

Trustee Report 2001



Your fund - RecruitmentSuper

The Recruitment Services Superannuation Fund, RecruitmentSuper, is specially designed for the employment services industry.

Membership is open to anyone who works for or through a personnel consultancy, the principal and their consultants.

RecruitmentSuper can accommodate the transient 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 ABN 14 056 917 303.

The board of directors of RecruitmentSuper is made up of equal numbers of employer and member representatives. Member representatives were elected by members and/or member representative bodies. Employer representatives were nominated by Employer representatives or other relevant bodies and appointed by the directors of the Trustee.

Recently the rules regarding the appointment and removal of directors have been changed, so that future employer representatives will be nominated by all participating employers in addition to the RCSA.

Trustee board of directors - year ending 30 June 2001

Member representatives

Marian Bolton
Patricia Moore
Erica Turek

Employer representatives

Ross Fisher - Chairman
Dorothy Caldicott née Jellett
John Plummer

Professional management

The following organisations are appointed by the Trustee to provide services to the fund and the Trustee:

Service providers

Administrators

SelectSuper and EasySuper
Primary Superannuation Services
PreservedSuper
Stockford Limited

Auditor

Arthur Andersen

Bankers

SelectSuper and EasySuper
Commonwealth Bank Australia
PreservedSuper
National Australia Bank

Insurers

Death and total and permanent disablement
Colonial
Income protection
Booker International

Investment adviser

Towers Perrin

Investment managers

• Alliance Capital Management* • Barclays Global Investors* • Citigroup Asset Management Australia Limited* • Colonial First State* • Commonwealth Investment Management • Deutsche Asset Management • Fidelity* • Hastings Funds Management • Macquarie* • Superannuation Members' Home Loans (AXA Australia)

*These managers have a value of in excess of 5% of total assets, within the fund.

Marketing, consulting and secretarial services

Technical & Management Services

Legal advisers

Blair Anderson, Solicitor
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.

If you are a member of EasySuper, you can increase your retirement savings by contributing extra amounts to the fund from your post-tax earnings.

SelectSuper - allows a choice of contribution arrangements, investments and insurance cover for death, permanent disablement and income protection insurance.

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

Automatic portability between jobs

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

Investment Vehicle

Prudent 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 in this statement. SelectSuper members receive statements six monthly.

Your benefits

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

This is subject to any applicable legislative preservation requirements.

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 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.

Member Benefit Protection rules apply to all account balances under \$1,000 in all member accounts.

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

- 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
- financial hardship, where 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.

The compound average annual return for the fund based on results of the balanced growth portfolio over the past five years is 10.1%. A result that meets our investment objectives.



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

Your employer need only pay superannuation contributions on your behalf once a year. Therefore the fund does not contact employers on matters of apparent arrears. However, if you would like to know if one of your employers from the recruitment industry has contributed to RecruitmentSuper on your 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 for processing your contributions.

A withdrawal fee may apply 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

Account fee	55 cents per week
Transaction fee	\$2.25 per contribution*
Withdrawal fee	\$25

EasySuper

Account fee	65 cents per week
Transaction fee	\$2.25 per contribution*
Withdrawal fee	\$35

SelectSuper

Account fee	80 cents per week
Transaction fee	\$2.25 per contribution*
Withdrawal fee	\$35
Switching fee	1 free switch per financial year, \$20 per subsequent switch

*Contributions include surcharge payments to the ATO.

Member Benefit Protection

Accounts with less than \$1000 are protected from erosion by administration fees under Member Benefit protection rules, 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 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. Full details of the extent of cover available may be found in the SelectSuper brochure.

Remember that insurance premiums are deducted from your account balance. Therefore 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 the first contribution hits your account, you should rollover from another superannuation fund or make a personal contribution at least to cover the premium payable.

Tax

We deduct a 15% federal government tax from your employer's contributions. An additional superannuation surcharge of up to 15% is paid by people with a remuneration package of at least \$81,493 (2000/2001) and \$85,242 (2001/02).

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 members' 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 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). You do not have to supply your TFN but if you do not, you may be paying much more tax than you need.

With your TFN, RecruitmentSuper is easier to administer as we can correctly identify you, and the correct amount of tax will be debited from your account. Without your TFN, you may automatically be charged surcharge tax, even if you don't earn enough income to qualify for the surcharge.

How your money is invested

The fund's investment policy is to provide:

- a balanced growth investment portfolio (Trustee 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. A conservative growth option will be introduced during the 2001 calendar year.

See tables 1-4 on page 9.

This year's results

The investment earnings of the fund for the year ending 30 June 2001 were 5.3% p.a. after tax and fees.

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

Category	Balances under \$3000	Balances of at least \$3000
EasySuper	4.0 % p.a.	6.0 % p.a.
Preserved Super	4.0 % p.a.	6.0 % p.a.

SelectSuper options	Earning & Crediting rates p.a.	Compound Average over 3yrs
Balanced growth	5.3 %	8.6 %
Cash plus	4.9 %	6.5 %
High growth	4.8 %	9.4 %
Aggressive growth	4.7 %	10.0 %

The compound average annual return for the fund based on results of the balanced growth portfolio over the past five years is 10.1%. A result that meets our investment objectives.

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 Member Benefit Protection, which 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 2% to 5% of the fund and to credit the majority of the fund's investment earnings to members' accounts.

The reserve is invested in the Trustee Portfolio.



TABLE 1 – OUR INVESTMENT STRATEGY

Asset Class	Cash Plus	Balanced Growth	High Growth	Aggressive Growth
Australian shares		26%	33%	38%
Overseas shares		29%	32%	34%
Property		10%	10%	13%
Australian fixed interest / cash	100%	24%	15%	8%
Overseas fixed interest		6%	5%	2%
Infrastructure		5%	5%	5%

TABLE 2 – STRATEGIC ASSET ALLOCATION

	JUNE 2000		JUNE 2001	
	Benchmark	Actual	Benchmark	Actual
Australian shares	26.0%	25.1%	26.0%	25.5%
Overseas shares	25.0%	22.5%	25.0%	24.2%
Property	9.0%	8.5%	9.0%	8.4%
Infrastructure	5.0%	3.9%	5.0%	3.4%
Australian fixed interest / cash	28.0%	32.6%	28.0%	31.3%
Overseas fixed interest	7.0%	7.4%	7.0%	7.2%

TABLE 3 – FUND EARNINGS AND CREDITING RATES

Year end	Total earnings after tax %	Crediting rate p.a. %	C.P.I. p.a. %	Reserves at year end \$	Reserves as vested benefits %
30-06-01	5.3%	SelectSuper members: Aggressive Growth 4.7%, High Growth 4.8%, Balanced Growth 5.3%, Cash Plus 4.9% 6.0% for members of EasySuper and PreservedSuper with balances of at least \$3,000 4.0% for members of EasySuper and PreservedSuper with balances under \$3,000	6%	\$6,126,991	3.2%
30-06-00	10.6%	SelectSuper members: Aggressive Growth 15.4%, High Growth 13.7%, Balanced Growth 10.2%, Cash Plus 4.5% SelectSuper members: 10.2% for members of EasySuper and PreservedSuper with balances of at least \$3,000 8.2% for members of EasySuper and PreservedSuper with balances under \$3,000	3.2%	\$5,753,526	3.8%
30-06-99	6.3%	10.0% for all members of SelectSuper 8.0% for members of EasySuper and PreservedSuper with balances of at least \$3,000 6.0% for members of EasySuper and PreservedSuper with balances under \$3,000	1.1%	\$3,370,140	3.1%
30-06-98	10.4%	10.2% for balances over \$3,000 8.0% for balances under \$3,000	0.7%	\$3,907,952	4.8%
30-06-97	18.3%	16.3%	0.3%	\$2,511,714	3.8%
30-06-96	8.8%	8.0%	3.1%	\$254,921	0.7%

TABLE 4 – SELECTSUPER INVESTMENT PORTFOLIOS' OBJECTIVES

	Cash Plus	Balanced Growth	High Growth	Aggressive Growth
Investment Objective	Achieve high security with annual returns higher than cash and a very low probability of negative returns.	Achieve stable pattern of returns while maintaining a moderate probability of negative returns.	Achieve higher returns over the medium to long term through a greater exposure to growth assets, with an increased risk of negative returns.	Achieve higher returns in the long run through emphasis on growth assets, recognising the greater risk of negative returns.
Target Return	<ul style="list-style-type: none"> To match or exceed short-term investment returns as measured by the WDR Australia Bank Bill Index. To avoid negative returns. 	<ul style="list-style-type: none"> To maximise returns to members over the long run, subject to the following constraints: A high probability that the return will exceed the rate of inflation (as measured by the Consumer Price Index) by 3.0% p.a. over rolling four-year periods. A probability of less than 23% of earnings falling below zero in any one year. 	<ul style="list-style-type: none"> To maximise returns to members over the long run, subject to the following constraints: A high probability that the return will exceed the rate of inflation (as measured by the Consumer Price Index) by 3.5% p.a. over rolling four-year periods. A probability of less than 25% of earnings falling below zero in any one year. 	<ul style="list-style-type: none"> To maximise returns to members over the long run, subject to the following constraints: A high probability that the return will exceed the rate of inflation (as measured by the Consumer Price Index) by 4.0% p.a. over rolling four-year periods. A probability of less than 26% of earnings falling below zero in any one year.
Investor Time Horizon	Short term	Medium term (3-5 years)	Medium to long term (5-10) years	Long term (10+ years)
Investment Reserve Smooth Returns?	No	No	No	No
Level of Investment Risk	Very Low	Moderate	High	Very High

A plain english version of the Trust Deed is available by calling RecruitmentSuper on 1300 304 000, 8am - 10pm EST.



SelectSuper portfolios

It is not the intention of the Trustee to build investment fluctuation reserves in these 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.

This reserve is invested in the balanced portfolio.

Abridged unaudited financial reports 2000-01

Unaudited Operating Statement - year ended 30 June 2001

	2001 \$	2000 \$
Contribution revenue	74,753,374	65,375,291
Investment revenue	9,115,270	14,314,797
Other revenue	-	(40,915)
Total revenue	83,868,644	79,649,173
Administration & operational expenses	5,867,392	4,329,492
Operating surplus before tax	78,001,252	75,319,681
Income tax	10,603,038	9,532,729
Benefits accrued	67,398,214	65,786,952

Audited 2001 figures are expected to be available by 30 November 2001 and will be available to members upon request.

Statement of financial position at 30 June 2001

	2001 \$	2000 \$
Investments	185,722,778	137,611,591
Other assets	21,104,767	28,054,314
Total assets	206,827,545	165,665,905
less		
Amounts payable	5,646,787	7,543,173
Provisions	936,027	925,474
Total liabilities	6,582,814	8,468,647
equals		
Net assets to pay benefits	200,244,731	157,197,258
Vested benefits		
Allocated to members	194,117,740	140,949,116
Not allocated	-	10,494,616
Reserves	6,126,991	5,753,526

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 change was made on 23 October 2000.

Taking your benefit in cash

The Trustee has the power to release your benefit in cash if the amount is less than \$200 and if additional contributions to your account are unlikely to be made.

Purpose and effect of the change

This provision allows members who are permanently departing overseas to cash in small benefits.

Plain English version of the Trust Deed

The Trustee is also pleased to be able to tell you that a plain English version of the Trust Deed has been written. The Trustee will be executing this new version of the Trust Deed shortly. The plain English version contains all the same terms and conditions of the old deed but is easy to understand and does not contain "legalese". A copy of the Trust Deed is available on request.

Binding Death Benefit Nominations

Who needs to complete a separate binding nomination form?

Everyone who wants to bind the Trustee (regarding the payment of death benefits) 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.

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 inquiries and complaints procedures.

Inquiries and complaints

Official complaints officer

The Secretary to the Board
RecruitmentSuper
GPO Box 4839VV Melbourne Vic 3001
Phone: 1300 304 000
Email: complaints@primary.com.au

Inquiries

If you belong to EasySuper or SelectSuper

Primary Superannuation Services
GPO Box 4839VV Melbourne Vic 3001
Phone: 1300 30 4000
Email recruitmentsuper@primary.com.au

If you belong to PreservedSuper

Stockford Limited
Level 32, Nauru House
80 Collins Street Melbourne Vic 3000
Phone: 1800 652 643

If you have a complaint, please write to the Inquiries and Complaints Officer at the above RecruitmentSuper 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 them for the cost of a local phone call on: 13 14 34 or visit their website at www.sct.gov.au

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 18 months, then your benefit may be transferred out of the fund.

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

If you are below Age Pension age, and your benefit is less than \$100, it can be transferred into the funds' Eligible Rollover Fund. This is currently the National Preservation Trust (NPT), where:

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

The NPT address is:

GPO Box 2163T Melbourne Vic 3001
Phone: 1800 331 210

If you are below Age Pension age, and your benefit is between \$100 and \$300, your benefit could be transferred to the PreservedSuper section of the fund.

Contact Us

Employers

Phone 1300 304 044
8am - 10pm EST
Facsimile 1300 304 444

Easy & SelectSuper members

Phone 1300 304 000
8am - 10pm EST
Facsimile 1300 304 444

RecruitmentSuper Administration
GPO Box 4839VV
Melbourne Vic 3001

recruitmentsuper@primary.com.au

Preserved Super members

Phone 1800 652 643

Preserved Super - RecruitmentSuper
Level 32 Nauru House
80 Collins Street
Melbourne Vic 3000

Non administrative issues and formal complaints

Phone 1300 304 000

Secretary to the Board
RecruitmentSuper
GPO Box 4839VV
Melbourne Vic 3001

complaints@primary.com.au



Give us your views about SuperRecruit

If you have any story suggestions, queries or comments about this magazine, please email:
dfraser@primary.com.au

The information contained in SuperRecruit is general in nature and should not be used or relied upon as the sole source of information, for decision making you should seek professional advice specific to your individual situation before any action is taken on matters disclosed in this magazine

Professional Associations Superannuation Limited
as Trustee for Recruitment Services Superannuation Fund
ABN 78 984 178 687

**SUPER
MEMBERS
HOME
LOANS**

by MembersEquity

RecruitmentSuper members get a FAIR DEAL on home loans

Did you know that members of RecruitmentSuper have access to one of the best home loans on offer today? Super Members Home Loans offers great deals to RecruitmentSuper members, and feature:

- ★ Low Variable Interest rates
- ★ No monthly account keeping fees
- ★ No application fees
- ★ Free electronic redraw

Our loans can be used to purchase a new property, an investment property, or to refinance your existing loan. We have a team of mobile lenders available to visit you at home, or in your workplace, to assist with your finance requirements.

We consistently deliver one of the cheapest standard variable interest rates in Australia.

6.24% pa

Standard variable rate effective 27 April 2001*

If you would like to know more, or arrange for a mobile lender to visit, simply call **1300 654 990** or visit us at www.membersequity.com.au.

*This rate applies immediately for new customers and from 15/06/01 for existing customers. (In line with our quarterly rate review) Current rate for existing customers 6.74% PA.
Members Equity Pty Limited ABN 56 070 887 679.

Your membership working for you

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