

PENSION FUND

2013

**GREATER PENSION FUND
ANNUAL REPORT 30 JUNE**

A SEGMENT OF THE CUBS SUPERANNUATION FUND

Together with your Annual Benefit Statement, this
Annual Report forms part of the periodic statement
required by the Corporations Act 2001.

CUBS Superannuation Fund
ABN 90 120 177 925

Trustee
The Trust Company (Superannuation) Limited
ABN 49 006 421 638
AFSL Licence No. 235 153
RSE Licence No. L0000635

CONTACT DETAILS

If you have an enquiry about Greater Pension Fund or would like to receive your Annual Reports (including this Annual Report) by mail (free of charge), you should contact:

The Administrator: Financial Synergy Pty Limited

GPO Box 4344
Melbourne VIC 3001

Telephone: 1300 883 629
Facsimile: (03) 9654 2187

Email: gbsl@financialsynergy.com.au
Website: www.financialsynergy.com.au

Trustee: The Trust Company (Superannuation) Limited

PO Box 361
Collins Street West VIC 8007
Telephone: (03) 9665 0200
Facsimile: (03) 9620 5821

CONTENTS

Message from the Trustee	2
Your Investment Options	3
Financial and Other Statutory Information	4
What happens if your account becomes inactive?	6
Legislation Changes	7
Inquiries & Complaints	10
Your Privacy	11
Who's Looking after you	12
Directory	14

Disclaimer

This Annual Report is intended to provide information and not advice. It should not be relied upon as advice or take the place of professional advice. This document has been prepared without taking into account your individual objectives, financial situation or needs.

Accordingly, before acting on the contents of this document, you should consider whether it is appropriate to you, having regard to your objectives, financial situation and needs and consider obtaining financial advice from a licensed adviser. Investment returns are not guaranteed, as all investments carry some risk.

Past performance is no indication of future returns. The Fund's trust deed prevails in the event of any inconsistency with this Annual Report.

An evolving industry

The year ended 30 June 2013 proved to be a year for significant change in the superannuation industry. A large quantity of legislative change was introduced so as to streamline the administration of superannuation benefits as well as to strengthen the Prudential requirements that Trustees will be subjected to in the years ahead.

Some key changes have come into effect and some continue to be refined and implemented with Industry and Government consultation. This changing superannuation landscape provides members with more visibility and confidence in how their money is invested and provides a stronger more robust superannuation system.

Some of the key changes from 1 July 2013 include:

- An increase in the legislated superannuation guarantee to 9.25%.
- An increase in the concessional contributions limit to \$35,000 for members who will be turning age 60 in the 2013/2014 year. This will enable affected members to make larger employer and salary sacrificed contributions to their superannuation before an additional tax impost applies. The concessional contributions limit for members under the age of 60 remains at \$25,000 for the 2013/2014 year.
- Members over the age of 70 years will now also be able to receive superannuation guarantee contributions from their employer regardless of their age.
- Streamlining of administration to enable more efficient and timely processing of rollovers throughout the superannuation industry. This and other changes will make it easier for members to consolidate small accounts to minimise the fees that they may be subjected to by having multiple superannuation accounts.

The Trustee continues to look with confidence toward the raft of changes that continue to be implemented in the superannuation industry with the goal of re-enforcing the ambition of superannuation clients to achieve their desired retirement outcome.

Your Trustee

The Trust Company (Superannuation) Limited helps protect the retirement savings of over 400,000 Australians and works with Financial Synergy Pty Limited to ensure your superannuation fund complies with relevant legislation and regulatory requirements. The Trust Company Limited which parent company of The Trust Company (Superannuation) Limited) has a 125 year history of protecting and growing it clients' wealth.

The Trust Company (Superannuation) Limited

INVESTMENT OPTIONS

Fund performance

The performance of the Greater Pension Fund has been:

Cash option

ANNUAL EFFECTIVE RATES OF NET EARNINGS TO 30 JUNE				
2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
4.08%	2.81%	3.73%	3.55%	2.94%
The 5 year average compounded net rate over these years was 4.25%				
The 10 year average compounded net rate over these years was 5.74%				

NOTE: Past performance should not be taken as an indication of future performance.

Fund investment policy

The investment objective of the Greater Pension Fund is to maintain a low risk, highly liquid capital secure portfolio. The investment strategy is to invest all funds solely in cash deposits with Greater Building Society Ltd.

As at 30 June 2013 an amount of \$7,194,706 (as at 30 June 2012 \$7,965,737) was invested in cash deposits with Greater Building Society Ltd on behalf of the Fund. This investment represents 100% of the total assets of the Fund.

For information about asset holdings for the years ending 30 June 2012 and 2013 for the overarching Trust, refer to the Statement of financial position' shown later in this report.

There has been no investment manager appointed by the Trustee in respect of the Fund.

FINANCIAL AND OTHER STATUTORY INFORMATION

The abridged financial information for the Greater Pension Fund is extracted from the audited financial statements for the CUBS Superannuation Fund (which encompasses both the Greater Rollover Fund and the Greater Pension Fund segments, as well as other segments of the CUBS Superannuation Fund). A copy of the audited financial statements and auditor's report for the CUBS Superannuation Fund are attached.

	2013	2012
Net assets available to pay benefits at end of previous year	22,750,425	25,050,545
Revenue		
Changes in net market value of investments	76,665	5,730
Contributions from employers	40,946	43,028
Contributions from members	339,045	380,333
Interest	619,350	938,779
Other income	67,158	8,866
Transfers from other funds	478,889	1,641,818
Total Revenue	1,622,053	3,018,554
Expenses		
Administration	(6,752)	(2,476)
Benefits paid	(3,502,720)	(3,509,836)
General Administration expenses	(35,594)	(27,896)
Tax expense	(70,963)	(88,969)
Trustee fees	(1,843)	(732)
Total Expenses	(3,617,872)	(3,629,909)
Movement in Fund reserves	438	438
Net assets available to pay benefits at end of year	20,755,044	22,750,425
Represented by		
Assets		
Cash and cash equivalents	18,676,148	21,123,153
Receivables	60,090	7,631
Hunter Credit Union - Cash	813,226	707,991
Hunter Credit Union – fixed interest	604,441	536,082
Units in managed investment schemes	664,378	449,343
Total Assets	20,818,283	22,824,199
Liabilities		
Audit fee payable	19,445	15,950
Operating expenses payable	7,491	11,545
Current tax liability	33,748	46,156
Deferred tax liability	2,555	124
Total Liabilities	63,239	73,775
Net assets available to pay benefits	20,755,044	22,750,424

Allocation of Earnings

The net earnings of members participating in the Greater Pension Fund is based on the calculation of interest on a daily basis which is credited (after tax) to members' accounts quarterly.

There are no reserves maintained in the Fund.

Some further information about the allocation of returns to member accounts is shown in your annual Member Statement.

Derivatives policy

The Greater Pension Fund does not invest in any derivative investments. It is the Trustee's policy not to use derivative instruments directly.

WHAT HAPPENS IF YOUR ACCOUNT BECOMES INACTIVE?

Eligible Rollover Fund (ERF)

Subject to any requirement on the Trustee to transfer lost accounts to the Tax Office in certain circumstances, if we have not received contributions or rollover amounts into your accumulation account for a period of 5 years or more we may transfer your benefit to our nominated Eligible Rollover Fund (ERF) – Colonial SuperTrace. The Trustee also reserves the right to transfer benefits to an ERF in any other circumstances that it considers appropriate (for example, small accounts) under broad powers conferred on superannuation trustees under superannuation legislation.

Colonial SuperTrace is required to help protect member balances from being eroded by direct administration fees (called ‘member protection’). The member protection rules do not extend to indirect fees (deducted from assets or earnings), taxes or insurance premiums and are subject to special arrangements where a negative investment period occurs.

Its contact details are:

Colonial SuperTrace
Locked Bag 5429
Parramatta NSW 2124
Telephone: 1300 788 750
Facsimile: 1300 700 353

Being transferred to an ERF may affect your benefits because:

- You will cease to be a member of the CUBS Superannuation Fund and any insurance you may have will be affected.
- You will become a member of Colonial SuperTrace and be subject to its governing rules.

Where we have your current address, we will advise you of any transfer.

The trustee of Colonial Supertrace is Colonial Mutual Superannuation Pty Ltd (ACN 006 831 983).

LEGISLATION CHANGES

The following changes have been made:

- As at 1 July 2012, the \$25,000 concessional contributions cap applied to all individuals. An increased concessional contributions cap of \$35,000 applies for the 2013-14 year for individuals aged 60 or over. Individuals aged 50 and over will be able to access the higher cap of \$35,000 from 1 July 2014.
- The superannuation guarantee (SG) contribution rate has increased from 9% to 9.25% from 1 July 2013. The SG contribution rate will gradually increase to 12% between 1 July 2013 and 1 July 2019. The Federal Government has announced a pause to the SG contribution rate increase for 2 years (until 1 July 2016), this has not yet become law.
- From 1 July 2013, the SG age limit of 70 has been removed and employers are required to contribute to complying super funds of eligible mature aged employees.
- The lump sum tax free threshold for eligible superannuation benefit payments for the 2012/13 financial year was \$175,000 and will increase to \$180,000 for the 2013/14 financial year.
- The definition of lost member has been amended according to the following:
 - the account balance threshold for inactive accounts, and accounts where members cannot be contacted, is increasing from \$200 to \$2,000 (small lost member accounts); and
 - the period of inactivity for accounts that cannot be identified reduces from five years to 12 months (insoluble lost member accounts).
- The Government recently repealed the member protection rule effective 1 July 2013. This means member's with small account balances will no longer be required to be protected against direct administration fees.
- The minimum annual pension payment amount required for account based was reduced by 25% for the 2012/2013 financial year. It has now returned to normal for the 2013/2014 financial year.
- Individuals with income greater than \$300,000 will become subject to a higher rate of contributions tax in respect of concessional contributions made by or on their behalf (that is the concessional rate of tax will be increased from 15% to 30% (for concessional contributions within the concessional contributions limit)). The definition of 'income' for the purpose of this measure will include taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment loss, target foreign income, tax-free government pensions and benefits, less child support.
- Changes to the laws around excess contributions tax which apply from 1 July 2013 allow:
 - withdrawals from your super fund of any excess concessional contributions made from 1 July 2013
 - your excess concessional contributions to be taxed at your marginal tax rate rather than the top marginal tax rate
 - imposition of the excess concessional contributions charge
- Changes to the Government co-contribution scheme, which

LEGISLATION CHANGES

provides low income earners with a matching contribution (subject to certain limits) for after tax personal contributions made by them to a superannuation fund:

- The maximum co-contribution entitlement will be \$500;
 - The matching rate to be reduced from 100% to 50%;
 - The lower income threshold (which provides access to the maximum co-contribution) will remain at \$31,920 for the 2012-2013 financial year and \$33,516 for the 2013/2014 financial year; and
 - The higher income threshold will be reduced from \$61,920 to \$46,920 for the 2012/2013 financial year and will be \$48,516 for the 2013/2014 financial year.
- From 1 July 2012, the Government provides a low income superannuation contribution (LISC) of up to \$500 annually for eligible individuals. The amount payable under this measure will be calculated by applying a 15 per cent matching rate to concessional contributions made by, or for individuals on adjusted taxable incomes of up to \$37,000, with an annual maximum amount payable of \$500 (not indexed). The amount will be paid into a superannuation account of the individual to directly boost their retirement savings. Concessional superannuation contributions made from 1 July 2012 will be eligible for the LISC. The first payments will be made in the 2013-14 income year.

Further information about the concessional contributions cap, SG contributions, lump sum tax threshold, definition of lost members and the Government's co-contribution eligibility criteria from year to year can be found at www.ato.gov.au. The following changes have been proposed (but are not yet law as at the date of preparation of this publication).

- The Government has a number of measures requiring automatic consolidation of certain accounts within superannuation fund (intra-fund consolidation) and between superannuation funds (inter-fund consolidation). Changes to legislation and regulations are currently being formulated to clarify the changes, for example, frequency and where accounts may be retained. These measures form part of the broader reforms referred to below, and build on changes to legislation that have already occurred which encourage consolidation of accounts through the use of tax file numbers. Also, it is anticipated that from January 2014, the ATO will facilitate the auto consolidation of accounts with low balances by providing details of these accounts to members' active funds. The information will be provided annually and will include details of lost accounts, accounts that have not received a contribution or rollover for two years with balances under \$1,000 and accounts in eligible rollover funds. The ATO's role in facilitating auto consolidation of accounts will be supported by increased data collections by the ATO from superannuation funds about contributions and members (including lost members).

Updated information about Government proposals is available from www.ato.gov.au or on request from the Administrator. For information about the impact of tax related changes on your personal circumstances, consult an appropriately qualified financial or taxation adviser.

There are other significant reforms proposed for the superannuation industry (called the 'Stronger Super' reforms) which represent the Government's response to a review of the superannuation system during 2009/10. It has the broad aim of making the Australian superannuation

LEGISLATION CHANGES

system more transparent and efficient, and to help to maximise retirement income for Australians. Given the breadth of the Stronger Super reforms, legislation is being developed in several stages over years. The Trustee is monitoring these developments and will further information to you in due course, where relevant to your membership and/or entitlements in the fund.

General information about Stronger Super is available at the following Government website www.strongersuper.treasury.gov.au

INQUIRIES AND COMPLAINTS

The Trustee has established a procedure for dealing with member enquiries and complaints. Enquiries and complaints should be made to the Complaints Officer.

Complaints can be made to:

Complaints Officer
CUBS Superannuation Fund – Greater Pension Fund
PO Box 4344
MELBOURNE VIC 3001

Telephone	1300 883 629
Facsimile	(03) 9654 2187
Email	gbsl@financialsynergy.com.au

If you are unhappy with the response to an enquiry, or have a complaint or dispute, you will generally be asked to place your question or problem in writing to the Trustee. The Trustee will endeavour to reach a satisfactory solution to your problem within 90 days of receiving the complaint and will advise you accordingly.

If a satisfactory solution is not achieved within 90 days, or you do not hear from us in this timeframe, you are able to take your complaint to the Superannuation Complaints Tribunal (SCT) by:

- phoning 1300 884 114 (cost of a local call);
- writing to Locked Bag 3060, Melbourne Victoria 3001; or
- visiting level 15, 31 Queen St, Melbourne, Victoria.

The Tribunal is an independent body set up by the Commonwealth Government to review trustee decisions relating to members (as opposed to trustee decisions relating to the management of the fund as a whole).

You must follow the procedure set out above. The SCT will only handle certain types of complaints and time limits apply for lodging some complaints. If the SCT accepts your complaint it will try to help you and the Trustee to reach a mutual agreement through conciliation. If this is not successful, the SCT will make a decision that is binding on all parties (subject to a limited right of appeal to the Courts).

YOUR PRIVACY

As an investor in CUBS Superannuation Fund you will be protected by the Fund's Privacy Policy, and that of the Administrator. This means that we only collect information that is necessary for the efficient operation of the Fund and as required by law. On occasion, and as required under various types of legislation, certain information may be required to be passed on to various regulatory bodies to ensure that you receive all the benefits to which you are entitled. All parties involved in these transfers are also subject to the privacy guidelines.

A copy of the Administrator's Privacy Policy can be viewed on the *Privacy Policy* page at www.financialsynergy.com.au or you may call the Administrator on 1300 136 601 to have a copy mailed to you. It further explains what information is collected and how and when it is stored and transferred.

A copy of the Trustee's policy is also available on request by contacting the Trustee.

WHO'S LOOKING AFTER YOU?

The Trust Company (Superannuation) Limited is the Registrable Superannuation Entity Licensee and Trustee of the CUBS Superannuation Fund, and is responsible for making sure the Fund is run in accordance with the Trust Deed and the governing superannuation legislation, including looking after the interests of members as a whole.

The Trustee's Board of Directors as at 30 June 2013 comprised:

John ATKIN (Appointed 1 September 2010)
Luigi Mario RODRIQUEZ (Appointed 30 July 1998)
David Roko GRBIN (Appointed 23 March 2011) (Chairman)
John Edstein (Appointed 01 January 2013)

FORMER DIRECTORS (during year ending 30 June 2013)

Noel Albert DAVIS (Appointed 1 September 2005) (Resigned 31 December 2012)

The Trustee holds professional indemnity insurance to protect the Trustee, its directors and the Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant insurance policy.

Approved Guarantee

The Trustee satisfies its capital requirements under section 29 DA (3) of the Superannuation Industry (Supervision) Act through an Approved Guarantee in the sum of \$5 million. A copy of the Approved Guarantee is available for review at the Trustee's offices.

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Trustee

The Trust Company (Superannuation) Limited

ABN 49 006 421 638
AFS License No. 235 153
RSE License No. L0000635

PO Box 361
Collins Street West VIC 8007

Telephone: (03) 9665 0200
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Administrator

Financial Synergy Pty Limited ACN 005 484 391 as Trustee for the Financial Synergy Unit Trust ABN 73 423 494 780

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Promoter

Top Quartile Management Pty Ltd

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Auditor

UHY Haines Norton Chartered Accountants ABN 85 140 758 156

Level 11, 1 York Street
Sydney NSW 2000

For Further Information

Email gbsl@financialsynergy.com.au

Website www.greater.com.au

Telephone 1300 883 629

Facsimile (03) 9654 2187

Postal Address CUBS Superannuation Fund – Greater Pension Fund

GPO Box 4344

Melbourne VIC 3001

