

annual report 2007





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Highlights of the year 2006/07

Number of Members	32,134
Assets at 30 June 2007	\$717,385,000
Benefits Paid	\$51,134,000
Number of Employers	4,650
Increase in Assets	27%
Number of Members Paid	3,732

- Growth of Rei Super *Elite* Membership
- Introduction of pension benefits in the Fund
- Continued strong asset growth
- Solid investment returns
- Financial Planning services to members
- Introduction of Member BPAY

Looking ahead to 2007/2008

- Substantial Improvements to Insurance Benefits
- Introduction of Employer BPAY
- Further expansion of Financial Planning services
- Improvements to website
- Website access for pensioner members

“The financial year ended 30 June 2007 was another successful one for Rei Super”



During the year, Rei Super continued its participation in the Industry Fund – ‘Lifetime of Difference’ campaign.

Rei Super along with seventeen other major industry super funds created the campaign in 2005 to remind members of the benefits of industry funds as a retirement vehicle. The campaign has been extremely successful in highlighting to Australians the important advantages of industry funds.

That is - Rei Super is an industry fund run only to profit members.

We do not pay dividends to shareholders or commissions to financial advisors. This means that more of your contribution dollars remain invested in the Fund to assist with building your retirement benefit.

In addition, Rei Super works extensively within the property services sector, and we are therefore well placed to understand the needs of our members and employers.



A message from the chairman

I am pleased to present the Annual Report to members for Rei Super for 2006/2007 on behalf of the Board of Trustees.

The financial year ended 30 June 2007 was another successful one for Rei Super.

The changes announced by the Federal Government in its May 2006 Budget put super at the centre of the retirement strategies of Australians and Rei Super remains committed to serving our members' interests.

In reviewing the last 12 months a number of the significant milestones have been:

Continued strong investment returns

Investment markets across most sectors continued their strong performance during the year, which in turn contributed to solid gains to members' accounts.

The Trustee Super Balanced and Super Growth options produced net returns to members of 14.9% and 18.0% respectively.

During the year the Fund made further refinements to the investment portfolios of the Fund which are shown on page 7. In particular, the Trustee increased the total property exposure of the Trustee Super Balanced Option from 10% to 13%, by making an allocation of 8% to listed international property securities. The Trustee also made an allocation of 5% to alternative assets, to provide further diversification.

These changes are designed to use the best investment ideas for generating sustainable long-term investment returns.

Enhancements to Rei Super *Elite*

We further enhanced the Rei Super *Elite* section of the Fund, for our high net worth members with the introduction in October 2006 of an allocated pension and transition to retirement pension benefits.

Members who reach retirement can now maintain their benefits in the Fund and have pensions paid in retirement. This has been a very popular initiative.

The Fund also provides financial planning services to Rei Super *Elite* members to assist them to make the most out of their super.

Government announcements make super more attractive

The May 2006 budget announced a number of changes which make super an even more attractive investment. The 'Better Super' measures came into effect at 1 July 2007 and were accompanied by a Government advertising campaign.


A summary of the changes includes:

- Removal of tax on lump sum tax on benefits taken after age 60.
- Reasonable benefit limits abolished.
- Contribution limits substantially simplified and raised.
- Generous transitional contribution allowances have been introduced.

The Government also continued its super co-contributions scheme. This means for many members (see details inside this report) it is possible to get a 150% government subsidy on voluntary after tax super contributions!

Fund assets continued to grow strongly

With the support of our members and employers, strong investment markets, and greater than ever voluntary contributions, Fund assets grew from \$563 million in June 2006 to over \$717 million by 30 June 2007. Such growth is a reflection of the confidence of our membership, and allows us to offer more services to members whilst containing costs.



Looking Ahead To 2007/2008

The Fund will continue to look for ways to add value for members.

Insurance review

Following a major review, the insurance protection provided to our members will be substantially improved. Members will be offered an additional range of cover options at reduced premium rates. A separate communication regarding this important feature is coming soon.

Convenience in contribution payment

In 2007 we introduced member BPAY to allow our members to make voluntary contributions to the Fund over the internet. We will shortly be expanding this facility to all our participating employers. This will make it even easier and more convenient to pay to Rei Super in the future.

Expansion of Financial Planning services

Our members recognise that financial advice can improve their superannuation outcomes. With the continued expansion of Rei Super *Elite*, the Fund will provide a wider range of Financial Planning services to our members. Contact the Helpline for details.

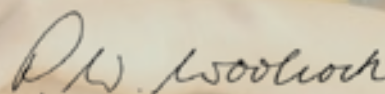
Retirement of Foundation Director – Norman Meadows

This year saw the retirement of Norman Meadows as a Trustee of the Fund.

Norman was a foundation Trustee and I wish to highlight the board's appreciation of the outstanding contribution he made to the Fund over the years since Rei Super commenced.

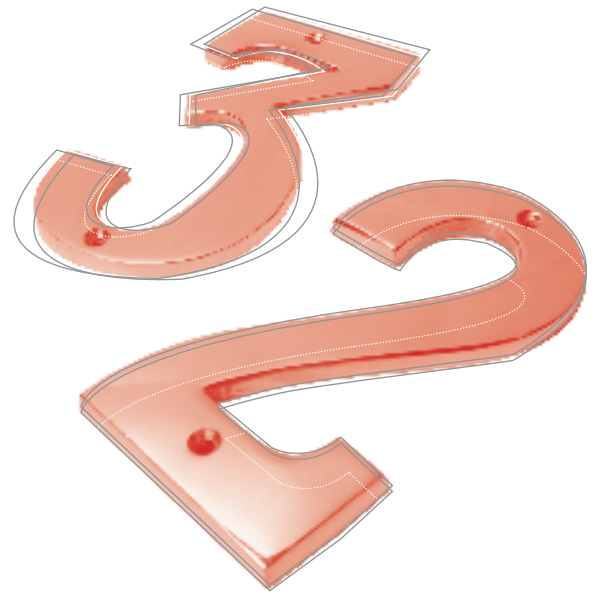
Finally, I thank the Trustees, all the Fund staff and service providers for their hard work and diligence in managing our Fund over the past year.

Yours faithfully



Bill Woolcock – Chairman

Fund statistics



Net Assets

Net assets rose again strongly during the year from \$563 million at 30 June 2006 to over \$717 million at 30 June 2007, an increase of almost 27% for the year.

Employee Members		Employer Members	
30 June 2006	30,411	30 June 2006	4,385
30 June 2007	32,134	30 June 2007	4,650

Membership by State and Territory				
	2006		2007	
	Number	%	Number	%
Victoria	12,060	39.7	12,160	37.9
New South Wales	10,592	34.8	11,484	35.7
Queensland	3,025	9.9	3,466	10.8
Western Australia	2,911	9.6	3,113	9.7
Tasmania	830	2.7	879	2.7
South Australia	360	1.2	378	1.2
ACT	299	1.0	318	1.0
Northern Territory	275	0.9	264	0.8
Overseas	59	0.2	72	0.2
Total	30,411	100	32,134	100

Almost 64% of the members of the Fund are female.
As at 30 June 2007 there were 15 pensioner members.

Benefits Paid

	2005-06		2006-07	
Type	Number	\$('000)	Number	\$('000)
Death (incl insurance)	28	1,445	27	1,387
Disablement (incl insurance)	5	185	9	328
Withdrawal	4,202	27,831	2,368	48,345
Retirement	541	14,620	696	995
Pensions	-	-	15	79
Total	4,776	44,081	3,732	51,134

Your super

How your benefit works

Your super works like a bank account. The contributions or allocations your employer makes for you, plus any contributions you make, are invested (after allowing for tax and expenses) according to your choice of investment option(s).

Investment earnings are paid on these contributions and your Fund account accumulates over time.

Your super benefit is your account balance. So the amount you ultimately receive is directly linked to the Fund's investment performance.

Investment results

The Fund has four investment options, each one representing a different investment strategy. Members can choose a single option or any combination of options. Each option represents a different level of investment risk or volatility, together with a different likely level of future earnings. However, you should be aware that past performance should not be relied upon as an indicator of future performance.

2007 Results

Super Growth	18.0%
Trustee Super Balanced	14.9%
Super Stable	8.5%
Super Cash	5.2%

Investment Performance of the Fund over the past five years

Year	Earnings	Super Growth			Trustee Super Balanced			Super Stable*			Super Cash		
		CR %	CPI %	RR %	CR %	CPI %	RR %	CR %	CPI %	RR %	CR %	CPI %	RR %
2002 - 03	(6,006,000)	-7.3	2.7	-10.0	-1.3	2.7	-10.0	N/A	2.7	N/A	4.9	2.7	2.2
2003 - 04	50,006,000	22.3	2.5	19.8	15.5	2.5	19.8	6.0	2.5	3.5*	2.7	2.5	0.2
2004 - 05	51,891,000	12.8	2.8	10.0	12.1	2.8	10.0	7.2	2.8	4.4	3.7	2.8	0.9
2005 - 06	73,490,000	16.9	4.0	12.9	13.3	4.0	12.9	6.9	4.0	2.9	3.8	4.0	-0.2
2006 - 07	95,438,000	18.0	2.1	15.9	14.9	2.1	12.8	8.5	2.1	6.4	5.2	2.1	3.1
3 year average		15.9	3.0	12.9	13.4	3.0	10.4	7.5	3.0	4.5	4.2	3.0	1.2
5 year average		12.5	2.8	9.7	10.9	2.8	8.1	N/A	2.8	N/A	4.1	2.8	1.3

* Option introduced November 2003

CR - Crediting Rate; CPI - Consumer Price Index; RR - Real return

“Call the Rei Super Helpline on 1300 134 433 where a customer Service representative will be pleased to assist”

More about how the Fund’s investments operate

The Trustee sets the overall investment objectives and strategy of each option in conjunction with the investment consultant Intech, who implement the strategy via investments in a variety of underlying Intech unit trusts.

If you do not nominate an investment option when you join the Fund, your super will be invested in the default option nominated by the Trustee, which is the Trustee Super Balanced option.

The full Investment Policy and Strategy can be viewed on the Fund website www.reisuper.com.au or obtained by phoning **1300 134 433**.

You can change your investment choice at any time and there is no switching fee. However there may be a buy/sell spread cost as detailed in the Fees and Charges section of the report.

To view detailed information on your current investment option or how to change options, log onto www.reisuper.com.au and follow these prompts:

- Logon using your member number and PIN. (Please call 1300 134 433 if you need details of your PIN.)
- Click on “Your Investments”
- Click on “Your Investment Mix” or “Change Investment Choice”

Alternatively, call the Rei Super helpline on **1300 134 433** where a Customer Service Representative will be pleased to assist with explaining the investment options.



	Super Growth	Trustee Super Balanced	Super Stable	Super Cash
Overall objective	To provide members with a top performing diversified growth-style investment	To provide members with a top performing growth-oriented diversified investment	To provide members with a top performing, conservative diversified investment option.	To provide members with a secure investment that has a very high chance of capital being preserved over any 12 month period, after fees and tax.
Investment objectives	To earn a rate of return, after tax and fees that exceeds CPI by at least 4% per annum over the average time expected to be spent by members in the workforce.	To earn a rate of return, after tax and fees that exceeds CPI by at least 3% per annum over the average time expected to be spent by members in the workforce	To earn a rate of return after tax and fees that exceeds CPI by at least 1% pa over rolling 3-year periods.	To match and where possible enhance performance relative to the benchmark over rolling 3 year periods. The Super Cash investment option is designed for members who seek a lower potential return in exchange for low risk.
Risk profile	HIGH The Super Growth investment option is designed for members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets and has the potential for the highest return over the long term. However, returns will vary and are expected in some years to be low or negative. To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 4 out of every 5 years.	MEDIUM TO HIGH The Trustee Super Balanced investment option is designed for members who prefer to accept a medium to high potential return for medium risks. This option invests mainly in growth assets, with some defensive assets. It has potential for high returns over time due to the significant proportion of growth assets. However, returns will vary and are expected in some years to be low or negative, although to a lesser degree than the Super Growth option. To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 5 out of every 6 years.	MEDIUM TO LOW The Super Stable investment option is designed for members who require more stable returns. This option invests mainly in interest bearing assets (cash and bonds), with some growth assets (shares and property). Returns have the potential to be higher than just investing in cash investments. Returns will vary and there is a still a slight possibility of delivering a negative return in any one year, but are likely to be more stable than options with a higher proportion to growth assets. To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 20 out of every 21 years.	LOW Returns will be comparatively stable, with only a negligible risk of delivering a negative return in any one year.
Investment mix	Australian shares 45% International shares 35% International Property 12.5% Alternatives 7.5% <i>Allocations shown above may vary by + 2%</i>	Australian shares 29% International shares 25% Australian Property 5% International Listed Property 8% Australian bonds 10% International bonds 13% Cash 5% Alternatives 5% <i>Allocations shown above may vary by + 2%</i>	Australian shares 10% International shares 10% Australian Property 5% International Property 4% Australian bonds 15% International bonds 30% Cash 25% Alternatives 1% <i>Allocations shown above may vary by + 2%</i>	Cash 100%



Investment performance review for 2006-07

What does it mean for Rei Super members?

Investors urged to maintain perspective as double-digit returns delivered once again

The 2006-07 financial year once again saw most growth asset classes (Shares & Property), with the exception of unhedged international shares, deliver double-digit returns.

The Australian sharemarket led the way, delivering its best return in 20 years. As a result, the Trustee Super Balanced and Super Growth options delivered their fourth consecutive year of double-digit returns. However, the caution for the future is still valid despite the overall market strength.

Throughout the year global economies continued to power on with the European and US share markets consistently hitting new peaks. However, it wasn't all one way traffic, with a volatile Shanghai market creating shockwaves in late February, and concerns of higher interest rates exposing weakness in the US sub-prime loans sector at the end of the financial year.

2006-07 sector performance drivers

International Shares: Global sharemarkets delivered another year of double digit returns, 21.4% in local currency terms. All major regions produced exceptional returns, with Europe leading the way (29.1%). Emerging Markets significantly outperformed developed markets by around 20%.

Unfortunately for unhedged global investors, a proportion of these gains were eroded by the strength of the Australian dollar, which broke an 18-year high against the USD (to rise from US \$0.73 to close at US\$0.85).

Australian Shares: Despite volatility, the Australian sharemarket finished the year up 29.2%, its best financial year result in two decades.

“The 2006-07 financial year once again saw most growth asset classes deliver double-digit returns”

Takeover activity (both rumoured and actual) remained a key theme throughout the year. The second half of the year also saw resources stocks rebound in line with increasing commodity prices.

Australian Property: Regardless of the boom in global growth, interest-rate sensitive stocks continued to perform well. Australian listed property securities continued their stellar run, returning 26.3% for the financial year – the best result in a decade.

International Property: Despite a significant correction (-8.8%) in the month of June 2007 (largely associated with fears of rising interest rates), global property securities had another strong financial year, up 17.9% in local currency terms.

Fixed Income: The largest move in bond yields occurred with longer-dated bonds as strong global economic data continued to fuel perceptions that solid growth would continue, posing upside risk for inflation. Consequently, returns for both Australian and hedged international bonds were low, with both slightly underperforming cash for the third time in the last four years.



Diversification still essential for investors...

With the median growth fund delivering four straight years of double digit returns, investors could easily get carried away heading into the 2007/2008 financial year. However, as always with investing, a sense of caution and perspective should be maintained with members remaining true to their risk profile.

Changes to the Rei Super investment portfolio

The importance of diversification was underlined in this report last year and the continued strength of growth assets in the past 12 months only serves to highlight this. Intent on maintaining a well diversified portfolio, the Trustee continued to make a number of changes during the year in an effort to increase the sources of return and manage the overall risk of each investment option.

Australian & International fixed interest changes

In November 2006, the Trustee enhanced the fixed income component of the portfolio by moving to a passive strategy for Australian Bonds and introducing an allocation to an active strategy for International Bonds.

The rationale for the change was as a result of research which showed that skilful active international bond managers have great scope to add value to members' portfolios. In contrast, in general, the level of out performance for active management of Australian Bonds has been modest relative to expectations and to the performance of other asset classes.

Implementation of Intech's Portfolio Review Recommendations

In conjunction with the Fund's investment consultant, Intech, the Trustee carried out a review of the Super Growth and Trustee Super Balanced options during the year to assess whether they were being constructed in the most efficient way from a risk and return perspective.

As a result of this review, the Trustee implemented a number of changes to the portfolio in April 2007. The main changes were the introduction of alternative investments to each option via the Intech Global Trading Strategies Trust II (GTS II) and introducing International Property Securities (IPS) to the Super Growth Option.

International Property: The diversification benefits that IPS offers along with the fact that its returns are expected to be relatively independent of movements in both Australian and International sharemarkets were the rationale for introducing an exposure to this asset class.

Global Trading Strategies Trust II (GTSII): A small allocation to GTSII was made across the Super Growth, Trustee Super Balanced and Super Stable Options.

This trust offers exposure to global market selection strategies, across a range of currencies and asset classes, including equities, fixed income and commodities. The managers of this trust use leverage and take both positive (long) and negative (short) positions to benefit from their positive and negative investment views. Similar to International property, GTSII serves as a good diversifier within the portfolios and is expected to generate returns commensurate to shares although its returns are expected to be relatively independent of movements in sharemarkets.

By being a foundation investor in GTSII, Rei Super obtained a reduced investment fee for this trust, thus locking in competitive pricing for members.

The Trustee's ultimate goal in making these changes is to further diversify the Fund's investment strategy to seek to reduce the impact of investment market volatility on member's returns.

Some investment terms explained

Consumer Price Index (CPI) – is used to measure the rate of increase in inflation. In Australia, it is based on the change in prices of a selection of household goods and services.

Average Weekly Ordinary Time Earnings (AWOTE) – is used to measure the rate of increase in average wages in Australia.

Asset class – type of investment such as Australian shares, property securities or Australian fixed interest.

Asset allocation – the range of assets held in the various asset classes such as Australian shares, overseas shares, and property.

Growth assets – assets expected to grow in value over time (although their value may rise and fall in the short term), such as shares and property.

Stable assets – assets held to generate an income rather than for long term growth. They are sometimes referred to as 'debt' or 'defensive' assets. Examples are fixed interest and cash.

Your investment purchases units

The net amount of your superannuation contributions (i.e. after any fees and/or taxes are deducted) buys what is known as 'units' in your chosen investment options. The number of units that your net contributions buy depends on the unit price at the relevant time. For example, if your net contributions are \$1,000 (i.e. after any fees and/or taxes are deducted) and the unit price of your selected investment option is \$1.00 at that time, then 1,000 units would be bought on your behalf.

Unit prices for each investment option are calculated on a weekly basis and fluctuate according to the investment performance of that investment option (i.e. the unit price for each option will reflect the value of the option's underlying investments after making provision for tax on those investments and investment management fees).

Units in a member's account are held at their redemption (or sell) price value and this value is shown on the website, provided in benefit estimates or on the annual statement of benefits.

The value of your account balance at any time is simply the number of units you have multiplied by their unit price at that time. Net earnings on your chosen investment options (which may be positive or negative) will be reflected via changes in unit prices. If the net earnings for the option are positive, the unit price will increase. If the net investment earnings are negative (a loss), the unit price will decrease.

The effective rate of net earnings for a given period can therefore be determined by the proportionate increase (if returns are positive) or decrease (if returns are negative) in the unit prices from the start to the end of the period.



How to grow **your super**

How do I roll over other super to my Rei Super account?

Rei Super recommends that you firstly contact your previous superannuation provider to confirm any applicable fees and charges that will be incurred. It is standard practice for super funds to charge a benefit payment fee to transfer to another fund. However, some super products also incur a substantial penalty for rolling out of the plan prior to retirement age. For this reason it is advisable to check the fees and penalties your previous fund will be charging.

Now follow these three simple steps.

Step 1 Log onto www.reisuper.com.au and download the transfer form from the Fund website (no PIN required)

- Click in the “Forms” section
- Select “Transfer of previous superannuation benefits form” located under member forms and print a copy.

Step 2 Complete the form, which requires full details of your previous superannuation fund membership. It’s a good idea to also attach a photocopy of your old fund benefit statement to the form and to provide proof of identification (i.e copy of drivers license)

A separate form is required for each of the previous funds holding a current balance that you wish to transfer into Rei Super.

Step 3 Return the original completed form to:
Rei Super,
GPO Box 4303,
Melbourne Vic 3001

The previous fund will provide written confirmation to you once the balance has been transferred to Rei Super. You will also be provided with advice from Rei Super confirming receipt of the monies. There are no fees charged by Rei Super for rolling in other funds.

Is your super lost?

Each year, millions of dollars of super contributions are reported to the ATO as lost because members change jobs and forget their old super accounts. Then when they move and don’t advise their fund of their change of address, they become a lost member.

When this occurs, the super fund has to send their last known details to the Tax Office.

If you think that you may have lost contact with some of your super, you can check online at www.ato.gov.au/super or www.unclaimedsuper.com.au

By providing some personal details and your tax file number, you can search the Lost Members Register, the Superannuation Holding Account Reserve and Superannuation Guarantee records.

If a possible match is found, the person conducting the search is provided with the name and contact phone number of the super fund that provided the information to the Tax Office.

Rei Super regularly matches details of Lost Members to both the ATO and Ausfund.



Two members of Rei Super who have consolidated their super funds have this to say:

Twelve months ago I began employment with “Dyldam Developments” of which their chosen Super fund is Rei Super.

I discovered old monies in various super accounts dating back many years but with Rei Super’s help and the rollover form they supplied I now have control over my super in just one account with Rei Super.

Not only did they make the process simple but I now avoid paying unnecessary fees. To my surprise there was no cost or entry fees for this service.

Neil Searle
Dyldam Group Projects



After working in various temp roles and changing my career I found I had a nagging pile of letters from various different superfunds reminding me that I had to consolidate all these small amounts into one.

Admittedly I tried a few times to track it all down but resources such as Unclaimed Super through the ATO which only gave me some results but not all. Eventually I was lucky enough to meet Rei Super who really just made everything so easy, I told them what I was trying to achieve and they made it happen, with how difficult it was to find such old accounts and then actually get the money transferred over I feel I could never have achieved this on my own. I am very grateful for the hard work and friendly service and advice that I have received.

Alicia Deveson

Important benefit – Government's co-contributions

Remember that if you make personal contributions – you may be eligible for the Federal Government's co-contribution measures, if:

- Your income and reportable fringe benefits are less than \$ 58,980 in a year.
- You made a contribution (not salary sacrifice) into a superannuation fund.

- You are a permanent resident aged less than 71 at the end of the financial year in which you made a payment.
- You are not fully or largely self-employed.
- You lodge a tax return.

then you are eligible for the co-contribution. The amount of the government co-contribution depends on your income (including reportable fringe benefits) and your own superannuation contribution.

The following table shows some examples of the co-contributions you will receive under this scheme:

	\$1,000	\$800	\$500	\$200
	Your Super Co-Contribution will be:			
\$28,980 or less	\$1,500	\$1,200	\$750	\$300
\$32,000	\$1,349	\$1,200	\$750	\$300
\$36,000	\$1,149	\$1,149	\$750	\$300
\$40,000	\$949	\$949	\$750	\$300
\$44,000	\$749	\$749	\$749	\$300
\$48,000	\$549	\$549	\$549	\$300
\$52,000	\$349	\$349	\$349	\$300
\$56,000	\$149	\$149	\$149	\$149
\$58,980	\$0	\$0	\$0	\$0

Contributions can be made (after tax) by:

- Deductions from your salary
- Lump Sum Cheque
- Member BPAY

Retaining your benefits in Rei Super

Rei Super is the industry fund for the property services sector. When you leave employment with your current employer it is possible to retain your membership of Rei Super, whether or not you are still working in the property services sector.

You can ask your new employer to direct future contributions to Rei Super by providing your membership details to your employer. Call the Helpline on **1300 134 433** if you need any assistance.

One potential benefit of continuing your membership of the Fund is to maintain continuity of your insurance cover, as well as the various other benefits and services offered by the Fund.

Member **benefits**

Insurance Benefits

Rei Super provides flexible cover for both death and total and permanent disablement and also salary protection insurance. These are provided via insurance policies with Hannover Life Re. Cover starts from \$1 per week.

These benefits are fully detailed in the Fund's Product Disclosure Statement (PDS) which is available from the Fund's website at www.reisuper.com.au or by calling **1300 134 433**. The following provides a brief description.

Death Cover

Both active and inactive members are covered for death cover. Cover is unithised and is provided 24 hours a day, seven days a week.

Total & Permanent Disablement Cover (TPD)

Members who work full-time also receive protection for total and permanent disablement. This cover provides protection for both members and their families. The cover is 24 hours a day, 7 days a week. The protection applies even when the member is not at work. Refer to the Fund PDS for the full definition of total and permanent disablement.

All members received a benefit statement in October detailing their amounts of cover. If you haven't reviewed your cover recently, this might be a good opportunity to see that you and your family are adequately protected.

Salary Protection Insurance (SPI)

The Fund offers SPI to protect a member's income in the case of an accident and/or illness.

Members can insure a fixed amount up to a maximum of 75 per cent of their salary. Salary includes commissions, retainers and bonuses.

Each unit of cover provides \$100/week and costs \$13 a year. If 75 per cent of your annual salary is, for example, \$52,000, then to provide cover for \$1,000 per week would cost \$130 per year.

For a brochure on SPI, call the Fund's Administrator on **1300 134 433**. The brochure is also available on the website at www.reisuper.com.au

Available Member Finance



As an industry fund, Rei Super can offer via Member's Equity a range of financial products for members.

Low Cost Home Loans

The Trustee has an investment in the Super Members' Home Loans program. Importantly, this allows Fund members access to competitive variable and fixed rate housing and residential investment property finance.

There are no establishment fees and the lending criteria matches that of the major banks. If members qualify, they can refinance their existing loan.

Rei Super is one of the super funds participating in the program that is administered by Members Equity. Several hundred of our members have mortgages through this facility.

Call Members' Equity on **13 15 63** for more information or visit their website at: www.membersequity.com.au



Low Cost Business Loans

The Trustee has invested \$1 million in Super Business Loans. Super Business Loans provides very competitive finance for all business needs including vehicle leasing.

Call **1300 658 108** for more information or visit the website **www.membersequity.com.au**

Rei Super Website Features

The Fund's website features include:

- Forms in a pdf format that can be downloaded and stored in your computer.
- Access to your personal details and current account balances details as well as history for the previous and current financial year.
- Details of contributions paid by you and your employer.
- The ability to update your personal information.
- The ability to switch your investments on line
- Details of the latest weekly unit prices (available each Friday).
- Latest Rei Super news.
- Financial planning information.

If you haven't logged on to **www.reisuper.com.au** recently, we encourage you to do so to take control of your super.

If you do not have your membership number or PIN please call **1300 134 433**.

Members Health

Rei Super is concerned about our members' wellbeing. Depression is more than just a low mood — it's a serious illness that can affect any one of us. One in five people in Australia will experience depression in their lifetime. This affects not only our members but their families and work colleagues. Help is available.

For information about depression please visit:

- www.beyondblue.org.au
- www.lifeline.org.au
- www.suicidehelpline.org.au

National Numbers:

- Lifeline **13 11 14**
- Kids Help Line **1800 551 800**
- Mensline Australia **1300 789 978**



Rei Super **Elite**

In August 2006, Rei Super introduced 'Rei Super *Elite*' — a high quality offering exclusively designed for members with over \$100,000 in their super account.

In addition to the current benefits and services of Rei Super, Rei Super *Elite* provides members with an additional suite of membership options to allow them to tailor super to suit individual needs — but removes the headaches, compliance and costs of self administration.

Rei Super *Elite* provides:

- Four diversified and five single sector investment options, plus the flexibility to select any combination of options and switch at any time without a switching fee.
- Income protection insurance with a choice of 30, 60 or 90 day waiting periods
- Extensive life and total and permanent disablement insurance – with either a fixed or declining insured value
- A range of retirement pension options to suit income requirements
- Personal financial advice to tailor Rei Super *Elite* to suit individual needs

If your account balance is over \$100,000 and you have not yet joined *Elite* please call the Helpline on **1300 134 433** for further details.

Two members of Rei Super *Elite* had these comments on the services provided:

Just a quick note of thanks regarding the financial consultation service made available to *Elite* members. Although I have my own financial planner, the opportunity to have an independent assessment of where I presently stand proved invaluable. In a relaxed environment we revisited all aspects of the planning and insurance process, with the latter proving well overdue for review.

Murray Pickles
REIWA



As an Rei Super *Elite* member I have been offered and accepted Financial advise from your Advisors which has proven to very beneficial to me, I also now have the added insurance units without having to complete pages of Medical history, that on it's own gives me peace of mind should something unexpected happens to me. The extra benefit of being able to spread my super over five different areas allows me to maximise my super for minimum cost. I like most people had the choice to change super funds when the Super laws changed I am glad that I stayed with the Industry fund. It certainly looks after it's Members.

Julie Reed
L J Hooker Moe



Investment Performance of the Rei Super *Elite* Options

Rei Super introduced five sector specialist investment options which may be particularly relevant to high net worth real estate professionals.

These investors offered membership of Rei Super *Elite* have the opportunity to tailor their asset allocation through using the *Elite* sector options as building blocks in constructing their preferred portfolio. The sector options, which are made up of Intech sector trusts serve to complement the existing diversified options (Super Growth, Trustee Super Balanced and Super Stable) plus Cash.

The diversified options, designed to cover the broad risk spectrum, already use these sector trusts to create the desired portfolio mix that fits with the risk profile of each option.

Ultimately the *Elite* sector options offer the member greater control over the mix of assets within their investment portfolio

Rei Super *Elite* Pension Options

An allocated pension is a way of using the super money you have accumulated to provide a regular income.

The Rei Super *Elite* pension is available if:

- You have, or intend to, permanently retire from the workforce (that is you do not intend to work more than 10 hours per week ever again), OR
- You have reached your preservation age, intend to continue working and wish to draw an income from your existing super balance.

If you are a member of Rei Super *Elite* you may transfer part or all of your super account into an allocated pension or a transition to retirement pension ("TRAP").

We recommend you seek financial advice from the Fund before proceeding with your pension application. As a Rei Super *Elite* member you are entitled to 2 hours free financial planning advice.

Please call the Helpline on **1300 134 433** to arrange an appointment.

<i>Elite</i> Accumulation Options	Net Crediting Rate up to 30 June 2007* %
Australian Shares	23.9
International Shares	13.8
Australian Property	19.5
Global Property	12.2
Fixed Income	3.16
Super Growth	18.0
Trustee Super Balanced	14.9
Super Stable	8.5
Super Cash	5.2

*Options commenced 31 July 2006, Eleven month return shown.

<i>Elite</i> Pension Options	Net Crediting Rate up to 30 June 2007# %
Australian Shares	22.4
International Shares	8.8
Australian Property	12.4
Global Property	4.2
Fixed Income	1.2
Super Growth	16.5
Trustee Super Balanced	12.6
Super Stable	5.3
Super Cash	4.6

Pension options commenced 31 October 2006. Eight month return shown

	Australian Shares	International Shares	Australian Property	Global Property	Fixed Income
Overall Objective	To provide members with a top quality, professionally managed diversified Australian Shares Investment.	To provide members with a top quality professionally managed diversified international shares investment.	To provide members with a top quality professionally managed diversified domestic property securities investment.	To provide members with a top quality professionally managed diversified global property securities investment.	To provide members with a top quality professionally managed bond and fixed interest investment.
Investment Objectives	To earn a rate of return, (gross of fees and tax) above benchmark over rolling 5 year periods within a clearly defined risk profile. The benchmark is the S&P/ASX 300 Accumulation Index.	To earn a rate of return (gross of fees and tax) above benchmark over rolling 5 year periods within a clearly defined risk profile. The benchmark is the MSCI World ex-Australia with net dividends reinvested (50% hedged into \$A).	To match and where possible, enhance performance relative to the benchmark (gross of fees and tax) over rolling 5 year periods. The benchmark is the S&P/ASX 300 Property Accumulation Index.	To earn a rate of return (gross of fees and tax) above benchmark over rolling 5 year periods. The benchmark is the UBS Global (ex-Australia) Property Investors Index (fully hedged into A\$)	To earn a rate of return (gross of fees and tax) above benchmark over rolling 3 year periods. The benchmark is 50% UBS Government Bond (All maturities) Index, and 50% Lehman Global Aggregate (hedged into \$A) Index.
Risk Profile	<p>HIGH</p> <p>The Australian Shares investment option is designed for members who want higher potential returns and are more comfortable with greater fluctuations in returns.</p> <p>This option invests only in growth assets (Australian Shares) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be negative.</p>	<p>HIGH</p> <p>The International Shares investment option is designed for members who want higher potential returns and who are more comfortable with greater fluctuations in returns.</p> <p>This option invests only in growth assets (international shares) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative</p>	<p>MEDIUM HIGH</p> <p>The Australian Property investment option is designed for members who want higher potential returns and who are more comfortable with greater fluctuations in returns.</p> <p>This option invests only in growth assets (Australian Listed Property) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative.</p>	<p>MEDIUM LOW</p> <p>The Global Property investment option is designed for members who want higher potential returns and who are more comfortable with greater fluctuations in returns.</p> <p>This option invests only in growth assets (Global listed property) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative.</p>	<p>MEDIUM LOW</p> <p>The Fixed Income investment option is designed for members who require more stable returns.</p> <p>This option invests in interest bearing assets (bonds), with possibly a small amount of cash. Returns have the potential to be higher than just investing in cash investments. Returns will vary and there is the slight possibility of delivering a negative return in any one year, but are likely to be more stable than options with a higher proportion to growth assets.</p>
Investment Mix	100% Intech Australian Shares Active Trust	50% Intech International Shares Active Trust (Unhedged) 50% Intech International Shares Active Trust (Hedged)	100% Intech Australian Property Securities Trust.	100% Intech International Property Securities (Hedged) Trust	50% Intech Australian Bond Trust (Passive) 40% Intech International Bond Active Trust (Hedged) 10% Intech International Bond Trust (Hedged) (Passive)

Fees and charges

The costs of running the Fund are managed carefully.

Administration fees are deducted from members' account balances each month. For members with insurance cover, the premiums are also deducted from members' accounts according to the number of insurance units held.

In addition, employer and pre tax member contributions are subject to contributions tax which is deducted from your account.

In addition to the administration fees, investment management fees are paid to the investment managers for managing the Fund's assets, and these vary according to the investment option selected.

Despite increasing services to our members and the ongoing responsibilities associated with running a Fund, there have been no changes to the administration fees charged to members of Rei Super during 2006-07.

You should read all the information about fees and costs because it is important to understand their impact on your investment. Please refer to the next page of this report or Fund's Product Disclosure Statement for more information. You do not pay GST on any of the fees and charges set out on the next page.

“Despite increasing services to our members and the ongoing responsibilities associated with running a Fund, there have been no changes to the administration fees charged to members of Rei Super during 2006-07”



Significant Fees

Type of Fee or Cost	Amount	How and When Paid
Fees when your money moves in or out of the fund		
Establishment fee The fee to open your investment. The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
Contribution fee The fee on each amount you take out of your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	\$55	The withdrawal fee will be deducted from your benefit at the time of payment (including partial withdrawals and closing your account) (not applicable for pension members)
Termination fee The fee to close your investment	Nil (included in withdrawal fee)	Not applicable. Rei Super does not charge a separate termination fee in addition to the withdrawal fee.
Management costs	The fees and costs for managing your investment. Administration fee of \$1.20 per week, or \$3.50 per week for Pension Members plus up to 0.21% of your balance (estimate) plus further fees which represent the Fund's Indirect Cost Ratio (ICR). This is a fee for managing the Fund's investments. These fees are deducted before interest is credited to member accounts as follows: > Super Growth – 0.68% of your balance > Trustee Super Balanced – 0.44% of your balance > Super Stable – 0.34% of your balance > Super Cash – 0.15% of your balance > Australian Shares – 0.57% of your balance > Global Shares – 0.75% of your balance > Australian Property – 0.25% of your balance > Global Property – 0.77% of your balance > Fixed interest – 0.33% of your balance	The fixed administration fee is deducted from your account balance monthly in arrears. The percentage fees shown are deducted as part of the calculation of unit prices. These amounts are estimates and may vary from year to year as described in the Additional Explanatwion of Fees and Charges below. The Fund does not pay any performance related investment management fees to Intech or the underlying investment managers.
Service fees		
Investment switching fee. The fee for changing investment options	Nil	Not applicable
Family Law Fees A one off fee for family law information and splitting a superannuation payment upon receipt of a splitting agreement or court order.	\$340	This fee will be invoiced directly to the relevant party

Buy/Sell spread

Buy-sell spreads apply when contributions are made, when transfers are received, or when you switch from one investment option to another. They also apply to withdrawals.

The buy/sell spread is a percentage of the amount involved that is charged by the Fund to cover the costs associated with the transaction. These include fees charged by investment managers, brokerage, settlement and clearing costs, stamp duty and other fees that would be incurred in buying or selling part or all of the underlying investments.

The buy/sell spread applicable to each investment option is shown in the table below. The percentage is applied at the time of making the transaction. This fee is additional to the fees and costs previously detailed in the 'Significant Fees' table.

The Buy/Sell spreads for the Fund's investment options are:

Super Growth	0.55% (55 basis points)
Trustee Super Balanced	0.40% (40 basis points)
Super Stable	0.18% (18 basis points)
Super Cash	zero (0 basis points)
Australian Shares	0.60% (60 basis points)
International Shares	0.50% (50 basis points)
Australian Property	0.40% (40 basis points)
Global Property	0.70% (70 basis points)
Fixed Interest zero	Zero (0 basis points)

Insurance costs

The cost of insurance premiums are also passed on to members by deduction from their accounts. Please refer to the Fund's Product Disclosure Statement for more details.

Government Imposed Taxes and Charge

The Federal Government imposes the most significant taxes and charges levied on the Fund. Employer contributions on behalf of employees and before-tax contributions by employees are taxed at 15 per cent. Earnings on investments are also taxed at 15 per cent and capital gains tax depends on the asset and the length of time it is owned. Income tax paid by the Fund in 2005-06 was over \$22.5 million

The Australian Prudential Regulation Authority (APRA) as the government's superannuation regulator charges each superannuation fund a fee to fund its activities. During the year Rei Super's fees paid to APRA were \$112,000.

Indexation of fees

The family law fees set out in the Service fees table will be indexed annually each year to AWOTE.

Fee increases (other than indexation)

The Trustee has the right to increase fees at any time. You will receive at least 30 days' notice of any increase in fees.

Member protection

Federal Government legislation limits the amount of fees and charges that can be applied to certain small superannuation account balances. If your account balance is less than \$1,000 at the end of a member reporting period (generally 30 June each year) or at your date of exit from the Fund, and your account includes any employer superannuation guarantee contributions, the trustee currently applies this requirement to limit the total fees (excluding insurance premiums and taxes) charged to your account in a member reporting period to the investment earnings credited to your account in that period.

Who manages your super fund



Rei Super is run by a trustee company Rei Superannuation Fund Pty Ltd ABN 68 056 044 770 AFSL Number 240569 RSE Licence Number. L0000314.

There are nine directors in the trustee company. Eight are appointed by the members of the Fund in accordance with the rules for member representative directors and one is an Independent Director.

The trustee also has a non voting Independent Chairperson.

Independent Chairperson
(non voting) Bill Woolcock

Directors of the trustee at
30 June 2007 were:

Beth Stratfold
Helen Cunningham
John Greig
David Cameron
Michael Kumm
Norm Meadows
Neville Pozzi
Ian Armstrong
Ken Searson (independent)

The Fund has a specific set of rules applying to the appointment and removal of member representatives and the filling of casual vacancies. For a copy of these rules, please call **1300 134 433**.

Board Committees

The board operates a number of committees as sub groups of directors to focus on particular issues of importance to the Fund.

Administration Committee

The Administration Committee monitors the performance of service providers and recommends their appointment, monitors member feedback and responds to any administration complaints.

Committee Members at 30 June are: B Stratfold (Chr), J Greig, H Cunningham, D Cameron, N Meadows

Death and Disablement Claims Committee

The Death and Disablement Claims Committee assists the board by handling death and total and permanent disablement claims between meetings. During the year the committee considered out-of-session claims for 45 members compared to 27 the previous year.

Committee members at 30 June are: M Kumm, D Cameron

Compliance and Audit Committee

The objectives of the Committee are to ensure the internal control framework of the Fund meets the needs of Rei Super through oversight of the compliance and audit functions, to assure the objectivity and reliability of financial reports, and to assist the board in understanding its obligations and ensuring that Rei Super is compliant with all legislative and other government obligations.

In particular the Committee's objectives include a focus on assessing compliance with the conditions of the Fund's RSE and AFSL Licenses.

Committee Members at 30 June are: N Pozzi (Ch), I Armstrong, N Meadows, K Searson, B Stratfold

Marketing Committee

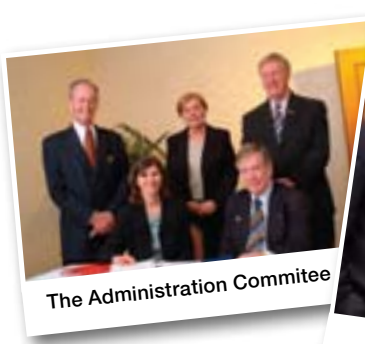
The Marketing Committee assists the board of Rei Super in promoting the benefits of the Fund to members and potential members.

Committee Members at 30 June are: I Armstrong (Ch), M Kumm, B Stratfold, N Pozzi, J Greig, D Cameron

Fund Secretariat

The Fund Secretariat has a team of superannuation and finance professionals who run the Fund and assist our members. They are:

Mal Smith	CEO
Julie Ingham	Member Services Officer
Sue Johnson	Business Development Manager
Kim Smith	Office Manager & Claims Manager
Vivienne Murray	Financial Planning Consultant
Lisa Saunders	Compliance Officer



The Administration Committee



The Claims Committee



The Marketing Committee



The Compliance Committee

Fund Administration

The Fund is administered by Mercer Human Resource Consulting (Mercer). Mercer are responsible for maintaining all Fund administration records, receiving contributions, paying benefits and attending to most administrative requirements of the Fund. Mercer also provides the transactional section of the Fund website which enables members to access their balances and undertake transactions on line.

Mercer use a range of sophisticated systems to assist with the smooth running of the Fund. The team members are:

Administration Manager: Michael Montague

Work Group Leader: Sue Kerridge

Fund Administrators: Jo Dries, Gretel Chase, Tim Brimmer, Daniel Eggleton, Moushami Singh

Pension Fund Administrator: Shelley Sadler

Fund Consultants: Reece Saywell, Brenton Opperman

Rei Super – helpline 1300 13 44 33

The Rei Super Helpline is open from 8.30am to 5.30pm (EST) Monday to Friday (national business days) and receives a broad range of enquiries from Fund members.

The Helpline can also provide advice to members on issues including investment choice and Insurance options. Mercer operate the Rei Super Helpline.

Performance standards

Performance standards for service providers have been established, which are designed to obtain the best possible service for members, and allow the Trustee to monitor these services. The Trustee regularly reviews the standards against industry 'best practice'.

Trust Deed Amendment

Amendments to the Trust Deed were made 24 August 2006 and 21 March 2007 to update the document for the latest legislative requirements, and to include Rei Super *Elite* pensioners and Prescribed Employer Sponsors.

These changes, while important and other than permitted by law, did not, in the Trustee's view, adversely affect any member's or beneficiaries rights or claims to accrued benefits. Members wishing to obtain further details about any of these changes can do so by contacting the Helpline.

Trustee Indemnity Insurance

The Trustee has arranged a policy for Trustee Indemnity Insurance cover of \$10 million. This policy is designed to provide added protection for the Fund's assets.

Service Providers

The Trustees have appointed a number of specialist service providers to assist with the smooth and professional operation of the Fund. They are:

Investment Advisor and Implemented Investment Manager
Intech Fiduciaries Limited ABN 54 071 808 501

Fund Administrator and Advisor
Mercer (Australia) Pty Ltd
ABN 32 005 315 917

Fund Accountant and Taxation Advisor
Sharyn Long Chartered Accountants
ABN 51 713 229 511

Auditor
Ernst & Young
ABN 75 288 172 749

Bank
ANZ Banking Group
ABN 11 005 357 522

Custodian
BNP Paribas Securities Services
ABN 71 002 655 674

Insurer
Hannover Life Re of Australasia Limited
ABN 37 062 395 484

Solicitor
G Banner Consulting Pty Limited
ABN 78 079 976 373

Advice about your super

While the Trustee and the Fund Contact can give you information about your benefit in the Fund, neither the Trustee, the Fund Contact nor your employer can provide you with any advice. If you require any advice about superannuation, you should contact the Helpline.

If You Have a Problem

Most queries can be sorted over the phone. If you are not satisfied with the response, Rei Super has formally established and approved procedures for handling complaints from members. The procedure provides members with a mechanism to lodge complaints and to have them answered.

In the first instance, complaints should be in writing and addressed to:

Mr Mal Smith
Complaints Officer
Rei Super
GPO Box 4303
Melbourne Vic 3001

The Complaints Officer will consider a member's complaint and respond in writing. If members are not completely satisfied with the response, or consider that they have been disadvantaged by a decision, they should formally notify the Fund that they dispute the decision. In this case, their letter to the Complaints Officer should be headed "Notice of Dispute". The Fund will consider and respond to the notice of dispute within 90 days.

Members have a further avenue of redress if they do not receive a response within 90 days or are not satisfied with the response.

If the above procedures have been followed, members can then approach the Superannuation Complaints Tribunal for assistance with their dispute.

The Superannuation Complaints Tribunal can be contacted on **1300 780 808**.

Protecting your privacy

Your Fund holds personal information about you, such as your name, address, date of birth, salary and tax file number in order to provide your super benefits. This personal information may be disclosed as necessary to the Fund's administrator and professional advisers, insurers, Government bodies, employers, and other parties.

The Fund has a privacy policy that sets out in more detail the way your personal information is handled. If you would like a copy of the Fund's privacy policy, please contact the Fund's Privacy Officer or see our website at

www.reisuper.com.au



If you leave **your employer**

Portability

The Fund has been structured with portability in mind. You can retain your membership, and therefore benefits in the Fund, whilst transferring between employers.

If you are a current member of Rei Super, your new employer can join Rei Super as a participating employer by completing:

- an employer application; and
- a transfer of membership between participating employers form.

These forms can be downloaded from www.reisuper.com.au There are no joining fees!

For a period of up to 2 years after leaving employment, the Fund can accept voluntary contributions from a member.

There are no charges for changing employment and retaining membership in the Fund. If you have an account balance over \$1,300, you will be charged the weekly administration fee of \$1.20 per week and retain your current insured death benefit.

If you have a benefit from another fund you can transfer (roll-over) that benefit into Rei Super. There are no charges for having superannuation benefits rolled into the Fund.

Members can also transfer their benefits to another fund when they change employer.

Eligible Rollover Fund (ERF)

The Superannuation (Industry) Supervision legislation allows the Trustee to pay a member's benefit to an eligible rollover fund once 28 days have elapsed after a benefit becomes payable and the member has not given a direction to the Trustee.

Currently, the legislation also requires that the Trustee must pay a member's benefit into an ERF if the member becomes a 'lost member'. A lost member has been written to by the Fund at least twice with mail returned unclaimed.

If your account balance was less than \$1,300 or you were deemed as lost, during the year, the Trustee has used the discretion provided by the legislation to rollover members' benefits into Australia's Unclaimed Super Fund (AUSfund). Members affected by this Trustee decision are notified.

AUSfund is an eligible rollover fund where all accounts are protected. Member accounts transferred to AUSfund continue to receive interest, but insurance cover is not provided.

The ERF can be contacted as follows:

AUS fund
PO Box 2468
KENT TOWN SA 5071
Tel: 1300 361 798
Fax: 1300 366 233

Preservation

Under Federal government legislation, benefits payable in excess of \$200 must be preserved and paid into an 'Approved Deposit Fund' unless the member:

- has reached preservation age and has permanently retired from the work force.
- is permanently disabled;
- has reached age 65.

If one or more of these conditions can be satisfied, the benefit can be paid to the member. Proof of satisfying these conditions must be provided to the Fund Administrator together with proof of identity. All superannuation contributions received after 30 June 1999 are preserved.

Birth Date	Preservation Age
Before 1/7/60	55
1/7/60–30/6/61	56
1/7/61–30/6/62	57
1/7/62–30/6/63	58
1/7/63–30/6/64	59
After 30/6/64	60

Super news

Tax Changes

From 1 July 2007, the tax treatment of superannuation has changed considerably. The new laws simplify the tax payable on benefits, however new contribution limits have been introduced.

The good news is that:

- Super benefits paid either as a lump sum or a pension to a person aged over 60 are now generally be tax free. This also applies to pensions that commenced prior to 1 July 2007. Tax may still apply to some death benefits and some disability income benefits.
- Super benefits paid to a person aged under 60 will continue to be taxed, although the basis on which they're taxed will be slightly simplified.
- Reasonable Benefit Limits (RBLs) have been abolished.

New limits on contributions apply. Provided you keep within these limits and have provided your Tax File Number to the fund, your employer contributions will continue to be taxed at 15%.

Higher tax rates can apply if your contributions exceed the new limits as follows:

- There will be an annual limit of \$50,000 on the amount of employer contributions (including salary sacrifice contributions) that will be concessional taxed at 15%. Certain other contributions may also be included in this limit including tax deductible contributions made by the self employed. An additional tax of 31.5% (including the Medicare Levy) will apply to such contributions (including salary sacrifice contributions) that exceed the \$50,000 limit. For members aged 50 or over, a special transitional limit of \$100,000 will apply until June 2012.
- Post-tax member contributions (undeducted contributions) will be capped at \$150,000 per year. Members under age 65 can bring forward up to two years contributions so will be able to make contributions of up to \$450,000 in a year without exceeding the limit (however, contributions in the following two years will be restricted to the balance of the \$450,000). Tax of 46.5% (including the Medicare Levy) will apply to any contributions in excess of the limit.

- If your contributions are expected to be above these limits or if you are also intending to transfer benefits into the fund from an overseas fund or from a termination payment made by your employer, the Trustee recommends that you seek the advice of a licensed or appropriately authorised financial adviser.

Contact the Helpline on **1300 134 433** if you believe you need assistance in relation to these questions.

Providing your tax file number

Higher tax rates can also apply if you have not provided your Tax File Number to the fund:

- An additional tax of 31.5% (including the Medicare Levy) will apply to any taxable contributions. It will be possible to reclaim this tax at a later date but time limits and other conditions may apply.
- If your Tax File Number has not been provided, it will not be possible for the fund to accept any contributions for you other than contributions by your employer.

It's important to provide your Tax File Number to the Fund. Contact the Fund Helpline on **1300 134 433**

Other tax changes

- The income threshold for eligibility for the Government's co-contribution has been indexed to \$28,980 from 1 July 2007. A partial co-contribution will apply for income levels up to \$58,980.
- In the May 2007 Federal Budget, the Government announced a once-off doubling of the co-contribution in respect of contributions made in the 2005-2006 financial year. The additional Government contribution was generally received by superannuation funds in June 2007.
- Self-employed persons will be able to claim a full deduction for contributions (previously there was a limit on the deduction available in relation to contributions made by a self-employed person).
- Self employed persons will also be able to claim the Government co-contribution in respect of post-tax contributions provided they also satisfy the other qualifying conditions.

Other changes

- The rules which require a person to take their super benefits after age 65 unless certain work tests are met have been removed.
- Funds will be able to offer more flexible pensions.
- The Tax Office will take a more active role in helping people locate and consolidate their lost super accounts.
- Employers will be able to make contributions for employees up to age 75. Unless the contributions are to meet the Superannuation Guarantee requirements (up to age 70) or to meet the requirements of an Award, the employee must have worked at least 40 hours in any 30 consecutive day period during the financial year. Previously employers could not make voluntary contributions for members after age 70.

The information set out above is general information only and is provided by way of summary. You should consult your tax adviser for detailed taxation advice specific to your circumstances.

Contribution splitting

Legislation allowing members to split their personal and employer contributions with their spouse came into effect on 1 January 2006.

Contribution splitting is available to all members who make additional voluntary contributions.

New rules have however been introduced which will limit the amount of contributions which can be split. It is no longer possible to split contributions made from after tax contributions which were made after 5 April 2007.

From 1 July 2007, the amount of employer contributions (including salary sacrifice contributions) and deductible contributions by the self-employed which can be split will generally be capped at \$50,000 pa.

Contributions are paid into the fund in the normal manner. A member can then request the trustee to split some or all of the contributions after the end of the financial year in which the contributions were received by the fund.

For more information about splitting please contact the Helpline on **1300 134 433**.

The Trustee recommends that you seek advice from a licensed, or appropriately authorised, financial adviser regarding your super before you make any decision in relation to super contributions splitting.



Abridged financial statements

as at 30 June 2007



Abridged Statement of Financial Position as at 30 June 2007

Assets	2006 \$ ('000)	2007 \$ ('000)
Investments	566,870	726,109
Cash at bank	4,733	5,802
Sundry debtors	46	62
Tax Assets	49	616
Total Assets	571,698	732,589
Less Liabilities		
Benefits Payable	-	150
Sundry creditors	420	510
Employee Benefits	-	25
Provision for income tax	7,434	14,515
Provision for deferred income tax	541	4
Total Liabilities	8,395	15,204
Net Assets Available to Pay Benefits	563,303	717,385
Represented by:		
Liability for Accrued Benefits		
Allocated to Members' Accounts	549,448	711,148
Unallocated Amounts	13,855	6,237
Liability for Accrued Benefits as at 30 June	563,303	717,385

Abridged Operating Statement for the year ended 30 June 2007

Revenue	2006 \$ ('000)	2007 \$ ('000)
Net investment revenue	73,490	95,438
Contributions revenue	83,709	113,600
Transfers from other funds	20,793	22,703
Insurance proceeds	839	1,057
Total Revenue	178,831	232,798
Less Expenditure		
Contribution Surcharge	1,201	734
Group life premiums	1,387	1,448
General Administration expenses	2,798	3,155
Total Expenditure	5,386	5,337
Benefits Accrued as a result of		
Operations before Income Tax	173,445	227,461
Income Tax Expenses	17,150	22,245
Benefits Accrued as a Result of Operations	156,295	205,216

The Financial Statements of the Fund have been audited and an unqualified auditor's report has been received.



Disclaimer

This annual report has been prepared by the trustee to meet its legislative obligations under the Corporations Act. The information contained in this annual report does not take account of the specific needs, or personal or financial circumstances of any persons. Readers should obtain specialist advice from a licensed financial adviser before making any changes to their own superannuation arrangements or investments. You should also read carefully the Fund's Product Disclosure Statement.

The terms of your membership in the Fund are set out in the Fund's trust deed and, should there be any inconsistency between this annual report and the Fund's trust deed, the terms of the Fund's trust deed prevail. While all due care has been taken in the preparation of this report, the trustee reserves its right to correct any errors and omissions.

All statements of law or matters affecting superannuation policy are up to-date as at 30 June 2007.

This document contains general information about investments and investment performance. Please remember that past performance is not necessarily a guide to future performance.

Rei Super, proud supporters of our industry partners:

