

Smartsave

'Member's Choice' Superannuation Master Plan



ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

The Trustee and issuer of an interest in the Smartsave 'Member's Choice' Superannuation Master Plan (Fund Registration No. R1001341) is:

*Trust Company Superannuation Services Limited
ABN 49 006 421 638
AFS Licence No. 235153
RSE Licence No. L0000635
Level 3, 530 Collins Street
Melbourne Vic 3000*

*Telephone (03) 9665 0200
Facsimile (03) 9620 5821*

The Promoter of Smartsave 'Member's Choice' Superannuation Master Plan is:

*Group Insurance & Superannuation Concepts Pty Ltd
ABN 51 070 756 740
AFS Licence No. 245521
Level 6, 369 Royal Parade
Parkville Vic 3052
Telephone (03) 9347 6576
Facsimile (03) 9348 2726
Website: www.gisconcepts.com.au*

This annual report is provided to you in conjunction with your Annual Statement of Benefits. These documents should be read together because together they form part of your periodic information for the year ended 30 June 2007.



...partners in securing your prosperity

Any reference to:

Administrator or Tranzact means Tranzact Superannuation Services Pty Ltd (ABN 33 056 524 522, AFS Licence No. 238385).

Adviser means your financial adviser. Your financial adviser is appointed by you or your employer. Any services are provided by your financial adviser (not on behalf of the Trustee). The Trustee is not responsible for any services provided by your financial adviser.

Insurer or Commlnsure or MLC means either The Colonial Mutual Life Assurance Society Limited (ABN 12 004 021 809, AFS Licence No. 235035) or MLC Limited (ABN 90 000 000 402, AFS Licence No. 230694), depending on the segment of the Plan you participate in.

Fund Manager means the underlying fund managers utilised by the Trustee for the Plan from time to time.

Plan or Smartsave means the Smartsave 'Member's Choice' Superannuation Master Plan.

Promoter or GIS Concepts means Group Insurance and Superannuation Concepts Pty Ltd (ABN 51 070 756 740, AFS Licence No. 245521).

Scheme means a segment of the Plan specific to an Employer or group of Employers, transferred to the Plan from the 1st Super Master Plan or the Australia First Super Trust under a successor fund transfer with effect from 29 June 2007. These segments exist in the Plan as part of a 1st Super Master Plan product or Australia First Super Trust product. Scheme level information is provided in your Annual Statement of Benefits (where applicable).

Trustee means Trust Company Superannuation Services Limited (ABN 49 006 421 638, AFS Licence No. 235153, RSE Licence No. L0000635).

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For full details on how Smartsave works, including investing, fees, insurance and accessing your benefits, please refer to the latest Product Disclosure Statement applicable to your membership in the Plan.

This is available from your Adviser or can be downloaded from the Promoter's website at www.gisconcepts.com.au.

INTRODUCTION

Trust Company Superannuation Services Limited (the Trustee) is pleased to present its Annual Report to Smartsave 'Member's Choice' Superannuation Master Plan (the Plan or Smartsave) members for the year ended 30 June 2007.

This report brings you up-to-date with the Plan's operations during the 2006/07 financial year and provides information on the management, financial condition and investment performance of your Plan. Enclosed with this report is your Annual Statement of Benefits providing details of your Plan benefit entitlements as at 30 June 2007 - the annual report and your statement should be read in conjunction with each other because together they form your periodic information for the year ended 30 June 2007.

This report provides information that is relevant to all members of the Plan. Scheme level information is provided in the Annual Statement of Benefits along with details of your benefit entitlements as at 30 June 2007.

We hope you find this report informative. If you have any questions about this report, your benefits or about the Plan, please contact GIS Concepts (the Promoter), your Adviser or Tranzact (the Administrator).

The Promoter's contact details are as follows:

Group Insurance & Superannuation Concepts Pty Ltd
Level 6, 369 Royal Parade
PARKVILLE VIC 3052
Telephone (03) 9347 6576
Facsimile (03) 9348 2726
Website: www.gisconcepts.com.au

The Administrator's contact details are as follows:

Mario Sanzari
Tranzact Superannuation Services Pty Ltd
PO Box 20314
World Square
SYDNEY NSW 2002
Telephone: (02) 9231 0117
Toll free: 1300 654 720
Facsimile: (02) 9231 0119
E-mail: smartsave@tranzact.com.au

You should be aware that none of the Trustee, Promoter, Administrator, Insurer nor any of the stated Fund Managers nor any of their respective subsidiaries or their respective officers guarantees the capital invested by investors, the performance of the specific investments available or your account generally.

The Trustee

The Trustee of the Plan is Trust Company Superannuation Services Limited (ABN 49 006 421 638, AFS Licence No. 235153, RSE Licence No. L0000635).

The Trustee has been granted an RSE licence by the Australian Prudential Regulation Authority which enables it to act as a trustee for the purposes of superannuation laws. The Trustee is responsible for ensuring that the Plan operates in accordance with the obligations and powers imposed by the Plan's trust deed and relevant Government legislation. Its key responsibilities include ensuring that the Plan's assets are appropriately invested and that benefits are paid correctly. The Trustee is also the issuer of this Report.

The directors of the Trustee as at 30 June 2007 were:

Directors

Vicki Lee ALLEN [*Chairperson*] (appointed 28 March 2007)
Noel Albert DAVIS (appointed 1 September 2005)
Luigi Mario RODRIQUEZ (appointed 30 July 1998)
Jonathan Westaby SWEENEY (appointed 30 July 1998)
Megan Elizabeth BOLTON (appointed 26 July 2006)

Secretary

Nicholas SETTE (appointed 29 November 2006)

Former Directors

John Michael DINAN (appointed 7 January 2002, resigned 31 May 2007)

Nicholas SETTE (appointed 17 July 2000, resigned 29 November 2006)

Subsequent to 30 June 2007, Megan Elizabeth BOLTON resigned on 1 August 2007.

Compliance Statement

The Trustee intends to operate the Plan at all times as a complying superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS Act). Compliance with the SIS Act entitles the Plan to receive concessional tax treatment. The Trustee is unaware of any events that could jeopardise the Plan's compliance status and has not had any penalties imposed on it under section 38A of the SIS Act.

The Trustee has taken out professional indemnity insurance to protect it and the Plan from certain liabilities subject to the terms and conditions of the relevant insurance policy.



INVESTMENTS

2006/07 Investment Markets: the year in Review

This is a market overview provided by the Counterpoint Group. The information is of a general nature only. Information about the performance of the Plan's investment options (applicable to you) are shown in your Annual Statement of Benefits. You should be aware that different investment markets carry different risk and past performance is not a reliable indicator of future performance.

The twelve months to 30 June 2007 continued the strong trends of recent years, producing high returns across the growth asset classes (shares and property) for the fourth consecutive year, although the strength of the Australian dollar reduced returns from international shares in Australian dollar terms. Global economic growth continued to drive markets. However towards the end of the financial year some concerns were being expressed in relation to the possible flow on negative effects from problems in the US housing sector, including deterioration in the US sub prime and corporate debt markets.

<p>Australian shares</p>	<p>The Australian share market produced its fourth consecutive year of returns above 20%, rising by 29.2% for the year to June 2007. Solid profit growth in many sectors and strong demand and prices for commodities continued to drive the Australian share market. Small companies performed very strongly as a group over the year, returning 44.4% against the top 100 companies' return of 27.4%. However the small resources index (+63.9%) significantly outperformed the small industrials' index (+40.8%).</p> <p>Various large companies were the subject of takeover bids and/or speculation, often by consortiums containing private equity groups. Examples of companies targeted for potential takeover included Qantas, Coles, Rinker, DCA Group and Oamps. This corporate activity further reinforced a strong market driven by earnings growth. Rio Tinto was also the subject of takeover speculation late in the year and although no bid emerged, its share price was supported by the expectation of stronger iron ore prices.</p>
<p>International shares</p>	<p>Firm economic growth drove most of the major world share markets, although not all at the same rate. The MSCI World (ex-Australia) Index rose by 21.4% in local currency terms but due to the strength in the Australian dollar against all major currencies, returned only 7.8% in Australian dollar terms. The Australian dollar rose by 14.2% against the US dollar, by 23.4% against the Yen and by 8.1% against the Euro.</p> <p>In contrast to the previous financial year, the Japanese market was slightly weaker than other major markets due to a combination of the expectation of slowing economic growth together with the very strong market of the previous year when it recorded more than 35%. Merger and acquisition activity also reinforced many global markets during the year as cheap and readily available debt supported prices.</p>
<p>Property</p>	<p>The listed property trust sector had another strong year (+26.3%), being its strongest return for 10 years. However the sector finished the year on a weaker note affected by rising bond yields, substantially increased levels of capital raisings and a generally softer tone in the broader share markets. Returns from this sector going forward are likely to be much more subdued than in recent years.</p>
<p>Fixed Interest</p>	<p>Due to inflationary concerns, the Reserve Bank of Australia lifted rates twice during the year - by 0.25% in each of August and November 2006 to lift the official cash rate to 6.25%. There is also strong speculation of another rate rise prior to the Australian federal election later in 2007. Due to the resultant rises in bond yields (lower prices) experienced during the year, fixed interest investments underperformed cash.</p> <p>In the US, the Federal Reserve left official interest rates unchanged at 5.25% for the last 9 months of the year, effectively maintaining a balanced perspective on inflation and economic risks. However the US sub prime mortgage market remains a concern in relation to its effect on the credit market.</p>

Investment Strategies you can Choose

Details of your investment options are provided with your Annual Statement of Benefits.

Investments Held Representing more than 5% of Plan Assets

At 30 June 2007, no single investment product held more than 5% of the Plan's assets.

Investment in Derivatives

Derivatives are investments that derive their value from an underlying asset or asset class (for example, an option to purchase a share at a particular price some time in the future).

The Trustee does not intend to directly invest in any futures, options or other similar investments. However, where applicable, the underlying fund managers may use such investments indirectly as a hedging device to help protect the value of assets against a significant decline in investment markets.

The Trustee monitors the underlying fund manager's use of derivatives on a six monthly basis through the receipt of investment reports from the Promoter.



INTERNET ACCESS

Smartsave provides a comprehensive online superannuation and pension administration system specifically developed for the Internet.

Smartsave's administration is run via the Internet and your account details can be accessed using a web browser. The information is 'live' - as data is input into the system you will be provided with up-dated material immediately. Smartsave members without Internet access can still access this information either through their Adviser or direct from Smartsave's Administrator.

ACCESSING YOUR DATA ONLINE

If you wish to access your information online follow the following steps:

1. You will need to have a valid email address
2. Using that email address, send an email to smartsave@tranzact.com.au requesting online access - ensure that you include your plan member number in the email subject line
3. A password will be system generated and sent to you by email at your email address
4. Access the Promoter's website at www.gisconcepts.com.au and click on the icon, Smartsave Admin Log-in
5. You will immediately be connected to the Smartsave online administration database
6. Type in your log-in details and this takes you to your 'home page', where all of your personal information is available to you.

Adviser Access to Information

Smartsave Administration is designed to support the relationship between you and your Adviser. Your Adviser will have Smartsave Administration log-in, providing access to your Plan information. As these are separate avenues for accessing Smartsave Administration, this means that both you and your Adviser can be looking at the same 'live' information while discussing retirement planning options.

PLAN INFORMATION

The Plan is a comprehensive superannuation arrangement that offers you a wide choice of contribution options. In addition, you can choose to have insurance cover for a range of death, total and permanent disablement and income protection benefits (depending on the segment of the Plan you participate in). If you need any further information on these options, please contact your Adviser or the Administrator and refer to the Product Disclosure Statement applicable to you.

Fees and Costs

For information about the fees and costs that impacted your investment for the year ended 30 June 2007, you should refer to your Annual Statement of Benefits.

Member Protection

If at the end of each Plan year, the amount of your Plan account is less than \$1,000 and the amount includes or has included Superannuation Guarantee or award contributions by your employer, then government regulations limit the amount of certain fees and costs that can be deducted directly from your account so that they cannot exceed the earnings allocated to your account balance. Smartsave will top up your account if the earnings allocated to your account are less than administration fees deductible directly from the account (this will appear as a member protection rebate on your Annual Statement of Benefits).

Note: this protection does not extend to government charges, tax, insurance premiums and indirect fees deducted prior to the allocation of earnings to your account. Negative investment earnings can reduce your member's account even if your account is subject to member protection.

Contributions

Contributions can generally be made by you either regularly or in occasional lump sums. Amounts can also be transferred from other superannuation or rollover funds. In addition, contributions may be made by you on behalf of your spouse that may qualify for a spouse rebate (provided eligibility criteria in tax legislation is met).



From 1 July 2007, contributions can generally be made in the following circumstances:

Age	Employer contributions **	Your contributions
Under 65	Superannuation Guarantee or contributions under an industrial arrangement (Mandated contributions) can be made for any employee up to their 65th birthday	Anyone can contribute at any time on their own behalf or for someone else under age 65
65 to 74	Mandated contributions can be made	Contributions can be made by or on behalf of a member, subject to the work test* (contributions for a spouse can only be made if the spouse is under age 70)
75 and over	Contributions cannot be accepted unless required by an industrial arrangement	Contributions cannot be accepted

* Eligibility to contribute is subject to the Plan member being gainfully employed for at least 40 hours in a period of not more than 30 consecutive days in the financial year in which contributions are made.

** Employer contributions also apply to certain substantially self employed persons.

'Gainful employment' means you are self-employed or employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

If the Trustee does not hold your tax file number it cannot accept member contributions by or on your behalf. The Plan cannot accept non-concessional contributions in excess of your non-concessional contributions limit (see page 13 of this Annual Report for more information about this).

The Trustee cannot accept contributions that do not meet contribution rules in superannuation legislation and is required to refund contributions once it becomes aware that these rules have been breached. Any refund may be adjusted for permissible investment fluctuations, administrative fees and insurance premiums.

Other amounts can be contributed to the Plan such as certain employer termination payments (payable directly by an employer), certain disablement amounts on settlement of a disability claim (outside of superannuation), proceeds from the sale of a small business and superannuation sourced from a foreign superannuation fund. If you are going to receive any of these amounts or are considering payment of them into superannuation, we recommend you obtain appropriately qualified advice because there may be significant taxation implications.

Government Co-contributions

Co-contributions are payments made by the Government to the superannuation accounts of eligible low and middle income earners. To qualify for the Government co-contribution, the contributing member must have an 'assessable income' plus 'reportable fringe benefits' of less than \$58,980 and make personal contributions out of their after tax income (this does not include salary sacrifice, Superannuation Guarantee (compulsory) or spouse contributions).

The maximum co-contribution payable by the Government is \$1,500 available to members with assessable income and reportable fringe benefits of less than \$28,980 a year. The Government will match the personal contribution of the member by \$1.50 for each \$1.00 contributed by the member. The maximum co-contribution payable is reduced as income increases, at the rate of 5 cents in the dollar.

From 1 July 2007, self employed persons may be able to access the Government co-contribution. To be eligible the individual must be less than 71 years of age at the end of the financial year and must earn less than \$58,980 for that financial year, of which 10% or more of their total income must be from running a business (but for this purpose the person's income is their assessable income plus reportable fringe benefits less any tax deductions in respect of running a business).

The thresholds shown above are subject to indexation. For up to date information about the Government co-contribution go to www.ato.gov.au.

Contributions Splitting for Couples

Contributions such as superannuation guarantee, salary sacrifice and personal tax deductible contributions (concessional contributions) can be split between spouses. See page 13 of this Annual Report for more information about concessional contributions.

Please note that only 85% of concessional contributions made by an employer or a self-employed member may be split because 15% of these contributions are lost in tax when they are paid into a superannuation fund. It is no longer possible to split personal (after tax) contributions (unless made prior to 6 April 2007). From 1 July 2007, the splittable amount of concessional contributions is also subject to a maximum of your concessional contributions limit.

You should also note that certain amounts in your account may not be split such as benefits subject to a family law payment split or payment flag, rollovers from other funds or amounts used to start a pension. The Trustee also reserves the right to make whatever adjustments to the splittable amount it considers necessary or appropriate.

Contributions made in the financial year prior to the financial year when the contributions splitting application is lodged can be split. You can also split contributions made in the year in which a transfer or rollover request is made. If you would like more information about contribution splitting, contact the Administrator.

Insurance Benefits

The Plan provides extensive insurance benefit options depending on the segment you participate in, including:

- death benefits;
- total and permanent disablement benefits; and
- income protection benefits.

If you require further information about your insurance benefit options, please contact your Adviser or the Administrator and refer to the Product Disclosure Statement applicable to you. Some members are granted automatic insurance cover (subject to eligibility criteria being met). If you have automatic cover you should be aware that the cover can cease in certain circumstances (for example, you reach a maximum age or your employment status changes). Cover will cease without any prior notification to you.

Annual Statement of Benefits

Included with this report, is your Annual Statement of Benefits showing your Plan benefits and entitlements as at 30 June 2007.

Financial Summary

The annual audit of the Plan is scheduled to be completed by 31 October 2007 - we set out below an abridged version of the Plan's unaudited Financial Statements. A copy of the full audited Financial Statements and auditor's report will be available on request to the Trustee after 31 October 2007.

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2007		
	2007 (unaudited) \$'000	2006 (audited) \$'000
Assets		
Investments	\$257,660	\$101,369
Other assets	\$26,824	\$21,869
Total	\$284,484	\$123,238
Less Liabilities		
Income tax liabilities	\$2,208	\$1,693
Other liabilities	\$1,546	\$1,237
Total	\$3,754	\$2,930
Equals net assets available to pay benefits	\$280,730	\$120,308
Represented by liability for accrued benefits	\$280,730	\$120,308
Movement in liability for accrued benefits		
Opening balance	\$120,308	\$76,492
Increase in accrued benefits	\$179,693	\$53,996
Benefits paid	\$19,271	\$10,180
Closing Balance	\$280,730	\$120,308

SUMMARY OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2007		
	2007 (unaudited) \$'000	2006 (audited) \$'000
Revenue		
Gross investments income	\$17,131	\$12,115
Contributions and transfers from other funds	\$169,799	\$47,075
Other revenue	\$119	\$68
Total	\$186,799	\$59,258
Less Expenses		
Management costs	\$2,798	\$1,985
Insurance premiums	\$801	\$635
Income tax & other regulatory costs	\$3,507	\$2,642
Total	\$7,106	\$5,262
Equals benefits accrued as a result of operations	\$179,693	\$53,996

Deed Amendment

The deed was amended on 28 June 2007 to facilitate the Trustee's compliance with recent legislative reforms including new taxation obligations effective (mainly) from 1 July 2007, contributions standards and pension standards (referred to as the Better Super reforms) and anti money laundering and counter terrorism financing laws passed in December 2006.

Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF)

From 12 December 2007, as a result of separate Government reforms designed to counteract money laundering and terrorism financing, you may be required to provide proof of identity prior to being able to access your benefits in cash (lump sum or pension payments) or purchase a superannuation pension (called "customer identification and verification" requirements). These requirements may also be applied by the Trustee from time to time in relation to the administration of your superannuation benefits as required or considered appropriate under the AML/CTF legislation. You will be notified of any requirements when applicable. If you do not comply with these requirements there may be consequences for you, for example, a delay in the payment of your benefits.

As a result of these reforms the Trustee has become the subject of another regulatory body (called AUSTRAC) which has responsibility for the AML/CTF legislation. The Trustee is required to provide yearly compliance reports to AUSTRAC and notify AUSTRAC (from 12 December 2008) of suspicious transactions. This may involve the provision of personal information about you to AUSTRAC.

Note: confirmation of your identity is also required when transferring superannuation benefits between superannuation funds under standardised transfer request processes applicable from 1 July 2007. Failure to provide necessary information may result in a delay in the transfer of benefits.



TAXATION

This section gives a summary of the taxation rules, based on laws applicable from 1 July 2007. It is a general summary of the main taxation implications. The impact of the taxation rules on you personally will depend on your individual circumstances. For this reason, we recommend you obtain appropriately qualified advice that takes into account your personal circumstances. If you require any information on taxation laws applicable in the period prior to 1 July 2007, please refer to your Adviser or contact the Administrator. Information is also available from the Tax Office's website at www.ato.gov.au/bettersuper.

Contributions - Deductions and Rebates

The Government provides certain taxation incentives when you decide to invest in the superannuation environment.

- An employer is generally entitled to a full deduction for all contributions to superannuation on behalf of employees under age 75. Certain criteria must be met including that the employee is engaged in producing the employer's assessable income. Contributions made within 28 days of the end of the month in which an employee turns 75 or required to be made under an industrial award or other prescribed arrangements (after age 75) may also be deductible.
- Self-employed people or other eligible persons (with less than 10% of their assessable income and reportable fringe benefits attributable to employment as an employee) are generally entitled to a full deduction for superannuation contributions under age 75, provided certain conditions are met. Persons aged under 18 are subject to special rules. To obtain the deduction, a notice of intention to claim a tax deduction (previously referred to as an 82AAT notice) must be submitted to the Trustee by the earlier of:
 - the time of lodgement of the person's tax return, or
 - the end of the financial year following the year the contribution was made.

The Deduction Notice must be acknowledged by the Trustee. The Trustee can refuse to acknowledge a Deduction Notice in certain circumstances (for example, the person's account balance does not contain sufficient monies to meet the tax applicable to deductible contributions). Note: these rules only apply from 1 July 2007. Any tax deduction claim for personal contributions made prior to 1 July 2007 will need to be made in accordance with rules applicable at that time.

- You may claim a spouse contribution rebate (maximum \$540) for any contributions made by you on behalf of your spouse, depending upon your spouse's assessable income (including reportable fringe benefits), as detailed below:

Spouse assessable income	Contribution rate
0 to \$10,800	18% of the lower of (a) total contributions for the year (b) \$3,000
Between \$10,801 and \$13,799	18% of the lower of (a) total contributions for the year (b) \$3,000 (reduced by \$1 for each \$1 of income in excess of \$10,800)
\$13,800 and over	Nil

Note: the thresholds shown may be indexed for 2007/08 and subsequent years.

There are other amounts that can be contributed to superannuation, for example, certain employer termination payments (payable directly by an employer), certain disablement amounts on settlement of a disability claim (outside of superannuation), proceeds from the sale of a small business and superannuation sourced from a foreign superannuation fund. For information about the taxation treatment of these amounts we recommend you obtain appropriately qualified advice.

Taxation of Contributions

1. Tax is payable by the Trustee on concessional contributions. Tax may also be payable by a member directly in relation to their concessional and non-concessional contributions.
2. Concessional contributions include deductible employer and self employed contributions. Non-concessional contributions include member (after tax) contributions.

- 3 Transitional arrangements will apply, from 2007 to 2012, for those aged 50 or over at any time during this period allowing concessional contributions of up to \$100,000 per person per year. Concessional contributions in excess of these limits will incur additional tax of 31.5% payable directly by the individual member. This amount may be released from a superannuation fund upon presentation of a release authority issued by the Tax Office (ATO Release Authority). Any excess concessional contributions will also count towards the amount of a member's non-concessional contributions (see below).
4. If the Trustee does not hold your tax file number (TFN) by the end of the year in which contributions are received, your concessional contributions (called no-TFN contributions) will be taxed at the highest marginal tax rate (plus medicare levy). The Trustee may adopt whatever measures it considers appropriate to manage any tax liability that might arise on the part of the Plan as a result of a TFN not being held including deducting tax from concessional contributions as they are received or rejecting concessional contributions. A superannuation fund may (but is not obliged to) recover any additional tax paid by it in respect of your no-TFN contributions if subsequently provided with your TFN (within 3 years after the year in which the contributions were received). The Trustee will make reasonable endeavours to recover such tax but does not guarantee it will do so in the event that a person ceases membership prior to the Trustee receiving the member's TFN.
5. Non-concessional contributions will be limited to \$150,000 per person per annum (for the 2007/2008 financial year). People under age 65 can bring forward 2 years of future entitlements averaged over a three year period, giving them a cap of \$450,000 over a three year period. Once a person turns age 65 they will be able to make non-concessional contributions of up to \$150,000 in each financial year provided they satisfy the work test in each relevant year. The \$150,000 cap will be indexed in future years so it is always three times the cap on concessional contributions. Non-concessional contributions in excess of these limits will incur tax at the top marginal tax rate (plus medicare levy) payable directly by the individual. This amount must be released from a superannuation fund upon presentation of an ATO Release Authority.

Note: Spouse contributions will be included in the receiving spouse's cap. Government co-contributions, personal contributions made from certain proceeds from the disposal of qualifying small business assets up to a lifetime limit of \$1 million (indexed) and personal contributions from proceeds from certain payments for personal injury resulting in permanent disablement made within 90 days of receiving the payment will not count towards the non-concessional contributions cap.

Taxation of Benefits (other than death benefits)

Tax will be payable on a lump sum benefit paid to you depending largely on your age. In general, lump sum benefits (and pensions) paid to persons age 60 or over are tax free (if paid from a taxed source). Tax is payable on lump sum benefits paid to persons under age 60, as outlined in the table below. For information about tax payable on pensions paid to persons under age 60 see the Product Disclosure Statement for Smartsave's pension products.

Age / status	Component and tax treatment
Age 60 or over	Tax free
Preservation age (generally age 55) to age 59	Tax free component* is tax free. Taxable component** <ul style="list-style-type: none"> • The first \$140,000*** is tax free • The amount above \$140,000*** is taxed at 15% (plus medicare levy).
Less than preservation age	Tax free component* is tax free. Taxable component** taxed at 20% (plus medicare levy)
<p>* The tax free component consists of amounts such as the accumulation of non-concessional contributions, pre 1983 components and invalidity components. If you would like more information about these components contact the Administrator on 1300 360 971.</p> <p>** The taxable component is the balance of your benefit and consists of amounts such as the accumulation of concessional contributions and the post 1983 component. If you would like more information about these components contact the Administrator on 1300 360 971.</p> <p>*** The \$140,000 benefit limit is indexed in line with average weekly earnings each year and increased in \$5,000 increments.</p>	

If your benefit includes an untaxed element, higher tax may be applicable. In addition, when any benefit is paid, it must comprise both tax-free and taxable components, in the same proportions as your total benefit. You cannot nominate to withdraw specific components of your benefit. If the Trustee does not have your TFN at the time a benefit is paid, tax may be deducted from the taxable component at the top marginal tax rate, plus the Medicare levy.

Tax is not generally payable when transferring benefits to another superannuation fund or product (eg. pension).

Taxation of Death Benefits

Where a death benefit is paid to a dependant as a lump sum or pension (regardless of age) the benefit will be tax free.

A death benefit paid to a non-dependant can only be paid as a lump sum. In this instance the tax free component (as outlined above) is tax free, whilst the taxable component is taxed at 16.5%, inclusive of the Medicare Levy. Where a non-dependant receives an insurance payout as part of the death benefit, a portion of this amount may be an element untaxed (relating to the future service period of the insurance amount). Any element untaxed of the death benefit will be taxable at the maximum rate of 31.5%, inclusive of Medicare Levy. Tax on any taxable component may be higher if the Trustee does not hold your TFN.

Where a death benefit is received by the legal personal representative of a deceased estate, tax is determined according to who is intended to benefit from the estate.

A dependant for taxation purposes is a spouse, a child under 18 and any other person who was dependant or inter-dependant on the deceased member. It does not include an adult child aged 18 or more (unless financially dependent or inter-dependent).

Note that this definition of dependant differs from that applicable to a trustee's determination about the distribution of death benefits (see page 15 of this Annual Report for further information).

Income Protection Benefits

Income protection insurance benefits are paid as taxable income and, like salary and wages, attract pay-as-you-go tax at your marginal tax rate. The tax is deducted and remitted to the Australian Taxation Office before the benefit is paid. Higher tax applies if the Trustee does not hold your TFN.

Departing Australia Superannuation Payments

If you enter Australia on a temporary visa you are entitled to receive your superannuation benefit once you leave Australia permanently. This type of payment is known as a Departing Australia Superannuation Payment (DASP). The tax rates payable in respect of a DASP for those individuals under the age of 60 are as follows:

- Tax free component - Nil
- Taxable component 30% (tax may be higher if the Trustee does not hold your TFN or the benefit includes an untaxed element).

Where you are aged 60 or over, any benefit paid to you will be paid tax free.

Tax Deductions Available to the Plan

The Trustee may be able to claim tax deductions for insurance premiums incurred on your behalf (for example, for death and disablement cover) and other expenses relating to the operation of the Plan. For more information about the treatment of tax deductions, see your Annual Statement of Benefits.

Goods and Services Tax

The Plan's fees and costs may be subject to the GST. However, the Plan is entitled to recover 75% of the GST as a Reduced Input Tax Credit (RITC). This means that the actual cost to the Plan is reduced.

Tax File Numbers

Under the Superannuation Industry (Supervision) Act 1993, your superannuation fund is authorised to collect your tax file number (TFN), which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. The Trustee of your superannuation fund may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the trustee of your superannuation fund in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN. However giving your TFN to your superannuation fund will have the following advantages (which may not otherwise apply):

- your superannuation fund will be able to accept all types of contributions to your account/s;
- the tax on contributions to your superannuation account/s will not increase;
- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

OTHER IMPORTANT INFORMATION

Preservation

Preservation is a legislative term that means you must keep your superannuation benefits in a superannuation or rollover fund until your retirement after your preservation age (refer to the 'Preservation age table' below). Preserved benefits cannot be withdrawn as cash, but benefits can be transferred to another regulated fund at any time.

Under current legislation, all or part of your preserved benefits can be released if one of the following **Conditions of Release** is satisfied:

- you cease employment with your employer and the amount involved is less than \$200;
- you leave employment on or after age 60 (without necessarily retiring permanently);
- you turn 65 (whether you have retired or not);
- you permanently retire from the workforce after age 55 i.e. work less than 10 hours per week (progressively increasing to 60 if born after 30 June 1960 - refer to the 'Preservation age table' below);
- you die;
- you become permanently incapacitated;
- you experience severe financial hardship;
- you satisfy compassionate grounds acceptable to APRA;
- you reach your preservation age, providing you take your benefits in the form of a non-commutable income stream (transition to retirement pension); or
- you are otherwise permitted by law (for example, upon presentation of an ATO Release Authority to a superannuation fund).

Preservation Age Table	
Date of birth	Preservation age
Before 1 July 1960	55 years
1 July 1960 - 30 June 1961	56 years
1 July 1961 - 30 June 1962	57 years
1 July 1962 - 30 June 1963	58 years
1 July 1963 - 30 June 1964	59 years
After 30 June 1964	60 years

Some non-residents have the option of taking their superannuation benefits with them when they permanently depart Australia rather than leaving their benefits in the Australian superannuation system until they have reached their preservation age. These measures do not apply to Australian citizens, permanent residents, or other individuals who retain the option of retiring in Australia.

Death Benefits & Nominated Beneficiaries

The Plan generally provides you with death benefits. The actual amount is detailed on your Annual Statement of Benefits. Under the Plan or your Scheme, you can choose:

- whether or not to nominate a beneficiary to receive your superannuation benefit in the event of your death; and
- whether or not any nomination of beneficiary you make is binding on the Trustee.

Note: Any binding death benefit nomination made by you prior to joining Smartsave does not bind the Trustee of Smartsave. You will need to complete a new binding death benefit nomination that is directed to the Trustee of Smartsave.

The person or persons that you nominate to receive your benefit must be a person who is a dependant under the superannuation laws, which means that they must either be your spouse or de facto spouse, or one of your children, or a person with whom you have an interdependency relationship, or a person who is a financial dependant.

Two people - whether or not related by family - will have an interdependency relationship if:

- they have a close personal relationship;
- they live together;
- one or each of them provides the other with financial support; and
- one or each of them provides the other with domestic support and personal care.

In addition if a close personal relationship exists but the other requirements above are not satisfied because of a physical, intellectual or psychiatric disability (eg one person lives in a psychiatric institution suffering from a psychiatric disability), then an interdependency relationship may still exist.

For non-binding nominations, the Trustee will take your wishes into account but has complete discretion in deciding who will receive the benefit and the amount they will receive. The Trustee may pay the benefit to one or more of your dependants in whatever proportion the Trustee sees fit or may pay it to your Legal Personal Representative to be distributed as part of your estate.

For binding nominations, you can direct the Trustee to pay either to your estate or to 'dependants' specified by you and in the proportions that you specify. As the binding nomination removes the flexibility for the Trustee, you need to note the following:

- your nomination expires 3 years after the date on which you sign and date the Beneficiary Nomination form. If you do not make another nomination at this time, your nomination will no longer be valid and the Trustee will treat your existing nomination as a non-binding nomination; and
- you have to complete the Beneficiary Nomination form by signing it in the presence of two witnesses who are both at least 18 years old and neither of the witnesses can be a person who you have nominated to receive a part of your death benefit.

You should also note that death benefits paid to non-dependants (for tax purposes) must be paid as a lump sum and will be subject to tax (including when the benefit comes via your estate). A non-dependant for tax purposes includes a child aged 18 or more who is not a financial dependant or an interdependent.

You should consult your Adviser for information regarding the nomination of a beneficiary as there may be tax implications. The information we hold as to your nominated beneficiary will be shown on your Annual Statement of Benefits and can also be viewed via the Promoter's website at www.gisconcepts.com.au.

If anyone you nominate is not a dependant at the date of your death, they will not be entitled to receive a share of your benefit. In that case the Trustee, if it thinks that it is appropriate, will divide the share of that person between the other persons you have nominated in the percentages or shares in which they are entitled to receive your benefit.

Completing and Updating your Nomination

To nominate a beneficiary please complete the Beneficiary Nomination form which is available from the Administrator on 1300 654 720 or can be downloaded via the Promoter's website at www.gisconcepts.com.au. If you do not complete a Beneficiary Nomination form, your benefit will be paid by the Trustee to one or more of your dependants in whatever proportion the Trustee sees fit or the Trustee may pay it to your Legal Personal Representative to be distributed as part of your estate.

You may revoke or change your nomination at any time by writing to the Administrator.

Enquiries and Complaints

The Trustee has an established procedure for dealing with enquiries and complaints. Complaints should generally be made in writing to:

Complaints Resolution Officer
Trust Company Superannuation Services Limited
Level 3, 530 Collins Street
Melbourne VIC 3000

Telephone: (03) 9665 0200

Facsimile: (03) 9620 5821

Enquiries and complaints will be dealt with within 90 days.

If you are not satisfied with the Trustee's handling of your complaint or the decision, or the Trustee fails to respond to the complaint to your satisfaction within 90 days, you may refer a complaint to the Superannuation Complaints Tribunal ('Tribunal').

The Tribunal is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints with trustees. You can telephone the Tribunal from anywhere in Australia on 1300 780 808. The postal address for the SCT is GPO Locked Bag 3060, Melbourne, Vic 3001.

The Tribunal may be able to assist you to resolve your complaint, but only if you are not satisfied with the response resulting from the Trustee's handling of your complaint. The Tribunal cannot consider:

- complaints outside the Tribunal's jurisdiction, eg complaints about the general management of a fund;
- complaints that have not been dealt with by a fund's internal procedures; or
- complaints subject to Court proceedings.

If the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting you and the Trustee in reaching a mutual agreement. If conciliation is unsuccessful, the complaint is referred to the Tribunal for a determination that is binding on all parties. However, a decision of the Tribunal may be appealed to the Federal Court for review.

Eligible Rollover Fund

In some situations, the Trustee may transfer your benefit to an eligible rollover fund. These situations include when your account balance is below \$1,200 (and contributions have ceased) or when the Trustee determines to treat you as a lost member, that is:

- one or more written communications to you are returned unclaimed; or
- no contribution or rollover has been paid into your account for five years.

Once your benefit has been paid to an eligible rollover fund you will no longer be a Plan member and all insurance cover will cease. An eligible rollover fund must protect your benefit from further erosion by administration costs charged directly to your account but your account value can reduce due to negative investment returns and taxes.

The eligible rollover fund used by the Trustee is:

Super Eligible Rollover Fund (SERF)
Tranzact Superannuation Services Pty Ltd
PO Box 20314
WORLD SQUARE
SYDNEY NSW 2002

Telephone: 02 9231 0117

Facsimile: 02 9231 0119

SERF has different fees, costs and investments to Smartsave. SERF does not provide insurance benefits. For more information about SERF, contact SERF for a copy of its product disclosure statement. You may apply to the eligible rollover fund for payment of your benefit at any time.

The Trustee of Smartsave is also the trustee of SERF and receives remuneration in this capacity from SERF.

Privacy

The Trustee is committed to protecting the privacy of the personal information that you provide to them and we only collect personal information from you that is necessary for us to provide assistance to you. The Trustee needs to collect the personal information requested to provide us with sufficient information to manage your participation in the Plan. If you do not provide this information, we may not be able to do this.

The Trustee will not pass on your personal information to any other body, unless:

- the law requires them to do so;
- they believe your Adviser needs the information;
- the Promoter or a sub-promoter appointed by the Promoter needs to send you promotional material (if you do not wish to receive promotional material, please contact us at any time); or
- we need to disclose your personal information to agents that provide administration or specialist services to us. The Trustee requires their agents to keep any personal information about an investor confidential and to only use it for the purposes of providing services to them.

From time to time, the Trustee might also be required to disclose information concerning you or your account to:

- your employer, if your employer has agreed to participate in the Plan;
- your spouse and/or their legal adviser where a valid request for information is received under government legislation;
- the trustee of another fund where you request benefits to be transferred from that fund to your account or where you request us to transfer your account benefits to another fund;
- an insurer providing insurance benefits to members, when we receive an application from you for the purpose of providing you with insurance cover, an insurance claim or a claim for superannuation benefits based on medical grounds. The insurer may refer your health information to their health and medical experts for consideration;
- any deposit-taking institution to allow for the electronic transfer of funds; and
- regulators such as the Australian Securities and Investments Commission ('ASIC'), the Australian Taxation Office ('ATO'), the Australian Prudential Regulation Authority ('APRA') and the Australian Transaction Reports and Analysis Centre (AUSTRAC).

You can also tell us at any time not to pass on your personal information by advising us in writing.

If you would like a copy of the Privacy Policy, please contact the Privacy Officer on (02) 8295 8100, Freecall on 1800 622 812 or by visiting the website at www.trust.com.au. If you wish to lodge a complaint about privacy please contact the Privacy Officer on either of the above telephone numbers.

To find out more about rights and remedies for breaches of privacy, you can visit the Privacy Commissioner's website at www.privacy.gov.au or contact the Privacy Commissioner's hotline on 1300 363 992.

Family Law and Superannuation

Your superannuation interests may be divided by formal agreement or by Family Court order. Interests may be divided in the accumulation phase (pre-retirement) either as an agreed amount or percentage and in the payment phase (when the member is in receipt of a pension) as a percentage of the regular pension payments. Only superannuation interests of \$5,000 or above may be split. Please note that the family law legislation does not apply to de facto or same-sex relationships.

As this legislation is complex, you should seek professional advice on the consequences of separation and divorce on your superannuation interests.

Policy Committees

All employers who contribute to the Plan for more than 49 employees are required to form a policy committee. Each policy committee consists of an equal number of employee representatives and employer representatives.

The policy committee is designed to provide an avenue for members to make enquiries regarding the operation of the Plan, including the investment strategy and objectives and for the Trustee to obtain the views of the members. The employer nominates the employer representatives. The employees nominate the employee representatives. If more employee representatives are nominated than there are vacancies, a ballot must be held to decide who shall be the employee representatives.

Policy committees must also be established where an employer has between four and 50 members and at least five members request in writing that a policy committee be established. If there is a policy committee at your place of employment, the names of your policy committee representatives will be included with your Annual Statement of Benefits.

Further Information

You are entitled to inspect certain documents associated with the Plan's operation. These documents include the Plan's annual returns, audited accounts, auditor's report and the trust deed. All requests for this information or other queries about your superannuation entitlements should be referred to:

Trust Company Superannuation Services Limited
Level 3
530 Collins Street
Melbourne Vic 3000

Telephone (03) 9665 0200
Facsimile (03) 9620 5821
E-mail: clientservice@trust.com.au

Disclaimer

The intent of this report is to provide useful information, not investment or financial advice, and the information should not be construed as investment or financial advice. Each member is ultimately responsible for making his or her own investment decisions and obtaining whatever assistance he or she deems necessary. Neither the Trustee, the Promoter, the Administrator, the Insurer, fund managers nor any service providers guarantee the investment returns in this Plan.

The information in this report is of a general nature only and is not intended to be a complete or definitive statement of all matters outlined in it. The Trustee does not recommend that any member make decisions concerning superannuation arrangements based solely on this report. Formal legal documents, called the governing rules, and relevant legislation ultimately govern the operation of the Plan. The central document is the Plan trust deed. Should there be any discrepancies between the information in this report and the governing rules, the governing rules will prevail. Whilst all due care has been taken in the preparation of this report, the Trustee reserves the right to correct any errors or omissions.

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