

Your fund - RecruitmentSuper

The Recruitment Services Superannuation Fund, RecruitmentSuper, is specially designed for the recruitment and consulting services industry.

Membership is open to anyone who works for or through a personnel consultancy, the principal and their consultants. RecruitmentSuper can accommodate the highly mobile nature of the industry.

Wherever you choose to work now or in the future, even if you leave the recruitment industry, you can continue to save for your future with RecruitmentSuper.

The trustee

The Trustee responsible for operating the fund is Professional Associations Superannuation Limited ACN 056 917 303.

The board of directors of the company is made up of equal numbers of employer and employee representatives. Member representatives are elected by members and employer representatives are nominated by the Recruitment & Consulting Services Association, RCSA.

Changes have been made recently to the rules for appointing employer directors, so that in future they will be appointed by the directors of the trustee.

Nominations were called for three vacant positions of member representatives. By the closing date of 30 April 2000, only three nominations had been received, these being from the three incumbent member representatives.

In accordance with the rules for the appointment and removal of directors, as the number of nominations equalled the number of vacancies, the returning officer declared the three nominees elected for a further term of 5 years.

Trustee board of directors - year ending 30 June 2000

Member representatives

Marian Bolton
Patricia Moore
Erica Turek

Employer representatives

Ross Fisher - chairman
Dorothy Caldicott nee Jellett
John Plummer

Professional management

The following organisations are employed to assist with managing the fund:

Service providers

Administrators

SelectSuper and EasySuper

Primary Superannuation Services
from 1-07-00

Australian Administration Services, an
AMP company until 30-06-00

PreservedSuper

HLB Mann Judd (Vic) Pty Ltd

Auditor

Arthur Andersen

Bankers

SelectSuper and EasySuper

Commonwealth Bank Australia

PreservedSuper

National Australia Bank

Insurers

Death and total and permanent disablement

Colonial

Income protection

Lloyds of London

Investment adviser

Towers Perrin

Investment managers

AXA Australia • Barclays Global
Investors • Challenger • Colonial First
State • Fidelity • Hastings Funds
Management • Macquarie Investment
Management • Salomon Smith Barney
Asset Management Australia • Superannuation
Members' Home Loans

Marketing, consulting and secretariat services

Technical & Management Services

Legal advisers

Blair Anderson
Freehills

Liability insurance

The trustee has taken out liability insurance to indemnify it against claims that may be made against it as trustee of the fund.

Key features of the fund

Three membership accounts

EasySuper - operates as a low cost, simple accumulation account with a balanced investment approach where interest is credited annually. Insurance cover is not available under this account.

SelectSuper - puts you in the driving seat with a choice of contribution arrangements, investments and optional insurance cover for death, permanent disablement and temporary disablement.

PreservedSuper - is a low cost account for members who have received no contributions for 12 months. Contributions cannot be received and insurance cover is not provided.

Automatic portability between jobs

Even if you leave the recruitment industry, you do not need to change your superannuation when you change jobs or employers. Your new employer can take over contributing to the fund. Amounts can be rolled over from other funds into your account in RecruitmentSuper.

Excellent investment

The sound professional management of the fund and tax concessions make RecruitmentSuper an excellent investment for saving for your retirement.

Your account statement

A statement of account is sent to you every year to show the growth in your investment. All the details of your investment are clearly set out and explained. SelectSuper members receive statements six monthly.

Your benefits

On resignation, retirement, death or disablement a benefit will be paid equal to your account balance.

Your account balance

Your account is very simple. Contributions made by you, if any, or your employer on your behalf, are credited to your account. Earnings are calculated on the daily balance and credited to your account on 30 June each year. Administration charges and any insurance premiums are debited from your account on a monthly basis. Contribution tax is debited from your employer contributions upon receipt. If you have any surcharge liabilities they will be debited from your account and you will be notified in writing. Any insurance claim payment for death or disability is credited to your account. The resultant amount is your account balance.

Your account exists primarily for your retirement and can only be withdrawn in cash upon satisfying one of the following conditions of release:

- retirement after age 55 for those born before 1-7-1960, increasing to age 60 for those born after 1-7-1964
- total and permanent disablement
- death
- you have received Commonwealth income support benefit for one year under age 55, or nine months over age 55, and cannot meet reasonable daily living expenses
- compassionate grounds approved by Australian Prudential Regulation Authority APRA.

Increasing your savings

Contributions are made to the fund by your employer on your behalf. These may be a fixed dollar amount or a percentage of your salary.

If you become a member of SelectSuper, you can increase your retirement savings by contributing extra amounts to the fund from either your pre-tax pay or your post-tax pay.

Arrears policy

Due to the transient nature of the recruitment industry and the voluntary membership of the fund, we believe it is inappropriate to develop and implement a contributions arrears policy.

However, where an individual member would like to know if one of their employers from the recruitment industry has contributed to RecruitmentSuper on his or her behalf, we will assist with the enquiry.

Administration fees

An account-keeping fee is deducted from your account to pay for the administration of the fund.

Transaction fees are also deducted from processing your contributions.

A withdrawal fee only applies when a benefit payment is made from the fund.

Members of SelectSuper are entitled to one free switch of their investment portfolio each financial year.

A switching fee of \$20 applies to each additional switch within a financial year.

Fees

PreservedSuper

<i>Account fee</i>	50 cents per week till 30-9-00, then 55 cents per week
<i>Transaction fee</i>	\$2.25 per contribution*
<i>Withdrawal fee</i>	\$25

EasySuper

<i>Account fee</i>	60 cents per week till 30-9-00, then 65 cents per week
<i>Transaction fee</i>	\$2.25 per contribution*
<i>Withdrawal fee</i>	\$35

SelectSuper

<i>Account fee</i>	75 cents per week till 30-9-00, then 80 cents per week
<i>Transaction fee</i>	\$2.25 per contribution*
<i>Withdrawal fee</i>	\$35
<i>Switching fee</i>	1 free switch per financial year, \$20 per subsequent switch

*Contributions include surcharge payments to ATO.

Accounts with less than \$1000 are protected from erosion by administration fees under member protection, which applies to all three categories of the fund.

Insurance

Details of the amount of cover available, cost of premiums and terms and conditions may be found on our website www.recruitmentsuper.com and in the SelectSuper brochure.

Insurance cover for death, total and permanent disablement and income protection against total and temporary disablement is not provided automatically but is available to members of SelectSuper upon written request.

Remember that as insurance premiums are deducted from your account balance, insurance cover does not commence until your written application has been accepted and there is sufficient money in your account balance to cover the monthly premium.

If you are new to the Fund, you should check with your employer to see if they have made their first contribution. If you want to secure insurance cover before your first contribution hits your account, you should bring in a rollover from another superannuation fund.

No GST is payable upon premiums for cover against death and total and permanent disablement.

From 1 December 2000, GST will apply to premiums for income protection. Also, on this date, the two year guarantee on the premiums for income protection expires, so the rates may change.

We will keep you informed.

Tax

We deduct a 15pc federal government tax from your employer's contributions. An additional superannuation surcharge of up to 15pc is paid by people with a remuneration package of at least \$81,493.

Using tax file numbers and tax returns, the Australian Tax Office advises the trustee of those members who must pay the surcharge, as well as the amount of the surcharge. Assessment notices are then issued to members. The amount of surcharge is deducted from a member's account balances and then remitted to the tax office.

Tax is also deducted from most benefits paid out of the fund. The amount of tax in this instance may be higher if you withdraw money before retirement.

Tax file numbers

We are required by law to ask you for your Tax File Number, TFN. With your TFN, RecruitmentSuper is easier to administer, and the correct amount of tax will be debited from your account. Without your TFN, you will automatically be charged surcharge tax, even if you don't earn enough income to qualify for the surcharge.

In other words, if you have not supplied your TFN, you may be paying much more tax than you need to.

How your money is invested

The fund's investment policy is to provide:

- a balanced growth investment portfolio for members of EasySuper and PreservedSuper
- a choice of 4 investment portfolios for members of SelectSuper, with the balanced growth investment portfolio as a default.

See tables 1-4 overpage.

This year's results

The investment earnings of the fund for the year ending 30 June 2000 were 10.6pc p.a. after tax.

The fund declared the following crediting rate to members' accounts:

<i>SelectSuper options</i>	<i>Crediting rates p.a.</i>	
Aggressive growth	15.5pc	
High growth	13.7pc	
Balanced growth	10.6pc	
Cash plus	4.6pc	
	<i>Balances under \$3000</i>	<i>Balances of at least \$3000</i>
<i>Category</i>	\$3000	\$3000
EasySuper	8.2pc	10.2pc
Preserved Super	8.2pc	10.2pc

Our average annual return for the fund as a whole over the past five years is 10.8pc - a result that meets our investment objectives.

However, it is important to understand that past rates are not a reliable predictor of future performance.

Crediting and reserving policy EasySuper and PreservedSuper portfolios

The fund retains a percentage of its earnings from the EasySuper and PreservedSuper portfolios as a reserve for the following purposes:

- to help smooth crediting rates from year to year - this means that in periods of high return money can be put aside to compensate for periods of low return

- to assist with the cost of protecting small accounts from erosion by fees - this is called member benefit protection and it is required under federal legislation
- to allow for the future development of the fund in a rapidly changing superannuation environment.

It is the trustee's policy to limit the level of reserves held by the fund to between 2pc to 5pc of the fund and to credit the majority of the fund's investment earnings to members' accounts.

SelectSuper portfolios

It is not the intention of the trustee to build investment fluctuation reserves in these 4 portfolios. The trustee aims to credit to account balances in these portfolios amounts approximate to the actual earnings. However, from time to time a small reserve may exist to allow for the approximation of investment and tax expenses.

Abridged audited financial reports 1999-00

Audited operating statement -
year ended 30 June 2000

	2000 \$	1999 \$
Contribution revenue	65,375,291	43,537,985
Investment revenue	14,314,797	5,805,244
Other revenue	(40,915)	263,984
Total revenue	79,649,173	49,607,213
Administration and operational expenses	4,329,492	3,103,299
Operating surplus before tax	75,319,681	46,503,914
Income tax	9,532,729	5,786,534
Benefits accrued	65,786,952	40,717,380

4 SelectSuper investment portfolios' objectives

Investment objective	Cash plus	Balanced growth	High growth	Aggressive growth
	To avoid negative returns	Achieve stable pattern of returns while maintaining low probability of negative returns	Achieve higher returns over the medium to long term through a greater exposure to growth assets, with increased risk of negative return	Achieve higher returns in the long run through emphasis on growth assets, recognising greater risk of negative returns
Target return	Match or exceed short term investment returns as measured by the SBC Australia Bank Bill Index	Average 3pc above inflation over any 4 year period	Minimum 3.5pc above inflation over any 4 year period	Minimum 4pc above inflation over any 4 year period
Investor time horizon	Short term	Medium term, 3+ years	Medium to long term, 5+ years	Long term, 10+ years
Investment reserve to smooth returns?	No	No	No	No
Level of investment risk	Very low	Low	Moderate	High

1 Our investment strategy

To achieve the objectives detailed in table 4, the trustee has adopted strategic asset allocations for each of the 4 investment portfolios as shown below:

	Cash plus	Balanced Growth	High Growth	Aggressive Growth
Australian equities		26pc	32pc	38pc
Overseas equities		25pc	30pc	34pc
Property		9pc	8pc	13pc
Aust fixed interest/cash	100pc	28pc	19pc	8pc
Overseas fixed interest		7pc	6pc	2pc
Infrastructure		5pc	5pc	5pc

2 Strategic asset allocation

Sector	June 1999		June 2000	
	Benchmark	Actual	Benchmark	Actual
Australian shares	28.0pc	25.5pc	26.0pc	25.1pc
International shares	24.0pc	18.9pc	25.0pc	22.5pc
Property	3.0pc	10.8pc	9.0pc	8.5pc
Infrastructure	5.0pc	3.3pc	5.0pc	3.9pc
Australian fixed interest/cash	31.0pc	31.8pc	28.0pc	32.6pc
Overseas fixed interest	9.0pc	9.6pc	7.0pc	7.4pc

The current benchmark asset allocation will be subject to regular review as members change their choice of investment portfolio.

At any time the actual portfolio will have different percentages as the investment managers strive for higher results. The trustee requires that investment managers can only vary the asset allocation away from the benchmark allocation within small specified ranges.

3 Fund earnings and crediting rates

Year end	Total earnings after tax	Crediting rate p.a.	Reserves at CPI p.a.	Reserves as vested benefits	
30-6-00	10.6pc	See this year's results chart on page 9	3.2pc	5,753,526	3.8pc
30-6-99	6.3pc	10.0pc for all members of SelectSuper 8.0pc for members of EasySuper and PreservedSuper with balances of at least \$3000 6.0pc for members of EasySuper and PreservedSuper with balances under \$3000	1.1pc	3,370,140	3.1pc
30-6-98	10.4pc	10.2pc for balances over \$3000 8.0pc for balances under \$3000	0.7pc	3,907,952	4.8pc
30-6-97	18.3pc	16.3pc	0.3pc	2,511,714	3.8pc
30-6-96	8.8pc	8.0pc	3.1pc	254,921	0.7pc

Please note that the comparative figures for the year ended 30 June 1999 are audited, and as such may differ from the unaudited figures shown in the previous annual report.

Statement of financial position at 30 June 2000

	2000 \$	1999 \$
Investments	137,611,591	99,785,189
Other assets	28,054,314	18,013,530
Total assets	165,665,905	117,798,719
<i>less</i>		
Amounts payable	7,543,173	4,715,628
Provisions	925,474	343,860
Total liabilities	8,468,647	5,059,488
<i>equals</i>		
Net assets to pay benefits	157,197,258	112,739,231
Vested benefits - allocated to members	140,949,116	106,075,600
not allocated	10,494,616	3,293,491
Reserves	5,753,526	3,370,140

Notice of significant changes to the trust deed

Changes will need to be made to the fund from time to time.

Where it materially affects your benefits you will be notified in advance.

These changes will be set out each year in the trustee report.

During this last year the following significant changes were made, effective from 1 October 2000.

More control over the payment of your death benefit

This means that, subject to satisfying certain criteria set by federal legislation, you can now be confident that the trustee will follow your wishes, when distributing your death benefit.

Purpose and effect of the change

Presently, the trustee will consider your preferences, including your will, but it is not compelled to follow your instructions, when determining to whom to pay your death benefit.

To take advantage of this greater certainty, you must complete a valid separate binding nomination form.

A simple explanation, highlighting a typical example is presented in a special report, Is your binding nomination valid? on the back page of this SuperRecruit.

Who needs to complete the separate binding nomination form?

Everyone who wants to bind the trustee to follow their instructions.

Even if you have already advised us of

your preferred beneficiaries, to make this legally binding upon the trustee, you will need to complete a separate binding nomination form, and check that it is valid.

If you need any help doing this, please contact us.

What happens if I do not make a valid binding nomination by completing a separate binding nomination form?

This depends upon whether you were a member at 30 September 2000 or you joined the fund after that date.

If you were a member at 30 September 2000 and you do not complete a valid binding nomination form, then your death benefit will be distributed by the trustee, at its discretion.

If you join the fund from or after 1 October 2000 and you do not complete a valid binding nomination form, then your death benefit will automatically go to the legal personal representative of your estate.

If the trustee determines that you do not have a legal personal representative, then the trustee, at its discretion, will distribute your death benefit.

Introduction of a charge against benefits to recoup significant costs

This means that where the trustee has incurred significant costs or expenses, including management, administration and legal costs, in relation to a benefit payment, the trustee may deduct those costs from that gross benefit, before distributing the net benefit.

Purpose and effect of the change

The purpose of this change is to protect all other fund members from bearing excessive costs incurred in respect of another member's benefit payment.

An example of this, is where another member had a complex family arrangement, which resulted in a dispute over the death benefit allocation, with legal costs to the fund of several thousand dollars.

Before this change, these costs were met from the fund's reserve.

Want further information?

The trust deed is the legal document governing the fund and can be requested along with the audited accounts, auditor's report, APRA returns, investment policy statement, rules for the appointment and removal of fund directors and the enquiries and complaints procedures.

Inquiries and complaints

Official complaints

✉ The Board Secretary

RecruitmentSuper

PO Box 1476 Milton Qld 4064

☎ 07 3217 8888

email: tmssuper@bigpond.com

If you belong to SelectSuper or EasySuper

✉ Primary Superannuation Services

GPO Box 4899 VV Melbourne Vic 3001

☎ 1300 30 4000

email recruitmentsuper@primary.com.au

If you belong to PreservedSuper

✉ HLB Mann Judd (Vic)

Level 32, Nauru House

80 Collins Street Melbourne Vic 3000

☎ 1800 652 643

If you have a complaint please write to the board secretary at the above address. We aim to resolve all complaints within 90 days. If after this period you are still not satisfied, then you may be able to take the matter to the Superannuation Complaints Tribunal SCT. The SCT is an independent body that provides a low cost forum for conciliation in superannuation disputes.

If you want to find out if the tribunal can handle your complaint or any other information, you can ring for the cost of a local phone call:

13 14 34 - SCT or visit its new

website at www.sct.gov.au

13 10 60 - Local state office of APRA.

If we lose contact

If we lose contact with you and/or you have an account balance of less than \$100 and have received no contribution for the past 12 months, then your benefit may be transferred out of the fund.

If you are of pension age we must transfer your benefit to the relevant state unclaimed monies office or the ATO.

If you are below pension age, your benefit can be transferred into an eligible rollover fund ERF.

In an ERF:

- your benefit may receive interest
- fees will not exceed interest credited
- the benefit is available for withdrawal under the same conditions as RecruitmentSuper.

The ERF chosen by us is the National Preservation Trust, whose address is:

✉ Australian Administration Services

GPO Box 2163T Melbourne Vic 3001

☎ 1800 688 032