits;
- Nil in relation to the payment of Employer Superannuation Guarantee (SG) contributions, fees and insurance for Accumulation members to be met from the DB surplus;
- Nil in relation to any Employer additional contributions to DB member's accumulation accounts as required; and
- The amount of any salary sacrifice contributions in respect of members who make their own contributions from their pre-tax salary, as applicable.

We understand contributions were actioned in accordance with our recommendations.

Subsequent events since the last valuation of the Plan

Accumulation Members and SG Contribution Holiday

An Accumulation section of the Plan was opened to new members from 1 July 2018. Given the Plan's strong financial position at the time, the Trustee approved the commencement of an 'SG Contribution Holiday'. Under this arrangement, in order to utilise the surplus, the following contribution types were to be deducted from the Plan's DB reserve and credited to members' accounts in lieu of actual employer contributions:

- Employer Superannuation Guarantee (SG) contributions for Accumulation members;
- Employer contributions for DB members (to satisfy SG increases above 9%); and
- Employer additional contributions for DB members (an extra 1% contribution for wages staff).

Each of the contribution types above are made to accumulation accounts invested in "Member Investment Choice" Options. Various fees and insurance premiums for Accumulation members were also paid from the DB reserve.

The 'SG Contribution Holiday' was adopted with the provision that should the VBI fall below 110%, the Employer would review the Plan's contribution requirements to maintain a suitable buffer against experience. As of 1 August 2020, the accumulation section of the plan was closed to new members.

In June 2023, the Plan's VBI was approaching the 110% threshold, at which point we recommended that the Employer cease the deduction of SG contributions for Accumulation members from the DB reserve. by 30 June 2024. We understand this was actioned by 31 July 2024 in accordance with our recommendations.

The following contributions continue to be deducted from the Plan's DB reserve:

- Employer contributions for DB members (to satisfy SG increases above 9%);
- Employer additional contributions for DB members (an extra 1% contribution for wages staff); and
- Various fees and insurance premiums for Accumulation members.

Since 1 July 2021, the SG rate has increased from 10% to 10.5% from 1 July 2022, 11% from 1 July 2023, 11.5% from 1 July 2024 and is set to increase further to 12.0% from 1 July 2025.

Review of Plan's Investment Strategy

In 2023, the Employer, together with the Trustee, asked us to review the Plan's investment strategy and the impact of a change on the Plan's future solvency and funding/contribution requirements.

We conducted an Asset-Liability Model (ALM) study to assess three alternative investment strategies that incorporated more growth assets against the status quo strategy. The optimal investment strategy is dependent on the Trustee's appetite for short-term volatility in the VBI as well as the Employer's willingness and ability to make contributions in response to volatility in the VBI.

The ALM demonstrated that although it would be reasonable to consider increasing the growth allocation slightly, the status quo investment strategy also continued to be a suitable strategy. The Employer and Trustee concluded that the status quo investment strategy be maintained for the moment. Further discussion on the suitability of the Plan's investment strategy is set out in Section 3.

Sources of Information

We have relied on the administrative records at 30 June 2024, as currently stored on the MLC administration system. Membership data was provided by Plum on 16 August 2024, 2 October 2024 and 23 October 2024 in respect of members of the Plan as at 30 June 2024 and in respect of members who had left the Plan since 30 June 2021.

Financial information was obtained from Plum for the year ended 30 June 2024 including asset values as well as the cash-flows that have occurred since the previous actuarial valuation.

We have done reasonableness checks on the membership data to ensure that all dates, salaries and other amounts were reasonable. Overall, we are satisfied that the asset and membership data provided is sufficiently accurate for the purposes of this investigation. Although we have no reason to doubt the quality of the data, the results of this investigation are dependent on the quality of the data provided.

Data

The membership details are summarised in Appendix B. In brief there were 128 defined benefit members as at 30 June 2024, with total annual salaries totalling $14.9 million. This represents a decrease of 22% in the membership since 30 June 2021.

As at 30 June 2024, there were 59 members in the Accumulation section of the Plan, with total account balances of $12.5 million and annual salaries of $8.5 million.

A reconciliation of the full DB membership between the last valuation date and this valuation date is enclosed in Appendix C to this report.

We have checked the membership data for internal consistency and are satisfied as to its accuracy.

Since the previous valuation, the average attained age of defined benefit members has increased from 57.3 years to 59.1 years. The average completed membership of defined benefit members has also increased from 29.1 years to 31.9 years.

Over the period since the last valuation, the salaries of the remaining 128 defined benefit members of the Plan have increased on average by 2.5% p.a.

The Plan is closed to new defined benefit and accumulation members. The Plan no longer has any lifetime pensioners or retained benefit members.

Section 3: Assets and Investment Strategy

Data

We have been supplied with asset and cash flow information covering the three-year period from 1 July 2021 to 30 June 2024. We understand that the data provided forms part of the overall accounts for the MLC Super Fund.

Where possible the information provided has been checked for reasonableness and is considered suitable for the purposes of this investigation.

The Plan's cash flow reports show that the Employer has been contributing in accordance with the recommendations of the last valuation report and subsequent recommendations.

Value of Net Assets

In line with legislative and actuarial requirements, as at 30 June 2024 the net market value of assets used to calculate the funding status measures was $97,759,095, being the Fair Value of assets disclosed by the administrator. This value includes the DB reserve and accumulation accounts.

The composition of the value of the total assets, as provided by the Fund's administrator, is as shown below.

	Value at 30 June 2024 ($)
DB Reserve Account Balance (DB assets)	75,688,593
DB Members Accumulation Account Balances	9,559,413
Accumulation Members Account Balances	12,511,089
Total net market value of assets	**97,759,095**

For the purposes of the actuarial investigation, the value of the DB liabilities was compared to the fair value of DB assets of $75.7 million.

Suitability of Crediting Rate Policy

The crediting rate policy relates to the crediting of investment earnings to the voluntary and additional accumulation accounts of the Plan's members and is largely irrelevant to the defined benefit liabilities.

Members can choose from an extensive range of investment options in which to invest their accumulation accounts. The investment options are unitised and distribute investment returns to members through daily movements in unit prices.

For the defined benefit assets, the Plan's crediting rate policy continues to be based on actual earnings and uses quarterly crediting rates based on the change in underlying unit prices, where those unit prices reflect actual earnings on assets. The crediting rate policy also notes that the crediting and interim rates are subject to a minimum of nil per annum on accounts other than the Additional Accumulation and Supplementary Accumulation accounts. This minimum reflects that the definition of interest for defined benefit members does not specifically allow for a negative rate to apply to accounts other than to the accounts mentioned.

The crediting rate policy for the defined benefit assets also specifies that an interim rate applying during the quarter before the final crediting rate is declared is to be based on the 10-year Commonwealth Bond Rate at the end of the prior quarter.

At 30 June 2024, the accumulation account balances of DB members totalled approximately $9.6 million, around 10% of the Plan's net assets.

We consider that the crediting rate policy currently adopted by the Trustee is within a range of crediting rate policies that may be considered appropriate.

Operational Risk Financial Requirement

As at 30 June 2024, the ORFR for the Plan is held in a separate reserve by the Trustee, reflecting the ORFR for the master trust in total. We understand that any further funding of the ORFR requirements will be provided by Plum with no further debits from members' accounts or defined benefit assets. For this reason, for the purpose of this investigation and in particular for assessing the Plan's financial position and long-term contribution rate requirements in respect of the DB members, we have not allowed for further adjustments for the ORFR.

Nature of Defined Benefit Liabilities

The level of the Defined Benefit liabilities does not bear the same direct relationship with the defined benefit assets as exists with accumulation liabilities (where the assets and liabilities are generally matched).

The Defined Benefit liabilities reflect membership and salary growth, whereas the supporting assets depend on a range of factors including:

i. the level of Employer contributions, and

ii. the level of investment returns.

In this case it is the Employer which bears the investment risk as the level of contributions required depends on the level of investment returns achieved.

The investment objectives and strategy for the DB section will seek an appropriate balance between short-term considerations (e.g. market volatility and Plan solvency) and long-term considerations (e.g. level of return and contribution requirements) in funding the defined benefit liabilities.

Defined Benefits – Investment Objectives and Guidelines

The current investment objectives of the Plan's DB assets are set out below:

Investment Objective	CPI + 1.5% p.a. after tax, fees over rolling 3-4 years
Estimated number of negative annual returns (Standard Risk Measure)	(3) Low to medium, 1-2 years in 20 years

To achieve these objectives, the Plan has adopted the following investment mix:

- 50% in the MLC Stable investment option;
- 41% in the MLC Fixed Interest investment option; and
- 9% in the MLC Enhanced Cash investment option.

We have taken account of the current investment objectives of the Plan and the investment guidelines under which the Plan's investment managers operate in setting our actuarial assumptions in Section 4 of this report.

Investment Strategy for Defined Benefit Section

To achieve its objectives, the Trustee has adopted a strategy to invest the Plan's assets across a range of asset classes including Shares (Australian and International), Fixed Interest Securities, Property (Direct and Listed Property Trusts), Infrastructure, Alternatives and Cash.

The table below sets out the target and actual asset allocations of the Plan's DB investments to the various investment classes at 30 June 2021 and 30 June 2024, based on the combination of pre-mixed options noted above:

Investment Sector	Target allocation 30 June 2021	Target allocation 30 June 2024
Australian Shares	5.0%	5.0%
Global Shares (hedged)	1.5%	2.0%
Global Shares	4.0%	4.0%
Property	3.5%	2.0%
Private Assets	0.5%	0.5%
Infrastructure	2.5%	2.5%
Alternatives (Growth)	1.5%	2.5%
Total Growth Assets	**18.5%**	**18.5%**
Alternatives (Defensive)	4.0%	0.0%
Fixed Income	62.0%	61.5%
Cash	15.5%	20.0%
Total Defensive Assets	**81.5%**	**81.5%**

Suitability of Investment Strategy

The defined benefit categories within the Plan are now all closed to new members. The age profile of these categories will gradually increase. At 30 June 2024 the average age was 59.1 years, so the investment timeframe continues to reduce.

At the valuation date, the Plan held sufficient buffer of assets supporting the defined benefits, which meant that the assets were sufficient to cover the Plan’s vested benefits.

On the basis that Vested Benefits coverage and funding requirements will continue to be reviewed quarterly and at 1 July each year, we consider that the investment objectives and strategy adopted by the Trustee to be within the range of strategies that are reasonable for a fund of the size and with the benefit design of the Plan.

Section 4: Valuation Method, Plan Experience and Actuarial Assumptions

To carry out an actuarial valuation for defined benefit liabilities, it is necessary to decide on:

- the valuation method to be adopted, and
- the assumptions as to the factors which will affect the cost of the benefits to be provided by the Plan in the future.

The information in this Section 4 relates to the defined benefit section of the Plan.

Valuation Method

The previous valuation used the Aggregate Funding method. This funding method remains appropriate for the Plan, and we have retained it for this valuation.

This method seeks to spread the expected future cost of the Plan's benefits over the average future working lifetime of the members to produce a level contribution as a percentage of the salaries of members.

The logic of the Aggregate Funding Method is to project each defined benefit member's benefits payable in the future allowing for salary increases and the probability of leaving service due to withdrawal, death, disability, or retirement. These benefit payments are then discounted back to the valuation date using the valuation rate of interest.

The net market value of assets is then deducted from the present value of the benefits to determine the present value of the amount to be financed by future member and Employer contributions. In the same way, the present value of 1% of members' salaries can be determined.

A combined member and Employer contribution rate is then determined by dividing the present value of benefits yet to be financed by the value of 1% of member salaries. Adjustments are then made for administration expenses and the resulting combined member and Employer contribution is split between the member and Employer parts. An adjustment is then made for the impact of contributions tax.

The contribution rate required to maintain vested benefits coverage above 100% in three years' time based on the valuation assumptions has also been considered.

Plan Experience and Valuation Assumptions

It is important when setting the valuation assumptions to examine the experience of the Plan to see whether the previous assumptions have been borne out in practice. A summary of the major items of experience, relating to the defined benefit membership, over the last three years is given in the following paragraphs.

Investment Return

The assumption for investment returns at the last valuation was 2.0% p.a., based on the investment strategy adopted at that time. The Plan's investment returns over the three years to 30 June 2024 in respect of the Defined Benefit assets have been as follows:

Period	Net Plan Return (p.a.)
01/07/2021 - 30/06/2022	-5.0%
01/07/2022 - 30/06/2023	2.6%
01/07/2023 - 30/06/2024	4.9%
01/07/2021 - 30/06/2024	**0.7%**

The average investment return was 1.3% p.a. lower than the assumed rate. Considered in isolation, this has had a negative effect on the Plan's financial position.

For this valuation, we have adopted a long-term future investment return equal to 4.7% p.a. (net of investment tax and investment fees). This assumption has been updated based on the Plan's current strategic asset allocation and current market expectations – determined as the cash flow weighted mean annualised return over the life of the Plan as produced by the WTW Investment Model as at 30 June 2024.

Salary Inflation

We have analysed the salary experience of the defined benefit membership over the three years to 30 June 2024. The table below summarises the increase in salaries for members who have been members for the entire period from 1 July 2021 to 30 June 2024.

Category	Number of Members at 30 June 2024	Total Salary at 30 June 2021 for members current at 30 June 2024	Total Salary at 30 June 2024	Average Salary Increase (% p.a.)
A and B	26	4,059,821	4,312,536	2.0%
Y	102	9,751,595	10,581,797	2.8%
Total	**128**	**13,811,416**	**14,894,333**	**2.5%**

The assumed rate of salary inflation was 2.5% p.a. at the last valuation. The average rate of growth of salaries for defined benefit members who were present at both the last and current valuation dates was 2.5% p.a.. The actual increase in salary growth has been broadly in line with the assumed rate. In isolation, this has had a neutral impact on the financial position of the Plan.

As determined in our discussions with the Employer, we have assumed 3.0% p.a. superannuation salary increase for this investigation. This assumption is in line with the Employer's expectations for salary inflation for Plan members over the medium to longer term.

Over the long term, it is the "gap" between the investment return (net of tax) and salary inflation assumption that is important when valuing member's liabilities, as it reflects the expected growth in assets relative to the expected growth in liabilities.

In this valuation we have increased the "gap" from -0.5% p.a. used in the previous valuation to 1.7% p.a.. The increase in the "gap" is expected to reduce the present value of liabilities and hence reduce the contributions required from the Employer. Over the review period the actual "gap" was -1.8% p.a. which has had a negative impact on the Plan's financial position.

Rates at which Members Leave Service and Retire

We have analysed the rates at which members resign and retire from the DB Plan and compared the actual experience of the DB Plan to that expected based on the previous valuation assumptions. A summary of the comparison is set out in the table below:

	Categories A&B			Categories X&Y			Total Plan		
Exit Type	**Actual (A)**	**Expected (E)**	**A/E Ratio**	**Actual (A)**	**Expected (E)**	**A/E Ratio**	**Actual (A)**	**Expected (E)**	**A/E Ratio**
Retirement	6	11.8	51%	18	43.0	42%	24	54.8	44%
Resignation	7	2.5	280%	6	1.2	481%	13	3.7	347%
Total	**13**	**14.3**	**91%**	**24**	**44.2**	**54%**	**37**	**58.6**	**63%**

For this valuation we have extended the Retirement rates assumptions for all members to age 70 compared to age 65 for the previous valuation as to better reflect the experience observed over the three-year period to 30 June 2024. Under the revised assumptions, the A/E Ratio would increase to around 85% for the Plan as a whole.

Rates at which Members Leave due to Death or Total and Permanent Disablement (TPD)

We have analysed the rates at which members leave due to Death or Total and Permanent Disablement from the Defined Benefit Plan and compared the actual experience of the Defined benefit Plan to that expected based on the previous valuation assumptions. A summary of the comparison is set out in the table below:

Exit Type	Actual (A)	Expected (E)	A/E Ratio
Death	0	0.9	0.0%
Disablement	0	1.1	0.0%
Total	**0**	**2.0**	**0.0%**

In practice, the impact of actual death and disablement experience is largely smoothed via the premium rates applied by the Plan's insurer, although the insurer may revise those premiums rates from time to time to reflect experience. There may be a financial impact to the extent that a death or disablement benefit, less the insured amount, exceeds the amount held in the Plan for that member, however this is not expected to be material given the small number of deaths and disablements expected or which actually occur. Temporary disablement benefits have no financial impact as the benefit is funded entirely by the insurance payments.

We have been advised by the administrator that the Plan's insurer has updated their premium rates from 1 June 2023. The premium cost for death and disablement benefits and income protection benefits is approximately 32% higher than at the previous review. Therefore, we have updated the death and disablement decrements to reflect the latest insurance premium rates. In using these, we have reflected their expectations about future deaths and disablements (based on the experience of the Plan as well as their overall insurance portfolio). This is a reasonable approach as the Plan is too small and the number of deaths or disablements too few to derive experience-based death and disablement decrements.

We also appropriately allow for the cost of insurance in the recommended employer contribution rate.

New Members

The Plan is closed to new entrants.

Expenses and Insurance Premiums

In the last valuation, the assumed expenses incurred in running the Plan were equal to 1.75% of salaries. Based on experience over the intervaluation period to 30 June 2024, we have increased the expense assumption to 1.90% of salaries for this valuation.

Our previous assumption for the insurance premium expense was 0.5% of salaries. Noting the change in premium rates charged by the insurer and the experience over the intervaluation period to 30 June 2024, we have increased the insurance premium expense assumption to 0.6% of salaries for this valuation.

Assumptions for Accumulation members

To consider the impact of the funding the fees and premiums for Accumulation members from the DB surplus, assumptions are required about the number of Accumulation members; their ages; and salaries. These are detailed in Appendix D.

Summary of Valuation Assumptions

A summary of our valuation assumptions is set out in Appendix D to this report.

Section 5: Insurance Arrangements

Adequacy of Insurance

The insurance coverage of the Plan is considered adequate if the net assets of the Plan are sufficient to cover the Death and Total and Permanent Disablement (TPD) benefits of the Plan after any insured components have been allowed for.

The Plan currently insures the future service portion of death and Total and Permanent Disablement benefits, as well as the full amount of the Total and Temporary Disability benefits, under policies of insurance with MetLife. The administrator has provided the policy and premiums from MetLife applicable from 1 June 2023. The cost of Group Life death and disablement (GL) cover and the cost of salary continuance cover is approximately 32% higher than the cost at the previous review.

External insurance is appropriate for a plan of this size in order to protect the Plan against adverse death or disability experience and to smooth out the inevitable fluctuations in such experience.

The current level of insurance in respect of Defined Benefit Members is calculated as:

Insured Benefit = Death and TPD Benefit less the greater of:

- The Accrued Retirement Benefit Multiple x Final Average Salary plus additional accounts; and
- The withdrawal benefit.

Members may also take out voluntary insurance cover.

Use of this formula may lead to a small strain on the Plan when a death or disablement occurs. However, there have been no deaths or disablements over the recent three years, so generally the impact is expected to be minimal. Also, the average age of members will gradually increase (and is currently over 55), above the minimum retirement age meaning that the financial impact of a death or disablement (i.e. the amount payable from the plan compared to the funding for that member) will reduce further. Further, the current strong financial position of the Plan means that there is no adverse funding impact from using this formula.

Overall, we consider that the current level of insurance for death and disability benefits to be appropriate, particularly as the Plan is currently in a sound financial position with a VBI over 100%. However, if the Plan’s financial position were to reduce materially (or fall into deficit compared to vested benefits), the Trustee may consider increasing the level of insurance to better protect the Plan against adverse claims experience (which could exacerbate a poor funding position). At this time, we recommend that the insurance formula for death and disablement benefits be maintained as set out above.

The Plan also fully insures its Temporary Disablement benefit, and it remains appropriate to continue this cover.

Section 6: Solvency and Funding Status Measures

When assessing the adequacy of the assets and future employer contribution rates, both the long-term funding and short-term solvency positions should be considered. We have considered three measures of the Plan's financial position at the investigation date: the Vested Benefits Index, the Accrued Benefits Reserve Index, and the coverage of Superannuation Guarantee minimum benefits. We have also considered the Plan's position on termination.

In line with legislative and actuarial requirements, the net market value of assets used to calculate the funding status measures was $97.8 million, being the Fair Value of assets disclosed by the administrator.

DB assets are $75.7 million, as noted in Section 3 of this report. This amount is not required to be reduced by the ORFR as this is held separately to the DB Assets in any case.

In assessing the solvency measures below, we note that there were 59 accumulation members in the Plan as at 30 June 2024 with accumulation account balances totalling $12.5 million. DB members have voluntary and other accumulation accounts with balances totalling $9.6 million.

Vested Benefits

Pursuant to superannuation law and SPS 160, a fund (or a section of a fund) is in a *"satisfactory"* financial position if the assets of the fund cover the Vested Benefit entitlements of the members of the fund.

The Vested Benefits Index (VBI) represents the ratio of the assets at market value to the Vested Benefits. The value of Vested Benefits represents the total amount which the Plan would be required to pay if all members were to voluntarily leave service on the valuation date. This is a key measure used by APRA in assessing the financial condition of a fund.

This means that vested benefits were taken as the amount of the resignation benefit, or the early retirement benefit for members who are eligible to retire.

In calculating the VBI in respect of Defined Benefits (the DB VBI), we have assumed that pure accumulation accounts held by DB members are fully covered by the non-DB assets of the Plan (to reflect that their accumulation benefit is their account balance).

From 1 July 2013, the VBI is required to be calculated using assets net of the ORFR. As the ORFR is now allowed for separately and no further funding will be required from the DB assets, we do not need to make an adjustment to the DB Assets.

The following table shows the progression of the Vested Benefits Index over the review period.

	Last Valuation Defined Benefits Only*	This Valuation Defined Benefits Only*	Last Valuation All Benefits	This Valuation All Benefits
Net Assets ($)	96,281,179	75,688,593	117,075,413	97,759,095
Vested Benefits ($)	76,016,944	69,790,704	96,811,288	91,861,206
VBI	**126.7%**	**108.5%**	**120.9%**	**106.4%**

* The "Defined Benefits Only" figures illustrate the financial position of the Plan in respect of the Defined Benefit liabilities, excluding Accumulation members' benefits and additional accumulation accounts for defined benefit members. As a result, an amount in respect of accumulation liabilities (after an allowance for surcharge and family law offset accounts) has been excluded from the Net Assets and the Vested Benefits respectively.

As at 30 June 2024, the net assets of the Plan are adequate to cover the Vested Benefits of the Plan, and the Plan was in a "satisfactory financial position". The ratio has reduced since the previous valuation due to lower than expected investment returns, as well as a result of the contribution holiday with respect to Defined Benefit and Accumulation members gradually reducing the DB surplus.

Although the Plan is in a satisfactory financial position, it remains nonetheless important for the Trustee to continue to monitor the VBI on a regular (quarterly) basis, allowing a prompt reaction should it fall below 100%.

Present Value of Accrued Benefits

An indication of the funding status of the Plan is given by the ratio of the Plan's net market value of assets to the Present Value of Accrued Benefits (PVAB).

The PVAB represents the value in today's dollars of future benefits based on membership completed to the review date, allowing for future salary increases, investment earnings and expected incidence of payment. *"Accrued Benefits"* has the meaning given in Regulation 9.27 of the SIS Regulations.

It is important that the Present Value of Accrued Benefits Index (PVABI) is not used to compare the level of funding between superannuation funds but is used as a measure to assess the funding status of a superannuation fund from time to time. Different superannuation funds can be expected to have different PVAB Indices depending on the age and employment history of the members.

A fully secured position is represented by a ratio of 100.0%. At this level, if the Plan were closed to new entrants and no further benefits were allowed to accrue to current members, assets would be sufficient to meet all future benefit payments if the actuarial assumptions are borne out in practice.

The following table shows the progression of the PVABI over the review period.

	Last Valuation Defined Benefits Only*	This Valuation Defined Benefits Only*	Last Valuation All Benefits	This Valuation All Benefits
Net Assets	96,281,179	75,688,593	117,075,413	97,759,095
Present Value of Accrued Benefits	79,112,522	64,875,890	99,906,756	86,946,392
PVABI	**121.7%**	**116.7%**	**117.2%**	**112.4%**

* The “Defined Benefits Only” figures illustrate the financial position of the Plan in respect of the Defined Benefit liabilities, excluding Accumulation members’ benefits and additional accumulation accounts for defined benefit members. As a result, an amount in respect of accumulation liabilities (after an allowance for surcharge and family law offset accounts) has been excluded from the Net Assets and the Present Value of Accrued Benefits respectively.

As at 30 June 2024, the net assets of the Plan are adequate to cover the Present Value of Accrued Benefits. This index has decreased since the previous investigation due to the contribution holidays and lower than expected investment returns discussed above, as well as due to general ageing of the DB membership (so a shorter period of discounting applies). This has been partially offset by the increased “gap” between assumed investment returns and salary growth.

Minimum Benefits

The Employer’s Superannuation Guarantee (SG) obligation is either fully or partly met for all members by the Minimum Requisite Benefits (MRBs) provided under the Plan and set out in the Plan’s Benefit Certificate effective 1 April 2018 subsequently updated with a certificate dated 23 March 2023 and effective 1 April 2023.

Minimum Requisite Benefits (MRBs) are the minimum benefits required to satisfy Superannuation Guarantee legislation. Regulation 9.06(3) of the Superannuation Industry (Supervision) Regulations defines a superannuation fund to be “technically insolvent” if its market value of assets is not sufficient to cover its accrued MRBs.

A Funding and Solvency Certificate dated 22 June 2022 was issued to the Trustee following the completion of the Actuarial Valuation as at 30 June 2021, assuming the benefits described in the above-mentioned Benefit Certificate continues to apply. This Certificate is required to be replaced before 30 June 2025 and is expected to be updated following the completion of this valuation. The purpose of this certificate is to specify the required Employer contributions needed to fund the MRBs.

A portion of the DB MRB is met by a defined benefit MRB formula with the balance met by employer contributions (or amounts credited as employer contributions) to the members’ accumulation accounts. We note that the defined benefit MRB is substantially lower than the DB vested benefit for most members. The MRB for accumulation members is their account balance.

If, while carrying out an actuarial function, an actuary determines that a superannuation fund is technically insolvent, he or she must declare in writing that this is the case and provide the declaration to the Trustee. When a defined benefit fund has been declared technically insolvent, the fund’s trustee must then either initiate a program designed by an actuary to return the fund to technical solvency within five years or wind up the fund. The Minimum Requisite Benefit Index (MRBI) represents the ratio of the net market value of assets to the total minimum Superannuation Guarantee benefits for the whole membership. This index is a measure of the Plan’s ability to pay out minimum requisite benefits at the valuation date.

The following table shows the progression of the Minimum Benefits Index over the review period.

	Last Valuation Defined Benefits Only*	This Valuation Defined Benefits Only*	Last Valuation All Benefits	This Valuation All Benefits
Net Assets ($)	96,281,179	75,688,593	117,075,413	97,759,095
Minimum Benefits ($)	59,361,315	46,784,038	80,155,549	68,854,540
MRBI	**162.2%**	**134.3%**	**146.1%**	**124.7%**

* The "Defined Benefits Only" figures illustrate the financial position of the Plan in respect of the Defined Benefit liabilities, excluding Accumulation members' benefits and additional accumulation accounts for defined benefit members. As a result, an amount in respect of accumulation liabilities (after an allowance for surcharge and family law offset accounts) has been excluded from the Net Assets and the Minimum Benefits respectively.

As at 30 June 2024, the net market value of assets of the Plan exceeded the Minimum Benefits by a healthy margin and the Plan was in a "solvent" financial position.

Shortfall Limit

As required under SPS 160 the Trustee has set a Shortfall Limit for the Plan. The shortfall limit is defined in paragraph 10 of SPS 160 as:

"… the extent to which an RSE licensee considers that a fund can be in an unsatisfactory financial position with the RSE licensee still being able to reasonably expect that, because of corrections to temporary negative market fluctuations in the value of fund assets, the fund can be restored to a satisfactory financial position within one year."

Should the financial position of the Plan breach the Shortfall Limit, additional interim Actuarial investigations will be required with rectification plans to be put in place to address the unsatisfactory financial position.

At the previous investigation we recommended that the Plan's Shortfall Limit be set at a level of 100%, reflecting the investment strategy of the Plan and the contribution holiday arrangements. Given the expected ongoing contribution holiday in respect of defined benefit members, we believe the Shortfall Limit off 100% continues to be appropriate for the Plan.

Benefits Payable on Retrenchment

On retrenchment, the benefit payable for all members refers to the normal retirement benefit with service to date, also known as the accrued retirement benefit (ARB) (subject to a minimum of vested benefits).

For some Category A and B members an 'equitable share' is payable. The Participation Agreement of the Plan does not include a specific definition of 'equitable share'. In 2023, we established a basis for determining the 'equitable share' in conjunction with the MLC Super Fund's senior legal counsel. The calculation is determined by comparing the ARBs for all members with the DB assets.

For the purpose of this actuarial valuation, we consider the retrenchment benefits payable if all members had been retrenched on the same day. Given the age profile of current members, vested benefits are expected to be at least equal to, if not greater than, the accrued retirement benefit. Therefore, with the coverage of vested benefits greater than 100% at 30 June 2024 it is reasonable to expect that there are sufficient assets to pay members if they were all retrenched.

Benefits Payable on Termination of the Fund

Clause 1.12 of the Participation Schedule states that, on termination of the Plan:

"(v) after payment of the expenses of and incidental to the termination of the Plan the remaining assets of the Plan shall be transferred to the other fund or shall be paid by the Trustee to or for the benefit of all persons who were Members at the effective date in such proportions as shall be determined by an Actuary to be equitable provided that …."

As total allocations are limited to the assets held in the Plan, the Plan is never technically unable to cover benefits payable on termination of the Plan. However, if the Plan were to be wound up at a time when its VBI was less than 100%, members' vested benefits would likely be reduced unless the employer were to make up any shortfall.

On wind up, the Trustee also would need to consider the treatment of assets considered surplus to the funding of member benefits or more than is equitable to pay to members. We note that the current DB contribution holiday is expected to reduce the surplus over time.

Summary

The Plan's DB VBI (i.e. ratio of the Plan's net market value of assets supporting defined benefits to the vested defined benefits) was 108.5% as at 30 June 2024. At the previous valuation, this ratio was 126.7%.

The VBI of the entire Plan, including accumulation liabilities, was 106.4%. This reflects that the accumulation liabilities are about 24% of the total liabilities and are assumed to be 100% covered by the non-DB assets.

This PVABI has decreased since the previous investigation, due to the contribution holidays as well as due to the ageing of the membership, which is partially offset by the increased "gap" between future assumed investment returns and salary growth.

Section 7: Valuation Contribution Results

It should be emphasised that the funding measures shown in Section 6 relate to the current position at the review date. A projection of the Plan is required to assess the adequacy of Employer contribution rates to provide defined benefits in the future.

Such a projection has been carried out using the Aggregate Funding method and assumptions discussed in Section 4 and set out in Appendix D. The results of the valuation are summarised in this Section.

Long Term Contribution Rates

Having examined the Plan on the basis of its position if it were to be terminated, we now move to examine the Defined Benefit Section of the Plan as a going concern. The following table summarises the results of the valuation at 30 June 2024, based on the assumptions and funding method as outlined in Appendix D.

	000's
Value of Total Service Liabilities	
Retirement	72,459
Death	1,349
Total & Permanent Disablement	1,695
Resignation	1,495
Surcharge & offset accounts	(636)
Value of future administration fees of 1.75% of salaries	477
Value of future insurance costs of 0.5% of salaries	1,510
Total Liabilities	**78,349**
Value of Assets	
Market Value of Assets	75,689
Future Member Contributions (net of tax)	3,152
Total Assets	**78,841**
Total to be met from Future Employer Contributions	**-**

As can be seen from the results above, the existing assets and future member contributions are expected to be sufficient to meet the expected value of the total service liabilities, including administration fees and insurance costs, indicating that no employer contributions are expected to be required in respect of DB members.

It continues to be expected that over the longer-term current assets plus future member contributions will be sufficient for the funding requirements for DB liabilities, despite the fact that employer contributions have been suspended. With the coverage of vested benefits by the assets in excess of 100% over the period, the 22% reduction in membership means that excess assets are now spread over a smaller number of members.

Using the aggregate funding method described in Section 4 of the report, no further employer contributions are required to fund future benefits for the Plan (shown in the table above). This is in line with the results of the previous investigation.

We note that the use of DB assets to meet the additional employer contributions for DB members, and administration fees and insurance premiums for Accumulation members will reduce the DB assets available for funding DB liabilities. These amounts are not reflected in the table above. Therefore, while currently no employer contributions are required for DB benefit funding, that position may change in future depending on how the VBI reduces.

For example, if the VBI were at 100%, 105% or 110% the employer contribution rate required for the funding of the DB liabilities would be:

Long Term Assumptions	Actual DB VBI 108.5%	DB VBI 110%	DB VBI 105%	DB VBI 100%
Total Liabilities:	**76,361**	**76,361**	**76,361**	**76,361**
Value of Assets				
Market Value of Assets	75,689	76,770	73,280	69,791
Future Member Contributions (net of tax)	3,152	3,152	3,152	3,152
Total Assets:	**78,841**	**79,922**	**76,432**	**72,943**
Long Term Employer Contribution Rate	**nil**	**nil**	**2.4%**	**7.6%**

It is important that the Trustee continue to monitor the VBI and overall funding levels on a quarterly basis and seek review of the contribution rate requirements should the VBI fall to around 105% or less.

Projection of VBI

We set out below a projection of the VBI with investment return experience to 30 September 2024. The investment return for the period from 1 July 2024 to 30 September 2024, being 2.7% has been higher than the expected return of 1.2% for that period.

When projecting the VBI we have also allowed for:

- members who have been notified as exits post 30 June 2024; and
- The impact of the Contribution Holiday arrangements intended to utilise the DB surplus to pay for additional employer contributions for DB members, and the fees and premiums for Accumulation members. Details of the assumptions used for this projection are set out in Appendix D.

The graph below shows the effect on the DB VBI using the investigation assumptions:

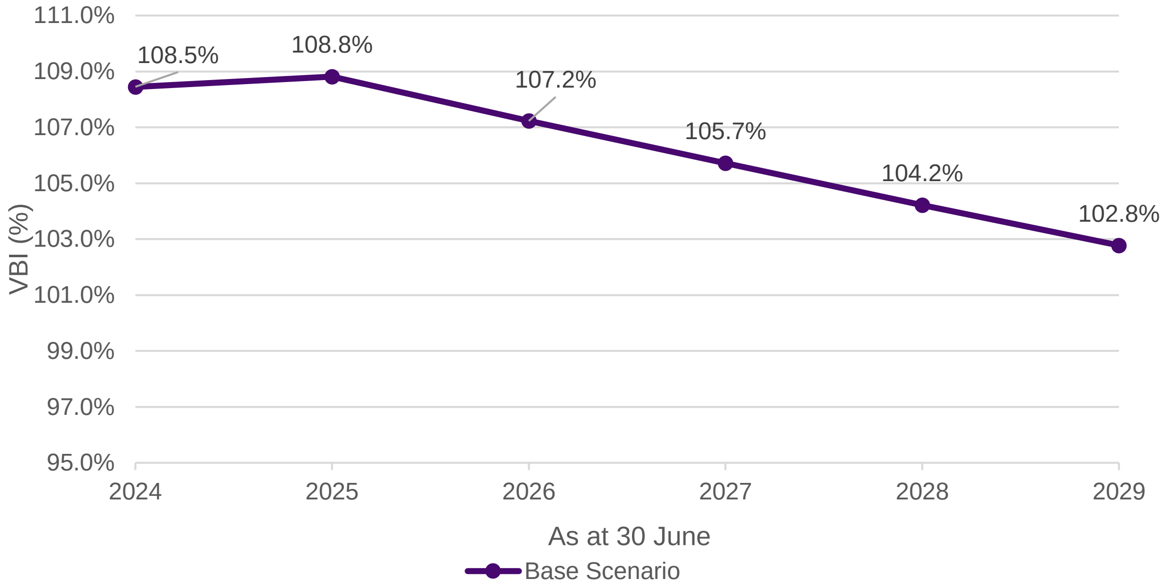


Figure 1: Projected VBI with and without SG Contribution Holiday

Projecting the DB VBI, using the valuation assumptions and allowing for the deductions from the DB assets, the Plan's financial position is expected to remain above 100% over the next five years. However, this will be reliant on the actual experience of the Plan over that duration. It will remain important to monitor the DB VBI on a quarterly basis.

Section 8: Sensitivity Analysis and Material Risks

Sensitivity Analysis

For the purpose of this investigation the "gap" or "real return" between the investment return (net of tax) and salary inflation assumption is 1.7% p.a.. Experience may be different to assumed, either due to a short-term impact or returns being higher or lower than expected over the longer term.

The table below shows the impact of varying the "gap" between these assumptions over the longer term on the Fund's financial position and long-term contribution rate. No changes have been made to the demographic assumptions adopted for this valuation in the scenarios below.

The scenarios considered are:

- Scenario 1 – Investment returns of 3.7% p.a., salary inflation of 3.0% p.a., i.e. a 0.7% p.a. real return instead of 1.7% p.a. Under this scenario salary related DB liabilities are expected to further increase relative to the growth in assets, increasing the "value" placed on the liabilities;
- Scenario 2 – Investment returns of 4.7% p.a., salary inflation of 2.0% p.a., i.e. a 2.7% p.a. real return instead of 1.7% p.a. Under this scenario, salary related DB liabilities are expected to grow at a slower pace than the growth in assets, reducing the "value" placed on the liabilities.

Long Term Assumptions	Base	Scenario 1	Scenario 2
Investment Return	4.70%	3.70%	4.70%
Salary Inflation	3.00%	3.00%	2.00%
"Gap"	**1.70%**	**0.70%**	**2.70%**
Value of Total Service Liabilities, Including insurance and expense ($'000)	78,349	82,356	75,284
Market Value of Assets plus expected Future Member Contributions[3] ($'000)	78,841	78,990	78,714
Long Term Employer Contribution Rate[1]	**0.0%**	**4.3%**	**0.0%**
Long Term Employer Contribution Rate (assuming VBI of 100%)[2]	**7.6%**	**12.7%**	**3.4%**
Long Term Employer Contribution Rate (assuming VBI of 105%)[2]	**2.4%**	**7.7%**	**0.0%**
Long Term Employer Contribution Rate (assuming VBI of 110%)[2]	**0.0%**	**2.8%**	**0.0%**

1. Calculated consistently with the long-term contribution rate from the table in section 7, including administration and insurance premium allowance.
2. Calculated consistently with the long-term contribution rate from the table in section 7, including contributions tax, administration and insurance premium allowance but assuming assets equal to the vested benefits at 30 June 2024 of $69,791,000 (for a VBI of 100%), $73,280,000 (for a VBI of 105%) or $76,770,000 (for a VBI of 110%).
3. Note that the value of future member contributions changes depending on the assumptions, hence the slight change in this figure under the different scenarios.

The results show that the long-term contribution rate is affected the smaller the ‘gap’ assumed, however the impact may be dampened by the surplus in the Plan. Furthermore, this surplus is being used to meet various deductions so the VBI will reduce, and employer contributions may be required to be recommenced. It is therefore interesting to note the impact on the required employer contribution rate assuming the VBI were at 100%, 105% or 110%.

Another scenario is a short-term fall in equity markets, however the DB asset’s low allocation to growth assets (18.5%) largely mitigates this type of volatility. A fall of, say, 30% in equity markets would only reduce the net market value of the DB assets by 5.55% (i.e. 30% of 18.5% growth allocation). A fall in the value of assets of 5.55% would see a similar fall in the DB VBI, however with the DB VBI currently at 108.5% it would still be marginally over 100%.

It should be noted that the variations selected in the sensitivity analysis above do not indicate upper or lower bounds of all possible outcomes. Further analysis can be carried out if required.

The change in the decrement assumptions from the previous valuation which have been implemented for this valuation has not had a material impact on the long-term employer contribution rates shown above.

To further examine the impact of adverse experience, the projection below illustrates the impact of varying assumptions on the Plan’s DB VBI, including allowing for the various deductions from the DB reserve, to highlight the material risks to the Plan’s financial position.

The scenarios considered are:

- The Base Scenario – Investment returns of 4.7% p.a., salary inflation of 3.0% p.a.
- Scenario 1 – Investment returns of 3.7% p.a., salary inflation of 3.0% p.a., i.e. a 0.7% p.a. real return instead of 1.7% p.a.
- Scenario 2 – Investment returns of 4.7% p.a., salary inflation of 2.0% p.a., i.e. a 2.7% p.a. real return instead of 1.7% p.a.

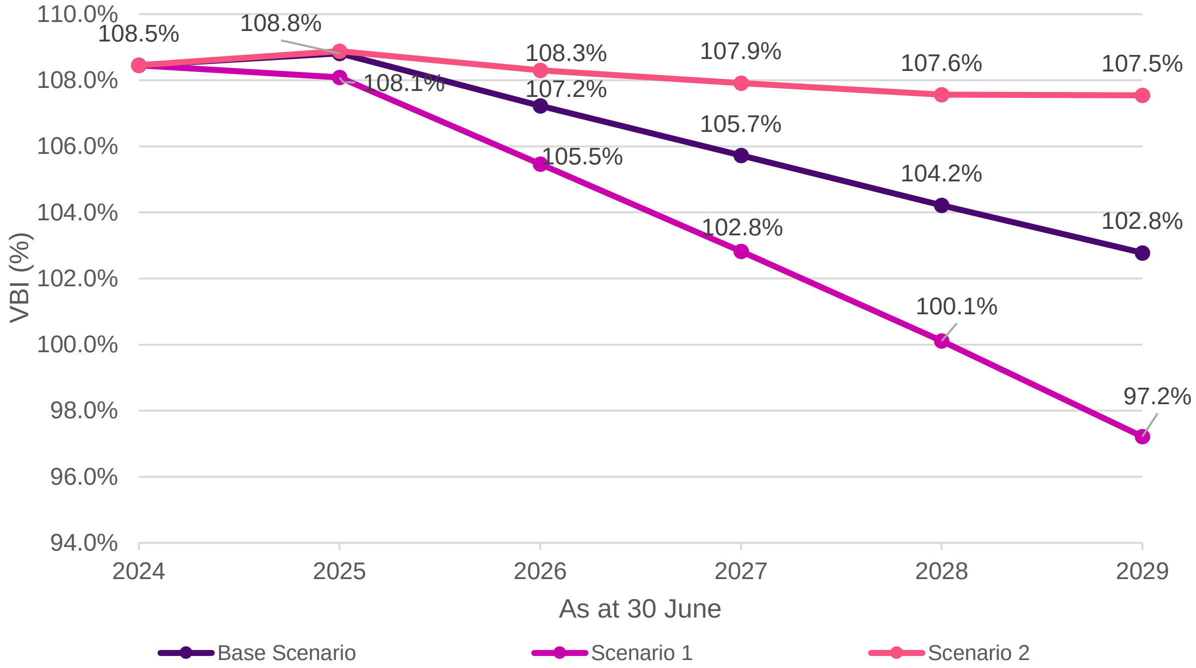


Figure 2: Projected VBI with Sensitivities

The chart shows the VBI is expected to stay above 100% over the next five years under the recommended funding strategy. However, if experience is more adverse than assumed then the VBI may fall below 100% in the short term. The Employer is therefore expected to meet the funding requirements under SPS 160. We note that under Scenario 1, where investment returns are below expectation, the Plan is expected to reach the 105% threshold by 30 June 2027. The next actuarial investigation of the Plan should be conducted with an effective date no later than 30 June 2027.

It should be noted that the variations selected in the sensitivity analysis above do not indicate upper or lower bounds of all possible outcomes. Further analysis can be carried out if required.

Material Risks

Investment Returns

For this valuation we have adopted an investment return assumption (net of tax and investment management expenses) of 4.7% p.a. However, if actual investment returns are less than this, with all other actuarial assumptions borne out, then the funding position (VBI) will worsen and increased Employer contributions may be required.

The Trustee monitors the VBI on a quarterly basis and would identify if the funding position is deteriorating as a result of lower than expected investment returns.

Salary Growth

For this valuation we have adopted a salary inflation assumption of 3.0% p.a. which was set in conjunction with discussions with the Employer. However, if actual salary increases are greater than this, with all other actuarial assumptions borne out, then the funding position (VBI) will worsen and increased Employer contributions may be required. Further analysis can be carried out if required.

The Trustee monitors the VBI on a quarterly basis and, as for the investment risk, would identify if the funding position is deteriorating as a result of higher than expected salary growth.

Accumulation Members

The defined benefit surplus is currently being reduced by the administration fees and insurance costs for Accumulation members. Previously the surplus had also been reduced by Accumulation members' SG contributions net of contributions tax, however this was ceased by 31 July 2024.

For our projections, we have made assumptions regarding the deductions made based on the expected membership of the Accumulation section. However, if actual deductions are greater than expected – because of increases in fees or costs or because Accumulation members leave the Plan slower than expected– with all other actuarial assumptions borne out, then the funding position (VBI) will worsen and recommencement of Employer contributions may be required.

Funding Risk

Ultimately the security of the Plan will hinge on the Employer's willingness to make contributions with the Actuary's recommendations.

In the event that the employer was unwilling or unable to make the recommended contributions if the VBI were to fall below 100%, and no other party was able to make the required contributions, it likely would be necessary for the Plan to be wound up and members' benefits to be adjusted downwards.

Given the Employer has a large global presence, and its legislated superannuation guarantee obligations are met by contributing to the Plan, this risk is considered to be low. It is further mitigated by the current financial position as the recommended Employer contribution rate is currently nil.

Section 9: Recommendations

Considering the aggregate contribution rate results and the VBI projections as well as the investment experience since 30 June 2024 to 30 September 2024, it is recommended that the employer contribute the following from 1 July 2024 to 31 December 2027.

- Nil in relation to the funding of defined benefits;
- Nil in relation to the payment of fees and insurance for Accumulation members to be met from the DB surplus;
- Nil in relation to any Employer additional employer contributions to DB members' accumulation accounts as required; and
- The amount of any salary sacrifice contributions in respect of members who make their own contributions from their pre-tax salary, as applicable.

The DB VBI of the Plan is expected to remain above 100% to 30 June 2027, the date of the next actuarial investigation with this level of employer contribution. We will continue to monitor the financial position of the Plan on a quarterly basis.

It is also recommended that:

- The use of external insurance and the formula for calculating the insured benefits continues to be appropriate for the Plan;
- The Trustee continue to monitor the VBI on a quarterly basis, and seek advice regarding the required contribution rate if the VBI falls to around or under 105%; and
- The next investigation of the Plan be undertaken no later than as at 30 June 2027.

Hadas Danziger
Fellow of the Institute of Actuaries of Australia
RSE Actuary to the Visy Glass Australia Superannuation Plan

18 December 2024

DO:BH | TR:CH | CR,ER: HD

Towers Watson Australia Pty Ltd
ABN 45 002 415 349 AFSL 229921

Appendix A: Summary of Benefits

The Visy Glass Superannuation Plan now consists of a number of categories of membership:

- Categories A and B – an employee selected by the Employer to receive the benefits and to contribute at the rates applicable to that category of member.
- Category Y – a member who transferred from the ACI Employees Superannuation Fund and who is selected by the Employer to make contributions and receive benefits applicable to that category of member.

Definitions

"Trust Deed"

Means the Trust Deed and Rules of the Visy Glass Australia Superannuation Fund (unless specified otherwise).

"Former ACI Staff Fund Member"

Means a member who transferred from Part 3 or 4 of the ACI Staff Superannuation Fund into category K or L on 1 June 2003.

"Final Average Salary"

Means the average of his/her Salaries paid during the 36 months immediately preceding his/her retirement.

"Date of Admission"

Means the date upon which an employee becomes a member, or such earlier date as agreed between the Employer and Trustee.

"Additional Accumulation"

Any amount transferred to the Fund in respect of a member pursuant to Clause 17 of the Trust Deed, which is not credited to the Member's Supplementary Accumulation with interest at the rate determined by the Trustee until the date of exit.

"Supplementary Accumulation"

All contributions made by or in respect of a member to the Fund as defined in the Trust Deed with interest at the rate declared by the Trustee to the date of exit.

"Previous Plan"

Means any superannuation plan approved by the Trustee, including the BTR Nylex Superannuation Fund, the ACI Staff Superannuation Plan and the O-I Australia Superannuation Plan.

Benefits

All Categories

In addition to the benefits set out in this Appendix, with the exception of the Temporary Disablement Benefit, is payable the sum of the member's Additional Accumulation and Supplementary Accumulation is payable.

Category A Members

Member Contributions

5% of Salary or such higher contributions as agreed between member, Employer and Trustee.

Normal Retirement Benefit

Available on the Normal Retirement Date (NRD), being the member's 65th birthday. The amount of benefit is determined as:

ARBM x Final Average Salary

plus the accrued multiple from the ACI Staff Superannuation Fund as at 31 March 1990 or the ACI Employees Superannuation Fund as at the date of transfer times Final Average Salary;

plus the accrued multiple from the Nylex Fund or the BTR EFG 242 Plan as at 30 June 1992 times Final Average Salary;

plus for any member who appears in Table I of the Second Schedule of the Trust Deed – that dollar amount;

plus for any member who appears in Table III of the Second Schedule of the Trust Deed – the multiple in column (2) times Final Average Salary.

where,

ARBM is calculated based on Service in years and complete months multiplied by the following accrual rate:

Date Applicable	Accrual Rate (%)
On or after 1 July 2003	16.0
1 April 1990 to 30 June 2003	15.5
1 January 1974 to 31 March 1990	17.5
1 August 1964 to 1 January 1974	14.0
Prior to 1 August 1964	10.0

Minimum Benefit

In respect of a member who was a Class I Member on or prior to 1 January 1977 the Normal Retirement Benefit shall not be less than 5 times Final Average Salary.

Maximum Benefit

The maximum Normal Retirement Benefit payable in respect of any member shall be equal to 7 times Final Average Salary (excluding Supplementary or Additional accumulation, if any).

Early Retirement Benefit

Available at age 55, or with Employer's consent at any time on ill health. The amount of benefit is equal to the Accrued Normal Retirement Benefit.

For members whose date of admission was prior to 1 March 1968 the amount payable shall not be less than the Normal Retirement Benefit multiplied by the following factor (from Table II of Second Schedule of Trust Deed).

Exact years to age 65	Factor
10	0.663
9	0.690
8	0.718
7	0.747
6	0.777
5	0.810
4	0.843
3	0.879
2	0.917
1	0.957
0	1.000

If number of years to age 65 is not exact, the factor shall be advised by the Actuary.

Resignation Benefit

The amount of benefit is equal to 1 or 2 plus the sum of 3 and 4, where 1 to 4 are as follows:

1) For members whose date of admission is on or after 1 July 1993.

   a) A% x Final Average Salary x Service;

      where A% is equal to 10% prior to 1 July 2003 and 11% thereafter. Also, Service is measured in years and days from date of admission to date of calculation.

   plus for members with 10 or more years of Service (i.e. transferred from a Previous Plan);

   b) Z x 0.1 x [min(Service,20) - 10)]

      where:

      Z = difference between (a) and ARBM x Final Average Salary.

If the member became a member after their 35th birthday – the benefit in (a) and (b) above is subject to a minimum of:

ARBM x n/N x Final Average Salary

where:

n = service in years/months from date of admission to the calculation date;

N = service in years/months from date of admission to 55th birthday.

2) Members whose date of admission is before 1 July 1993

   Max of (A) or (B) below:

   (A) [XM + AM x (1+0.1 x n)] x Final Average Salary

   where:

   XM = member's accrued multiple from ACI Employees Superannuation Fund.

   AM = the member's accrued multiple equal to the sum of member's contribution rate x period at that rate (in years and days).

   n = period in years and completed months from member's date of admission (including any period of Previous Plan membership provided the member doesn't receive any Additional Accumulation on leaving the Fund).

plus, for a member who has completed 10 or more years of Service as a member of the Fund and the Previous Plan:

Z x 0.1 x [min(20,n)-10]

If member became a member after their 35th birthday, the benefit is subject to a minimum of:

ARBM x n/N x Final Average Salary

(B) [XM + AM x (1+0.1 x n)] x Final Average Salary

where:

XM = the member's accrued multiple from ACI Employees Superannuation Fund at 1 July 1992 or date of admission if later.

AM = the member's accrued multiple equal to the sum of member's contribution rate x period at that rate (in years and days) at 1 July 1992 or date of admission if later.

n = period in years and completed months from member's date of admission to 1 July 1992 (including any period of Previous Plan membership provided the member doesn't receive any Additional Accumulation on leaving the Fund).

plus, 10% x Final Average Salary x Service;

where Service is measured in years and days from 1 July 1992 or date of admission (if later) to date of calculation.

3) For any member whose name appears in Table III of the Second Schedule of the Trust Deed – the amount in column (3) compounded with interest at 5% p.a. from 1 January 1983 or such other rate agreed between the Trustee and the Actuary.

4) For any member whose name appears in Table IV of the Second Schedule of the Trust Deed - the amount in column III compounded with interest at 5% p.a. from the date in column (4) or such other rate agreed between the Trustee and the Actuary.

Retrenchment

The retrenchment benefit payable to members is:

An amount calculated by the Actuary as being the Member's equitable share of the Fund if they remained in Service.

For members whose date of admission is after 1 April 1990, the retrenchment benefit is limited to:

ARBM x FAS

where:

ARBM = member's Accrued Retirement Benefit Multiple

FAS = member's Final Average Salary

Death or Total and Permanent Disablement

The amount of the Death or Total and Permanent Disablement benefit is:

(ARBM + Y x R) x PFAS

with a maximum of 7 x PFAS

where:

PFAS = Prospective Final Average Salary

R = period from date of determination to NRD

Y = see table below

Type of Member	Percentage (%)
Category A Member who became a member before 1 April 1990	17.5
Category A Member who became a member from 1 April 1990 – from 1 July 2003	16.0
Category A Member who became a member from 1 April 1990 – prior to 1 July 2003	15.5

If a member appears in Table IV of the Second Schedule of the Trust Deed the benefit is subject to a minimum of the amount in Column (2) of that table.

Total Temporary Disablement

A monthly income benefit of up to 75% of the member's Salary, payable until his or her Normal Retirement Date or until the first to occur of the following events:

- The member returns to active employment with the Employer.
- The member is employed by an employer other than the Employer.
- The member ceases to be totally disabled.
- The member dies.
- A period of 24 months.

Category B Members

Member Contributions

2.5%, 5.0% or 7.5% of Salary or such higher rate as agreed between member, Employer and Trustee, provided that the conditions of Note 2 are satisfied.

Normal Retirement Benefit

Available on attaining the Normal Retirement Date (NRD) = Member's 65th birthday. The amount of benefit is determined as:

ARBM x Final Average Salary

plus accrued multiple from the ACI Staff Superannuation Fund as at 31 March 1990 or the ACI Employees Superannuation Fund as at the date of transfer times Final Average Salary;

plus accrued multiple from the Nylex Fund or the BTR EFG 242 Plan as at 30 June 1992 times Final Average Salary;

plus for any member who appears in Table I of the Second Schedule of the Trust Deed – that dollar amount;

plus for any member who appears in Table III of the Second Schedule of the Trust Deed – the multiple in column (2) times Final Average Salary.

where

ARBM is calculated based on Service in years and complete months multiplied by the following accrual rate:

Date Applicable	Accrual Rate
On or after 1 July 2003	13%, 16% or 19% corresponding to contribution rate of 2.5%,5.0% or 7.5%
1 April 1990 to 30 June 2003	10%, 15% or 20% corresponding to contribution rate of 2.5%, 5.0% or 7.5%
1 August 1964 to 1 April 1990	14.0%
Prior to 1 August 1964	10.0%

Maximum Benefit

The maximum Normal Retirement Benefit payable in respect of any member is 7 times Final Average Salary (excluding Supplementary or Additional Accumulation, if any).

Early Retirement Benefit

Available at age 55. The amount of benefit is equal to the Accrued Normal Retirement Benefit.

For members whose date of admission was prior to 1 March 1968 the amount payable shall not be less than the Normal Retirement Benefit multiplied by the following factor (from Table II of Second Schedule of Trust Deed).

Exact years to age 65	Factor
10	0.663
9	0.690
8	0.718
7	0.747
6	0.777
5	0.810
4	0.843
3	0.879
2	0.917
1	0.957
0	1.000

Resignation Benefit

The amount of benefit is equal to 1 or 2 plus the sum of 3 and 4 where 1 to 4 are as follows:

1) For members whose date of admission is on or after 1 July 1993.

a) BP% x Final Average Salary x Service;

where Service is measured in years and completed days from date of admission to date of calculations, and BP is as shown in the following table:

Member Contribution Rate (%)	Accrual Percentage
2.5	7.5% up to 30 June 2003 and 9% from 1 July 2003
5.0	10.0% up to 30 June 2003 and 11% from 1 July 2003
7.5	12.5% up to 30 June 2003 and 13% from 1 July 2003

plus for members with 10 or more years of service (i.e. transferred from Previous Plan);

b) Z x 0.1 x [min(Service,20) - 10)]

where:

Z = difference between (i) and ARBM x Final Average Salary;

If the member became a member after their 35th birthday – the benefit in (i) and (ii) above is subject to a minimum of:

ARBM x n/N x Final Average Salary

where:

n = Service in years/months from date of admission to the calculation date;

N = Service in years/months from date of admission to 55th birthday.

2) Members whose date of admission is before 1 July 1993

Max of (A) or (B) below:

(A) [XM + AM x (1+0.1 x n)] x Final Average Salary

where:

XM = the member's accrued multiple from ACI Employees Superannuation Fund.

AM = the member's accrued multiple equal to the sum of member's contribution rate x period at that rate (in years and days).

n = period in years and completed months from member's date of admission (including any period of Previous Plan membership provided the member doesn't receive any Additional Accumulation on leaving the Fund).

plus, for a member who has completed 10 or more years of service as a member of the Fund and the Previous Plan:

Z x 0.1 x [min(20,n)-10]

If member became a member after their 35th birthday, the benefit is subject to a minimum of:

ARBM x n/N x Final Average Salary

(B) [XM + AM x (1+0.1 x n)] x Final Average Salary

where:

XM = the member's accrued multiple from ACI Employees Superannuation Fund at 1 July 1992 or date of admission if later.

AM = the member's accrued multiple equal to the sum of Member's contribution rate x period at that rate (in years and days) at 1 July 1992 or date of admission if later.

n = period in years and completed months from member's date of admission to 1 July 1992 (including any period of Previous Plan membership provided the member doesn't receive any Additional Accumulation on leaving the Fund).

plus 10% x Final Average Salary x Service;

where Service is measured in years and days from 1 July 1992 or date of admission (if later) to date of calculation.

3) For any member whose name appears in Table III of the Second Schedule of the Trustee - the amount in column (3) compounded with interest at 5% p.a. from 1 January 1983 or such other rate agreed between the Trustee and the Actuary.

4) For any member whose name appears in Table IV of the Second Schedule of the Trust Deed - the amount in column (3) compounded with interest at 5% p.a. from the date in column (4) or such other rate agreed between the Trustee and the Actuary.

Retrenchment

The retrenchment benefit is determined using the same formula as in Category A.

Death or Total and Permanent Disablement

The amount of benefit is:

(ARBM + 0.15 x p) x PFAS

where:

PFAS = Prospective Final Average Salary

p = period from date of determination to NRD

If a member appears in Table IV of the Second Schedule of the Trust Deed the benefit is subject to a minimum of the amount in Column (2) of that table.

Members who were previously in the ACI Staff Superannuation Fund must receive a benefit at least equal to that payable under their old plan provisions.

Total Temporary Disablement

The Total Temporary Disablement benefit is the same as for Category A.

Category Y Members

Member Contributions

Category Y: From 1% to 9% of Salary.

With a maximum average percentage of 5% over the member's Fund membership subject to Note 2.

Normal Retirement Benefit

Available from the Normal Retirement Date (NRD), being the member's 65th birthday. The amount of benefit is:

ARBM x Final Average Salary

where:

ARBM for Category Y membership is calculated reference to the member's contribution rate for each year (and complete month) of Service as follows:

Category Y Member

	Benefit Percentage Accrued Each Year while the prescribed SG Level is			
Member Contribution Rate (% of Salary)	**6%**	**7%**	**8%**	**9%**
1	7.8	8.8	9.9	11.0
2	9.0	10.1	11.2	12.3
3	10.3	11.4	12.5	13.5
4	11.8	12.6	13.7	14.8
5	13.7	13.9	15.0	16.1
6	15.6	15.6	16.3	17.3
7	17.5	17.5	17.5	18.6
8	19.4	19.4	19.4	19.9
9	21.3	21.3	21.3	21.3

In addition, the ARBM includes the member's accrued multiple from the ACI Employees Superannuation Fund as at the transfer date (i.e. 1 November 1996).

Minimum Benefit

All Category Y benefits payable shall not be less than the following minimum benefit:

Category Y: the higher of B + t/60 x (A – B) and C.

where:

A = the amount ARBM x Final Average Salary.

B = the amount ARBM3 x Final Average Salary.

Plus for Category Y members, an amount equal to the total contributions paid by the member to the Fund and the ACI Employees Superannuation Fund (if relevant) during the three years prior to the date of leaving Service with interest plus an amount equal to 85% of the contributions paid to the Fund and the ACI Employees Superannuation Fund (if relevant) in respect of the member by the Employer pursuant to any approved industrial award or agreement in the three year period before the date of leaving Service accumulated with interest.

ARBM3 = the ARBM three years before date of leaving Service, or zero if the member has less than three years of Service.

T = the number of complete months by which the member's age at the date of leaving Service is greater than age 50 (with a minimum of zero and a maximum of 120 months for Category X or 60 for Category Y).

C = the amount (D + E) x VF + F for members who joined prior to 1 January 1985 or 0 otherwise.

D = the total paid contributions paid by the member to the Fund and the ACI Employees Superannuation Fund from 1 January 1985 (or date of admission if later) until the date of leaving Service, accumulated with interest.

E = the total contributions paid by the member to the ACI Employees Superannuation Fund before 1 January 1985 increased by 1/40th of that amount for each year of membership up to 1 January 1985, accumulated with interest until the date of leaving Service.

VF = 6.67% for each year of Service in excess of 5 years with a maximum of 1.

F = for Category Y members only, the total contributions paid to the ACI Employees Superannuation Fund for the member by the Employer pursuant to any industrial award or agreement up to an including 31 March 1990 with interest to date of leaving Service, plus 85% of the total contributions paid to the Fund or ACI Employees Superannuation Fund for the member by the Employer pursuant to any industrial award or agreement after 31 March 1990 accumulated with interest to date of leaving Service.

Maximum Benefit

The ARBM is subject to a maximum where the Maximum Retirement Benefit Multiple, which is equal to:

- 15% for each year (and completed month) of Service prior to 1 April 1990 plus 13.7% for each year (and completed month) of Service after 31 March 1990.

Early Retirement Benefit

Available from age 55. The amount of benefit is equal to the Normal Retirement Benefit.

Resignation Benefit

The amount of benefit is: ARBM x Final Average Salary x DF1

where:

DF1 is given in the table below:

Age at date of leaving	Factor
45 or under	0.70
46	0.73
47	0.76
48	0.79
49	0.82
50	0.85
51	0.88
52	0.91
53	0.94
54	0.97
55	1.00

Retrenchment

The amount of benefit is equal to the member's Accrued Normal Retirement Benefit.

Death or Total and Permanent Disablement

The amount of the Death or Total and Permanent Disablement Benefit is

ARBM x Final Average Salary

plus an additional multiple x Final Average Salary

where the additional multiple is as follows:

Age at Death/TPD	Multiple	Age at Death/TPD	Multiple
30 or under	5.00	46	2.60
31	4.85	47	2.45
32	4.70	48	2.30
33	4.55	49	2.15
34	4.40	50	2.00
35	4.25	51	1.80
36	4.10	52	1.60
37	3.95	53	1.40

Age at Death/TPD	Multiple	Age at Death/TPD	Multiple
38	3.80	54	1.20
39	3.65	55	1.00
40	3.50	56	0.80
41	3.35	57	0.60
42	3.20	58	0.40
43	3.05	59	0.20
44	2.90	60 and over	0.00
45	2.75		

For members over age of 30 the applicable multiple shall be obtained by calculating age in years and days and applying linear interpolation to the multiples in the above tables.

Minimum Benefit

All Category Y benefits payable shall not be less than the following minimum benefit:

Category Y: the higher of B + t/60 x (A – B) and C.

where:

A = the amount ARBM x Final Average Salary.

B = the amount ARBM3 x Final Average Salary

Plus for Category Y members, an amount equal to the total contributions paid by the member to the Fund and the ACI Employees Superannuation Fund (if relevant) during the three years prior to the date of leaving Service with interest plus an amount equal to 85% of the contributions paid to the Fund and the ACI Employees Superannuation Fund (if relevant) in respect of the member by the Employer pursuant to any approved industrial award or agreement in the three year period before the date of leaving Service accumulated with interest.

ARBM3 = the ARBM three years before date of leaving Service, or zero if the member has less than three years of Service.

T = the number of complete months by which the member's age at the date of leaving Service is greater than age 50 (with a minimum of zero and a maximum of 60 months for Category Y).

C = the amount (D + E) x VF + F for members who joined prior to 1 January 1985 or 0 otherwise.

D = the total paid contributions paid by the member to the Fund and the ACI Employees Superannuation Fund from 1 January 1985 (or date of admission if later) until the date of leaving Service, accumulated with interest.

E = the total contributions paid by the member to the ACI Employees Superannuation Fund before 1 January 1985 increased by 1/40th of that amount for each year of membership up to 1 January 1985, accumulated with interest until the date of leaving Service.

VF = 6.67% for each year of Service in excess of 5 years with a maximum of 1.

F = for Category Y members only, the total contributions paid to the ACI Employees Superannuation Fund for the member by the Employer pursuant to any industrial award or agreement up to an including 31 March 1990 with interest to date of leaving Service, plus 85% of the total contributions paid to the Fund or ACI Employees Superannuation Fund for the member by the Employer pursuant to any industrial award or agreement after 31 March 1990 accumulated with interest to date of leaving Service.

Notes

1. For members in receipt of shift penalties, an additional accumulation benefit is based on contributions of:

   (SG – 3%) x SP for Category X members; and

   SG x SP for Category Y members

   where SG is the applicable Superannuation Guarantee rate and SP is the shift penalty payable to the member.

   These contributions are credited to the Member's Supplementary Accumulation.

2. The member's average contribution rate as a member of the Fund and as a member of the ACI Employees Superannuation Fund is not to exceed 5%. The member may be permitted to contribute at a rate in excess of 5% while his/her ARBM is less than his/her Maximum Retirement Benefit Multiple. If at any date where the member is making contributions at more than 5% and the ARBM exceeds the Maximum Retirement Benefit Multiple then the member's contribution rate will be decreased to 5% from the next annual review date (or to a lower rate if the member wishes). It may be agreed between the member, the Employer and the Trustee to allow a member to contribute at rates higher than above.

Appendix B: Details of Membership

Membership as at 30 June 2024

The following table shows the main statistics of the Active Defined Benefit membership as at 30 June 2024, the same information is displayed as at 30 June 2021, the date of the last actuarial valuation, for comparison.

	As at 30 June 2021			As at 30 June 2024		
	A and B	Y	Total Plan	A and B	Y	Total Plan
Number of Members	39	126	**165**	26	102	**128**
Average Age (years)	55.6	57.9	**57.3**	56.3	59.8	**59.1**
Average Past Membership (years)	24.0	30.7	**29.1**	26.7	33.2	**31.9**
Average Superannuation Salary ($)	155,296	93,536	**108,134**	165,867	103,743	**116,362**
Total Superannuation ($ million)	6.1	11.8	**17.9**	4.3	10.6	**14.9**

As at 30 June 2024, there were 59 members in the Accumulation section of the Plan with total salaries of $8.5 million and vested benefits of $12.5 million.

Approaching Retirements

In the next three years, 17 Members are expected to reach their Normal Retirement Date. The total of their DB vested benefits as at 30 June 2024 was $10.9 million.

As at 30 June 2024, there are 18 defined benefit Members who have passed their Normal Retirement Date. Their DB vested benefits at 30 June 2024 was $11.3 million.

Age Distribution of Defined Benefit Membership

Age Group	A and B	Y	Total
Less than 45	-	-	**-**
45-49	3	-	**3**
50-54	7	19	**26**
55-59	9	35	**44**
60-64	6	31	**37**
65 and over	1	17	**18**
Total	**26**	**102**	**128**

Appendix C: Changes in DB Membership

Changes in Membership for the Period 30 June 2021 to 30 June 2024

Since the previous triennial actuarial investigation, the number of active defined benefit members has decreased from 165 as at 30 June 2021 to 128 as at 30 June 2024. This represents a decrease of 22% in the number of active defined benefit members.

Details of the change in defined benefit membership are summarised below:

	A and B	X and Y	Total Plan
Number of Members at 30 June 2021	**39**	**126**	**165**
Exits:			
Retirement	6	18	24
Resignation	7	6	13
Death	-	-	-
Disablement	-	-	-
Number of Members at 30 June 2024	**26**	**102***	**128**

* No Category X members remained in the Plan as at 30 June 2024.

Appendix D: Valuation Method and Assumptions

Method and Assumptions for Defined Benefit members and liabilities

Valuation Method

Aggregate Method

Asset Value

Market value taken from Plum reports consistent with data for the accounts at the valuation date.

Investment Returns

4.7% p.a. compound (net of investment expenses and taxes)

Inflationary Salary Increase

3.0% p.a. compound

Promotional Salary Increase Rate

Nil

Rates of Mortality, Total and Permanent Disability (TPD) – All Categories

Examples of rates at which members leave the Plan per year per 10,000 members:

	Number out of 10,000 members aged X assumed to retire from the Fund during the year:			
Age X	**Death Male**	**Death Female**	**TPD Male**	**TPD Female**
25	5	2	1	1
30	4	2	1	2
35	4	3	3	3
40	7	4	5	5
45	11	7	7	9
50	16	11	13	17
55	24	18	25	29
60	40	28	51	45
65	68	40	91	61

Rates of Retirement – All Categories

The number of members reaching a given age who are expected to retire are as follows:

Number out of 10,000 members aged X assumed to retire from the Fund during the year from Category:		
Age X	**A&B**	**Y**
55	600	510
56	780	663
57	960	816
58	1,140	969
59	1,320	1,122
60	1,500	1,275
61	1,500	1,275
62	1,500	1,275
63	1,500	1,275
64	1,500	1,275
65	1,500	1,275
66	1,500	1,275
67	1,500	1,275
68	1,500	1,275
69	1,500	1,275
70	10,000	10,000

Rates of Withdrawal – All Categories

Number out of 10,000 members aged X at the beginning of the year assumed to retire from the Fund during the year from Category:		
Age X	**A&B**	**Y**
25	1,580	1,334
30	1,580	918
35	1,580	732
40	1,370	553
45	1,060	375
50	650	196
55	-	-

Rates of Retrenchment – All Categories

A retrenchment rate of nil per 10,000 members has been assumed.

Future Expense Allowance

Investment expenses are allowed for in the investment returns shown above which are assumed to be net of investment expenses.

Administration, actuarial, audit and other expenses have been allowed for as 1.90% of Salaries each year.

Group life insurance costs equal to 0.6% of Salaries have been allowed for in determining deductible expenses for tax purposes, based on the most recent premium rates applied by the insurer.

New Entrants

No allowance for new defined benefit or accumulation entrants.

Taxes

Tax on investment income is allowed for in the investment returns shown above.

Tax on contributions has been allowed for as 15% of Employer contributions reduced by allowable deductions (administration and insurance costs). No allowance has been made for GST or Reduced Input Tax Credits.

Surcharge Tax and Excess Contributions Tax

No allowance has been made for the Surcharge Tax and Excess Contributions Tax as the Trustee offsets any tax payable by the Plan against the benefits of the relevant Members, if the Member does not reimburse the Plan for the tax payable.

Composition of Membership

It has been assumed that Members remain in their current Category.

It has also been assumed that the same proportion of current membership remains in each defined benefit category as at present in determining a single Employer contribution rate.

Accumulation Benefits

An amount of $9,559,413 represents the total accumulation benefits of defined benefit members at 30 June 2024. As of 30 June 2024 there were 59 Accumulation Members with accumulation balances totalling $12,511,089.

The Valuation set out in Section 7 makes no allowance for future contributions to these accumulations as the future contributions and the benefits they produce offset one another.

Method and Assumptions for Accumulation members

For the purposes of the DB VBI projection, the following assumptions apply to the Accumulation Members:

Accumulation Member Fees	$52/member + 0.09% p.a. of account balances
New Entrants to the Accumulation Category	Nil - The Plan's Accumulation category closed to new members from 1 August 2020.
Attrition Rate of Accumulation Members	15% p.a.
Inflationary Salary Increase of Accumulation Members	3.00% p.a.
Investment Return on Accumulation Members accounts	4.70% p.a. (net of investment expenses and taxes)
Group Life Insurance Percentage	20%
Premium Rates	As per DB members

Appendix E: Statements required under paragraph 23 of SPS 160

The statements required under paragraphs 23(a) to (i) of SPS 160 for regular investigations are set out below. Note, these are provided in relation to the Plan's defined benefit liabilities only.

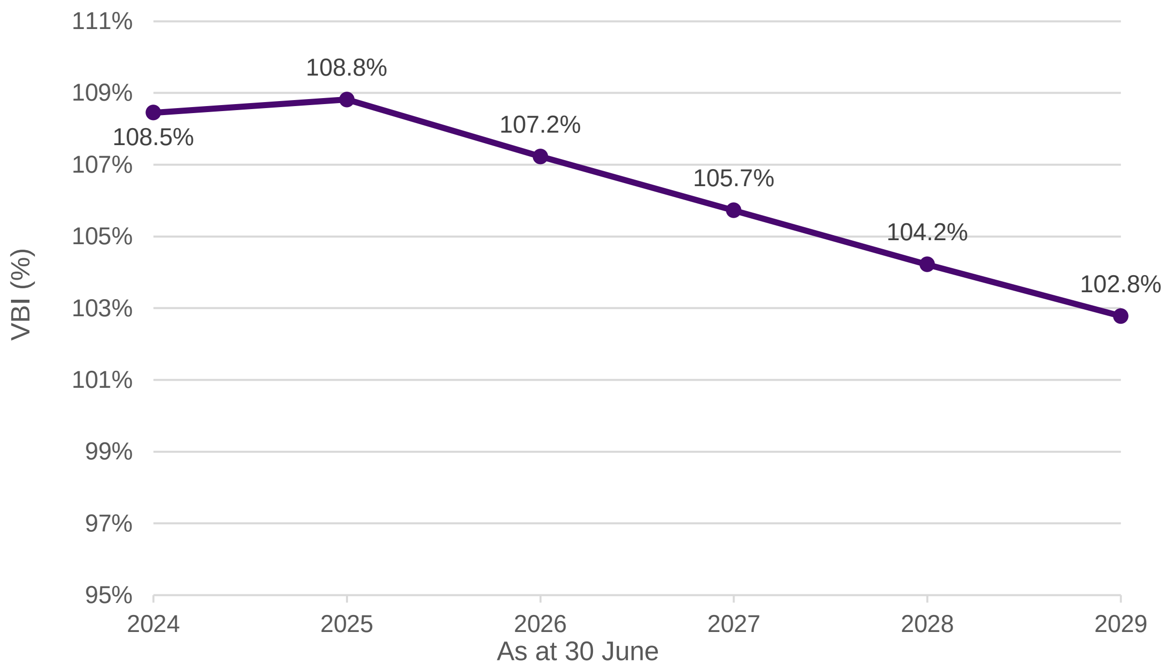
A. Plan Assets

The net market value of the Plan's assets attributable to the defined benefit liabilities at 30 June 2024 was $75,688,593. This amount is the amount disclosed in the Plan Accounts and excludes assets attributable to accumulation members or the accumulation balances of defined benefit members as well as any Operational Risk Financial Requirement (ORFR).

This value of assets at 30 June 2024 was used to determine the recommended Employer contribution rates and assess the funding status measures and is also referred to as the "actuarial value" of the assets.

B. Projection of Vested Benefits

The projected likely future financial position of the defined benefit category of the Plan during the five years following the valuation date and based on my best estimate assumptions is as follows:



C. Accrued Benefits

In my opinion, the value of the assets of the defined benefit members of the Plan (excluding any amount held to meet the ORFR) at 30 June 2024 was adequate to meet the liabilities in respect of the accrued benefits of defined benefit members of the Plan (measured as the value of members' accrued entitlements using the valuation assumptions). We consider that the assumptions and valuation methods set out in this report are appropriate for determining the accrued liability.

D. Vested Benefits

At 30 June 2024 the Plan was in a satisfactory financial position, as defined in SPS 160. In my opinion the Plan does not need to be treated as being in an unsatisfactory financial position. With consideration of the Plan's contribution program and current investment strategy, we believe the Shortfall Limit of 100% is appropriate.

E. Minimum Benefits

At 30 June 2024 the value of the minimum benefits of the defined benefit members of the Plan was $56,343,451, which was less than the defined benefit assets at that date. Minimum benefits are as defined in Regulation 5.04 of the Superannuation Industry (Supervision) Regulations.

The coverage of the MRBs for all defined benefit members of the Plan as of 30 June 2024 was 134.3%.

F. Funding and Solvency Certificates

Funding and Solvency Certificates for the Plan covering the period from 1 July 2021 to 30 June 2024 have been obtained. The Plan was solvent, as defined in the Superannuation Industry (Supervision) Regulations at 30 June 2024. In my opinion, the solvency of the Plan will be able to be certified in any other Funding and Solvency Certificate required under the Regulations during the three year period to 30 June 2027.

G. Recommended Employer Contributions

Considering the aggregate contribution rate results and the investment experience since 30 June 2024 to 30 September 2024, it is recommended that the employer contribute the following from 1 July 2024 to 31 December 2027.

- Nil in relation to the funding of defined benefits;
- Nil in relation to the payment of fees and insurance for Accumulation members to be met from the DB surplus;
- Nil in relation to any Employer additional employer contributions to DB members' accumulation accounts as required; and
- The amount of any salary sacrifice contributions in respect of members who make their own contributions from their pre-tax salary, as applicable.

The DB VBI of the Plan is expected to remain above 100% to 30 June 2027, the date of the next actuarial investigation with this level of employer contribution. We will continue to monitor the financial position of the Plan on a quarterly basis.

It is also recommended that:

- The use of external insurance and the formula for calculating the insured benefits continues to be appropriate for the Plan;
- The Trustee continue to monitor the VBI on a quarterly basis, and seek advice regarding the required contribution rate if the VBI falls to around or under 105%; and
- The next investigation of the Plan be undertaken no later than as at 30 June 2027.

H. Defined Benefit Pensioners

There are no pensioners in the Fund.

I. Pre-July 1988 Funding Credit

A pre-July 1988 funding credit has not been granted to the Fund.

Hadas Danziger
Fellow of the Institute of Actuaries of Australia
RSE Actuary to the Visy Glass Australia Superannuation Plan

18 December 2024

Towers Watson Australia Pty Ltd

ABN 45 002 415 349 AFSL 229921

About WTW