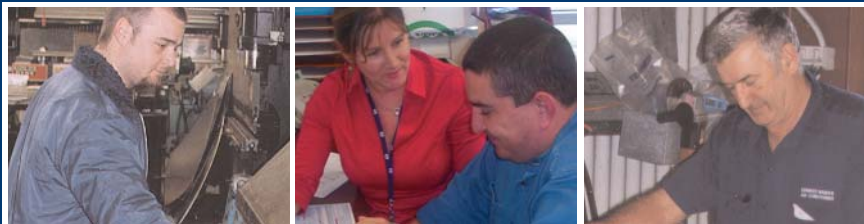


AUST(Q)

Superannuation with positive outcomes





Helping you to plan for tomorrow... **today**

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Front cover: From left – James Brown and Ian Wilson, Kerry Cotton and Danny Bruggeman, Workshop at Nerang Sheet Metal

Message from the Chairperson



Bob Henricks
Chairperson



John Jones
Fund Secretary &
Independent Director



David Whiting
Employer Director



Mark Vining
Employer Director



Ian McComb
Employee Director

I am pleased to present the 2003 annual report for AUST(Q) Superannuation fund.

The 2002-03 financial year has been challenging but positive. I am thrilled to announce that AUST(Q) has managed to maintain its excellent record of positive returns, posting a crediting rate of 1.25% for the year ended 30 June 2003.

In AUST(Q)'s 18 year history, the fund has declared only one zero annual return, and has never declared a negative annual return.

The past twelve months have been a difficult period for Superannuation funds in general. Although investing in an uncertain and, at times, volatile market, the AUST(Q) Fund has continued to display growth throughout the year. From 2002-03, net assets grew by more than 9% to \$69,005,250. Membership numbers remained steady, whilst the number of participating employers increased to 345.

The fund remains safe, simple and transparent – three factors which have been critical to achieving positive returns in the current climate. Whilst many other funds have reverted to reporting annually, AUST(Q) remains committed to 6 monthly reporting, to ensure members are in touch with how the Fund is performing.

On behalf of the Trustees and myself, I would like to welcome Helen Medland to the team. Helen is the new Client Services Manager and has already met with many members and employers in her short time with the Fund. Her role within AUST(Q) can be described as a 'sounding board' for both members and employers. Helen's enthusiasm has already had a positive impact on the AUST(Q) team and we urge both members and employers to contact Helen about any issues relating to the Fund.

AUST(Q) Superannuation is also dedicated to education and training. As the financial services industry continues to change and introduce more stringent requirements, we aim to keep the Fund's service staff informed and properly trained on changes to legislation. Very recently Helen Medland and myself have become PS146 compliant, responding to the new rules that are soon to take effect in the industry. We intend to maintain this high level of training to ensure AUST(Q) is able to stay ahead of the game and remain distinguished from our competitors. Education and training sets us apart and provides greater security for members' retirement funds.

In 2003-04 we will be directing our efforts towards meeting the continuing challenges of legislative requirements introduced by the Government. The super industry is continually being revised and is currently seeing some major industry shake-ups. In addition, the investment advisors employed by AUST(Q) will be working hard to outperform other funds and to ensure yet another positive return for the coming year.

I would like to thank my fellow Directors for their enthusiasm and commitment to AUST(Q) over the past twelve months. They continue to work hard in providing members and employers with the best possible superannuation arrangements and to ensure the fund remains compliant with the Government changes and restrictions. I encourage you to take the time to look over the report as well as your six-monthly member statement.

Thank you for your loyalty this year,

Bob Henricks
Chairperson

AUST(Q)

Positive outcomes

Established in 1985, AUST(Q) is one of only a few superannuation funds in Australia that have never posted a negative annual crediting rate.

One of the ways that we have been able to achieve this success is by keeping things simple. AUST(Q) doesn't overwhelm it's members with hundreds of choices regarding their investments, instead we rely on professional investment managers to make informed decisions about the best investments for our Fund.



Keeping it simple doesn't mean limiting the services on offer. In fact, the fund has continued to develop over the years and is today able to provide a variety of services to meet the needs of members. AUST(Q) caters to the needs of a diverse mix of members – from construction and maintenance, to office and management.



Introducing Helen Medland

Recently appointed as the Client Services Manager of AUST(Q), Helen is the face most employers and members will remember. She works hard to establish strong working relationships with her clients by making regular visits to their places of employment.

Helen believes the simple nature of the AUST(Q) fund is what makes it work for both the members and the employers. Generally, Helen spends her day going to workplaces to educate the members about their superannuation, other services & benefits, as well as keeping the employers updated with any changes to the superannuation legislation. It's this personalised contact that Helen believes works so well for AUST(Q).

Prior to Helen joining the AUST(Q) team, she worked for AUST(Q)'s administrator, Superpartners. During this time, Helen has worked in all areas of the administration, commencing in the call centre, moving into the benefits & allocations team and later becoming a Client Service Advisor.

Helen's commitment to the fund is obvious in her dedication to both members and employers. Her objective for AUST(Q) in the coming year is to maintain a high level of service and commitment, to grow the fund to its highest capacity and to increase AUST(Q)'s member base so that many others are able to utilise its industry benefits.



Roche Mining, AUST(Q) participating employer

"As a participating employer of AUST(Q) Super Fund, we are pleased with the prompt processing of returns. The representatives are quick to respond to our problems or queries and are helpful and friendly".

From left: Kym Sytsma & Nicola Telfer – Payroll Supervisors, Roche Mining

Access your account balance online

Supersite™ allows you to access your account balance online at www.austq.com.au

Supersite is our leading online system specifically developed for both members and employers. The service streamlines superannuation administration and is an interactive application that is easy to use.

Supersite provides:

- timely and easy online access to account-related and personal information, allowing you to check your account balance and view a summary of contributions;
- convenient and efficient updating for necessary account and personal information such as address details;
- a simplified, accurate and accountable approach to superannuation administration and record-keeping; and
- an integrated electronic payment system to ensure prompt clearance of funds and allocation to member accounts, thereby minimising risk.

Supersite™ allows you to access your account balance online at www.austq.com.au

Insurance – 24 hours a day, seven days a week

Although it's not something that we like to contemplate, it's important to think about how you and your family would be supported if you were injured. The fund provides 24 hours a day seven days a week insurance cover against death and total and permanent disablement. This insurance cover has been designed to assist in protecting yours and your family's financial security and wellbeing.



Consolidate your super and save!

Consolidating your super simply means rolling all your super accounts into one. Having more than one account probably means you may be paying unnecessary fees and it is more difficult to keep track of your superannuation. You can roll the balance of other super accounts into AUST(Q).

The many advantages of consolidating your super include:

- paying one low set of fees which will help the growth of your retirement benefit;
- knowing exactly where your superannuation is;
- your money works more effectively for you; and
- there are no entry fees for rolling over a benefit into AUST(Q).

If you have super benefits elsewhere and wish to transfer these funds to AUST(Q), please contact AUST(Q) and request a rollover form.

Contribute to your future

Most employers are required to contribute 9% of your salary into a complying superannuation fund. This is a healthy start towards saving for your retirement but will it be sufficient to keep you through your retirement years? Have you considered just how much money you might need to achieve your desired lifestyle when you retire?

You may want to think about whether your employer's contributions alone will be enough. Many people make voluntary contributions into their superannuation accounts, to top up the amount paid in by their employers. This can be done by way of salary sacrifice, payroll deduction, direct debit or lump sum payment. There is no charge for making voluntary contributions.

Salary sacrificing is another option. It is calculated from your gross income (pre-tax salary) and can work out to be a tax-effective means of saving for retirement.

Making the most of spouse contributions

Have you thought about contributing to your spouse's superannuation account? AUST(Q) also accepts super contributions on behalf of a member's spouse. In some situations, the tax benefits of choosing this option can be significant.

Members Equity

Members of AUST(Q) have access to low interest rate home, investment, business and personal loans as well as MasterCard and Savings accounts through Members Equity.

To learn more about our services, please contact the AUST(Q) Customer Service Centre on 1800 637 698.

AUST(Q)

Insurance

Death and total and permanent disablement insurance 24 hours a day – 7 days a week

Your death and total and permanent disablement benefits as at 30 June 2003 are shown on your benefit statement. They include your account balance plus any insured benefit for which you may be eligible. The insured benefit is based on your age on 30 June 2003 and may vary if you have had a birthday since that date.

At all times your eligibility for insurance cover is subject to your employer contributions being paid when due.

The following scale of insured benefits applies in AUST(Q):

Age Attained	2 Units – \$4.58 per week		1 Unit – \$3.26 per week	
	Death	TPD	Death	TPD
up to age 50	65,000	30,000	32,500	30,000
51	62,200	30,000	32,100	30,000
52	59,400	30,000	31,700	30,000
53	56,600	30,000	31,300	30,000
54	53,800	30,000	30,900	30,000
55	51,000	30,000	30,500	30,000
56	45,900	27,000	27,450	27,000
57	40,800	24,000	24,400	24,000
58	35,700	21,000	21,350	21,000
59	30,600	18,000	18,300	18,000
60	25,500	15,000	15,250	15,000
61	20,400	12,000	12,200	12,000
62	15,300	9,000	9,150	9,000
63	10,200	6,000	6,100	6,000
64	5,100	3,000	3,050	3,000
65	NIL	NIL	NIL	NIL

If you change jobs, death cover continues for 26 weeks and disablement cover for up to 31 days free of charge from the end of the month in respect of which contributions to AUST(Q) were last made by your employer, provided these contributions were being paid on time.

Extension of death benefit option

If you cease working for a participating employer in AUST(Q) you may apply to extend your death cover in the Fund for a further 52 weeks after the completion of the above mentioned 26 week period. Your cover would continue to be based on the same death benefit scale as applied at the time that you cease employment. If you wish to apply for this extension you must apply within 26 weeks of ceasing employment with your AUST(Q) employer.

The annual cost of extended death cover is \$220 if you have selected the higher level of insurance cover or \$106 if you have selected the lower level of insurance cover. Please contact the AUST(Q) Administrator if you wish to find out more about extending your death cover when you cease employment with your AUST(Q) employer.

Insurance continuation

If you leave your employer you may be able to take out an insurance policy for the same level of cover as your current insured amount in the Fund.

If you wish to continue this insurance cover, you must apply direct to the insurer within 31 days of ceasing employment with your AUST(Q) employer. The cost of this cover will be set by the insurer and will be payable by you under a new policy agreement.

Contact the AUST(Q) Administrator if you wish to find out more about extending your cover when you cease employment.

Preferred beneficiary

Please ensure that you keep your preferred beneficiary up to date. This is the person or persons who you nominated on your application form to receive your insurance benefit and superannuation in the event of your death. The death benefit is normally payable to a member's dependants (including financial dependants) or legal representative. Your dependants may include your spouse, children, defacto spouse, and any other persons who are partially or wholly financially dependent on you at the date of your death, this may include other family members.

The Trust Deed sets out the Fund's requirements for the payment of death benefits.

Please note that the final decision as to whom a death benefit can be paid, will be made by the AUST(Q) Trustee, who will review the information provided by the claimant, your Will (if any) and your nomination of preferred beneficiary, to ascertain whether there are any financial dependants or whether there are changed circumstances.

If you nominate a person who is not your spouse, your child or a person who is not financially dependent upon you, the Trustee may not be able to pay the benefit in accordance with your nomination. If you wish to change your preferred beneficiary please complete the coupon response on your benefit statement and return the coupon to the Fund Administrator.

As the insured amount is quite substantial, AUST(Q) recommends that all members make sure their nomination of preferred beneficiary is up to date.

If you leave your employer you may be able to take out an insurance policy for the same level of cover as your current insured amount in the Fund.

Administration charges and taxes

The rules of the Fund provide that the Trustee may deduct from the Fund the amount of any fees or expenses reasonably incurred by them or their delegates in relation to the Fund. The cost of the day-to-day operation of the Fund is funded by a deduction from each member's account.

These deductions are credited to the Reserve Account of the Fund and then used to pay for administration, legal, audit, investment consulting and other professional services provided to the Fund. Any surplus monies in the Reserve Account may be used to top up the interest credited to members' accounts from time to time.

Below are the fees and charges effective from 1 January 2003

There are no other administration fees. The total administration fee for members who are receiving an employer contribution is \$1.00 per week.

Taxation of contributions

Your employer's contributions, net of charges for the contribution fee and insurance, are taxed at 15% on receipt by the Fund. This is a Federal Government tax and is deducted by the Fund and paid to the Australian Taxation Office.

Fees	Amount		How & when paid
	Nil contribution fee option	Contribution fee option	
Establishment fee: This is the fee to set up your account in the fund.	NIL	N/A	–
Contribution fee: This is the fee for the initial and every subsequent investment you make to the fund (or that may be made on your behalf, e.g. by an employer).	NIL	N/A	–
Withdrawal fee: This is the fee charged for each withdrawal you make from the fund (including any installment payments and your final payment).	\$50.00	N/A	Deducted from account when a benefit is paid
Termination fee: This is the fee when you close your account with the fund.	NIL	N/A	–
Ongoing fees: This is the total of all ongoing administration, investment management, expense recovery and other fees charged by the fund. A breakdown of these fees is shown in the "breakdown of ongoing fees" table below.	\$1.00	N/A	Weekly
Location Fee: This charge only applies if you change your address and do not advise us. We undertake a search to locate you.	\$27.50	N/A	–

Ongoing fees	Amount		How & when paid
	Nil contribution fee option	Contribution fee option	
<i>Administration Fee:</i> This is the fee to cover the general administration of the fund.	\$1.00	N/A	Weekly
<i>Investment Management Fee:</i> This is the fee for managing the fund's investments.	NIL	N/A	Included in weekly administration fee
<i>Issuer fee:</i> This is the fee for the product issuer's services in overseeing the fund's operations and/or for providing access to the fund's investment options.	NIL	N/A	–
<i>Expense-recoveries:</i> This is an estimate of the out-of-pocket expenses the trustee is entitled to recover from the fund.	NIL	N/A	–
<i>Member fee:</i> This is a member account-keeping fee charged by the fund.	NIL	N/A	–

Federal Government 15% Superannuation Surcharge Tax

The surcharge tax applies to:

- any person whose adjusted taxable income (i.e. annual taxable income, plus taxable superannuation contributions plus grossed up fringe benefits), is \$90,527 or more (indexed annually e.g. for 2003/2004 financial year the figure of \$94,691 applies)
- generally, any person who fails to supply their Tax File Number to their superannuation fund may be required to pay the surcharge, even if their income is less than \$90,527.

For 2002/2003 the surcharge is 1% for each \$1,295 above \$90,527, rising to a maximum of 15% at \$109,924. These figures are indexed annually so for the 2003/2004 financial year the

surcharge will be 1% for each \$1,355 above \$94,691 rising to 15% at \$114,981. Assessment of liability for the surcharge is based on adjusted taxable income for the previous financial year so the surcharge reporting and assessment cycle is always a year in arrears.

AUST(Q) must report to the Australian Taxation Office (ATO) details of all contributions received for its members. The ATO then assesses the member's liability to pay the surcharge and advises AUST(Q) of any surcharge which applies. The surcharge amount is then deducted from the member's account.

For more surcharge information call the Australian Taxation Office on 13 10 20.

AUST(Q)

Investments

CREDITING RATE

1.25% per annum Crediting Rate

In a year generally remembered for the poor performance of markets, AUST(Q) credited 1.25% interest on member's accounts in 2002/03. This is a healthy return in a volatile environment where the Australian share market fell 1.6% and the international share market lost a massive 18.1% over a 12-month period.

AUST(Q) returns have been consistently strong since inception, making it one of the few funds in Australia to never have announced a negative crediting rate.

AUST(Q) returns have been consistently strong since inception, making it one of the few funds in Australia to never have declared a negative annual crediting rate.



The table below illustrates the funds crediting rates over the time of its existence, compared with changes in the Consumer Price Index (CPI) over the last five years.

6 months ending	% p.a. CREDITED six monthly	% p.a. for YEAR ended 30 June	CPI for YEAR ended 30 June	Real Growth % p.a. to 30 June
30/06/03	2.5	1.25	2.70	-1.45
31/12/02	0			
30/6/02	0	0	2.80	-2.8
31/12/01	0			
30/6/01	8.0	7.0	6.0	1.0
31/12/00	6.0			
30/6/00	11.4	10.2	2.9	7.3
31/12/99	9.0			
30/6/99	4.5	7.25	1.1	6.15
1/12/98	10.0			
30/6/98	20.33	14.0	0.7	13.3
31/12/97	8.0			

** tax and fees deducted*

The compound average rate of interest credited for the last five years ending 30 June 2003 was 5.61%. CPI over the same period has averaged 3.1%, translating to a real growth of 2.55% per annum.

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

Investment objectives

The Trustee has set a target that in most years the annual crediting rate to members, will exceed the annual rate of increase in the CPI.

The investment objective adopted by the Trustee is to maximise the rate credited to members in excess of the CPI increase, after taking account of the risks associated with various types of investment.

Consistent with this, the Trustee acknowledges that occasional negative returns may be incurred for the purpose of making longer term gains.

The above objectives are intended to be consistent with any applicable legislation and regulations which, from time to time, may regulate the manner of investment of the Fund and may be modified accordingly.

Investment strategy

The investment strategy adopted is an asset allocation normally set within ranges by the Directors.

Professional investment managers may, if appropriate, be appointed who will actively vary the asset allocation of funds under their management within the Fund's overall asset allocation ranges set by the Directors. The Directors will regularly monitor the aggregate asset allocation of the Fund. The Fund does not have direct derivative exposure as the Fund invests in Pooled Investment Trusts.

Asset allocation

The following table sets out the strategic asset allocation and the target ranges of the Fund. The target ranges act to control the exposure to various asset classes:

Sector	Strategic Asset Allocation	Range	
		Low	High
Australian equities	35%	25%	45%
Overseas equities	15%	10%	25%
Opportunities	5%	0%	10%
Property	15%	5%	20%
Growth Assets	70%	50%	80%
Capital Guaranteed	10%	0%	15%
Fixed interest	15%	5%	30%
Cash	5%	0%	15%
Defensive Assets	30%	20%	50%

This asset allocation is to be balanced by investment in multi-asset class funds (e.g. balance funds and capital stable funds) and other approved investment vehicles (e.g. sector funds). The Directors adjust the proportion of cash flow directed to these types of funds to influence the asset mix.

Interim crediting policy

The interim-crediting rate is to be set at 1% below the weighted average of the capital guaranteed rates held by the Fund, or as deemed appropriate by the Trustee.

Reserving and crediting rate policy

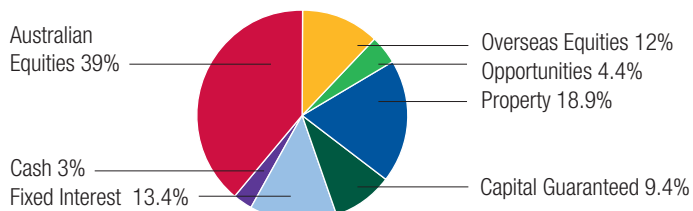
Reserves are a buffer used to smooth fluctuations in the interest rate credited to members and to minimize the chances of members being credited with a negative interest rate. Reserve levels will be determined by the Trustee's knowledge of these factors and consistent with the Fund's investment policy and objectives.

Interest will be credited to members on a six monthly basis at the end of June and December each year. The crediting rate will be set having regard to the earning rate net of taxes, investment management fees, the investment objective and reserving strategy. In addition, interest will be credited at the applicable interim crediting rate if benefits are paid at other times.

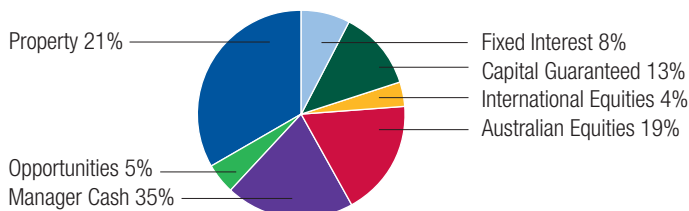
AUST(Q) level of reserves

Year Ending	Amount	% of Members' Funds
30/6/99	\$2,933,261	6.9
30/6/00	\$3,660,842	7.2
30/6/01	\$3,467,826	6.03
30/6/02	\$1,288,418	2.09
30/6/03	\$1,187,723	1.75

Asset allocation as at 30 June 2003



Asset allocation as at 30 June 2002



Investment management

	Australian Equities	Overseas Equities	Opportunities	Property	Fixed Interest Australia	Fixed Interest Overseas	Capital Guarantee	Manager Cash	Total Assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
AMP	4,800,784						6,358,726		11,159,510	16.3
AXA (SMHL)				1,002,254					1,002,254	1.5
Bank of Ireland		4,114,699							4,114,699	6.0
Barclays		9,120,933							9,120,733	13.3
Citigroup		4,107,994			5,664,635				9,772,629	14.3
Colonial				5,369,402					5,369,402	7.9
Hastings			3,008,917						3,008,917	4.4
Loomis Sayles						3,497,535			3,497,535	5.1
QIC	12,713,289			5,517,932				1,045,558	19,276,779	28.2
Trinity				2,054,953					2,054,953	3.0
TOTAL	17,514,073	17,343,426	3,008,917	13,944,541	5,664,635	3,497,535	6,358,726	1,045,558	68,377,411	100.00

AUST(Q)

Accounts and Audits

The following information has been taken from the latest accounts for AUST(Q) that are presently being audited. The Fund does not expect any material changes to be made to the accounts.

If you wish to obtain a copy of the audited accounts for 2002 – 2003 once finalised, or a copy of the Auditor's Report on the Fund for 2002 – 2003 or a previous year, contact the Fund Administrator.

Abridged Financial Information Operating Statement for the year ended 30 June 2003

	30 June 2003	30 June 2002
REVENUE – INVESTMENTS		
Interest	\$399,439	\$525,110
Dividends	\$2,871,831	\$1,010,264
Changes in net market value	(\$2,253,378)	(\$3,412,011)
Other income	\$35	\$1,411
Direct investment expenses	(\$99,956)	(\$37,775)
Total net revenue – investments	\$917,971	(\$1,913,001)
REVENUE – CONTRIBUTIONS		
Employer	\$11,995,274	\$9,992,447
Member	\$208,644	\$308,872
Transfers from other superannuation funds	\$3,413,431	\$1,903,556
Total revenue – contributions	\$15,617,349	\$12,204,875
REVENUE – OTHER		
Proceeds from Reinsurance	\$485,000	\$347,400
Interest on cash at bank	\$44,038	\$19,955
Sundry Income	\$445	\$5,236
Total revenue – other	\$529,483	\$372,591
TOTAL REVENUE	\$17,064,803	\$10,644,465
EXPENDITURE		
Members Group Life Insurance Premium	\$773,206	\$710,898
Administration	\$923,355	\$888,037
Surcharge	\$21,310	\$22,209
TOTAL EXPENDITURE	\$1,717,871	\$1,621,144
BENEFITS ACCRUED BEFORE TAX	\$15,346,932	\$9,043,321
Income tax expense	\$1,770,494	\$1,159,083
BENEFITS ACCRUED AFTER TAX	\$13,576,438	\$7,884,238

Abridged Financial Information Statement of Financial Operation for the year ended 30 June 2003

	30 June 2003	30 June 2002
INVESTMENTS	\$68,377,411	\$62,059,632
OTHER ASSETS		
Cash at bank	\$933,220	\$626,637
Contributions receivable	\$764,533	\$933,894
Other receivables	\$30,874	\$15,292
Deferred tax benefits	\$40,749	\$18,268
Total other assets	\$1,769,376	\$1,594,091
TOTAL ASSETS	\$70,146,787	\$63,653,723
LIABILITIES		
Income tax payable	\$618,468	\$411,612
Accounts payable	\$345,567	\$151,917
Benefits payable	\$177,502	\$179,621
TOTAL LIABILITIES	\$1,141,537	\$743,150
NET ASSETS AVAILABLE TO PAY BENEFITS	\$69,005,250	\$62,910,573
Represented By:		
LIABILITY FOR ACCRUED BENEFITS		
Members' funds	\$67,817,527	\$61,622,155
Reserves	\$1,187,723	\$1,288,418
LIABILITY FOR ACCRUED BENEFITS	\$69,005,250	\$62,910,573

Who manages AUST(Q)

A Trustee company, A.U.S.T. (QUEENSLAND) Pty Ltd., ABN: 65 010 677 013 is responsible for running AUST(Q).

The company has five (5) Directors. Two each have been nominated by participating employer associations and employee unions. One independent Director makes up the total of five.

For the financial year ended 30 June 2003, the Directors were:

EMPLOYEE REPRESENTATIVES:

Bob Henricks – (Chairperson)
Past Secretary, Queensland Branch, Electrical Division of the CEPU (the ETU in Qld), Trades Union (Director since July, 1985)

Ian McComb
State Organiser, Qld Branch, Australian Manufacturing Workers Union (Director since October, 1986)

EMPLOYER REPRESENTATIVES:

David Whiting
Director – Queensland, Australian Industry Group (Director since January 2000)

Mark Vining
Human Resources Manager, Barclay Mowlem (Director since August 1998)

INDEPENDENT DIRECTOR:

John Jones – (Fund Secretary)
Principal, Jones Ross Pty Ltd (Independent Director since March, 1992)

The Directors have renewed the Trustee Liability Insurance Policy from 4 December 2002.

Election of Member Representative Directors

In accordance with the Articles of Association of A.U.S.T.(QUEENSLAND) Pty Ltd the members of the Fund are represented by Directors nominated and elected by the industrial unions of employees forming the Scheme Member Body.

The industrial unions are the Automotive, Metals, Engineering, Printing and Kindred Industries Industrial Union of Employees, Queensland: the Electrical Trades Union of Employees of Australia, Queensland Branch and the Federated Ironworkers Association of Australia (Queensland Branch) Union of Employees.

These industrial unions collectively have the power to elect two (2) Directors to represent the members. They also have the power to replace or remove any Director elected by them.

Election of Independent Director

In accordance with the Articles of Association of A.U.S.T. (QUEENSLAND) Pty Ltd., the Scheme Member Body (the industrial unions) and the employer body (the Australian Industry Group and QMBA) may jointly appoint one (1) person to the position of independent Director. This appointment shall be upon such terms and conditions as the Directors determine. The Fund currently has an independent Director appointed in accordance with this procedure.

Regulated fund

AUST(Q) is a Regulated Fund, under legislation known as the Superannuation Industry (Supervision) Act 1993 (SIS). By being a Regulated Fund, AUST(Q) is eligible for concessional tax rates. This means that the Fund qualifies for concessional tax treatment through lower tax rates.

Reporting to Government

The Australian Prudential Regulation Authority (APRA) is the government body which is responsible for the prudential supervision of the superannuation industry.

To qualify for the lower rates mentioned above, a superannuation fund must:

- follow the SIS rules throughout the financial year;
- arrange for an annual audit of its accounts;
- send a completed "annual return form" to APRA to report on the Fund's operations;

SIS rules include:

1. Trustee issues, i.e. eligibility, government rules, duties, equal representation
2. Fund Operational Issues, i.e. investments, accounts, benefit payments
3. Member Reporting Issues, i.e. Annual Report, Statements
4. Legal issues, i.e. penalties, APRA powers, enquiries and complaints

Rules for AUST(Q)

The rules governing AUST(Q) are set out in a legal document called a Trust Deed. If you wish to obtain a copy of any of the rules of AUST(Q) which affect your benefits or rights as a member, contact the AUST(Q) Administrator.

The Trust Deed was amended during 2002/03 to allow for changes to family law legislation. Superannuation entitlements can now be split between divorcing couples following changes to the Family Law Act and the Superannuation Industry (Supervision) Act which took effect on 28 December 2002.

The new law allows the Family Court and Federal Magistrates Court to order the splitting of superannuation in divorce cases, or to allow couples to make their own arrangements to do so. De facto and same-sex couples are not covered by the new Legislation. Upon request, superannuation trustees are required to provide prescribed information about a member's superannuation to a spouse, or potential spouse in the case of pre-nuptial agreements.

Claim statistics

1 July 2002 to 30 June 2003

Type of Benefit	Number	Benefit from Fund \$	Insured Benefit \$	Total Benefit \$
Leaving Employment	1587	5,130,016		5,130,016
Retirement	158	1,022,925		1,022,925
Financial Hardship	72	205,737		205,737
Overseas	1	959		959
Transfer to Eligible Rollover Fund	3240	521,615		521,615
Death & TPD	28	115,511	485,000	600,511
TOTAL	5086	6,996,763	485,000	7,481,763

AUST(Q)

Understanding your benefit statement

1

\$47,823.18	\$614.03	\$51,181.88
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*Full details of your account, including credits and deductions, are shown on the opposite page.

Further details on Surcharge are contained within the Annual Report. For further Surcharge Information, please contact the ATO on 1300 651 221. If you are liable to pay surcharge, the ATO will advise the fund of the amount to be deducted from your account.

2

JANE CITIZEN

3

MR P CITIZEN
Membership No: 1234567
Date of Birth: 22/09/1966

4

5

6

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8

Benefit Statement
for period 01/01/03 to 30/06/03

Membership No: 1234567

040-4165-N/1234567
MR P CITIZEN
5 BRISBANE CT
MOUNT SMITH QLD 4999

Death and Total and Permanent Disablement

*Insurance Cover	Death Benefit	TPD Benefit
Account Balance	\$65,000.00	\$30,000.00
Total Benefit Payable	\$51,181.88	\$51,181.88
On Death or TPD	\$116,181.88	\$81,181.88

Preserved \$51,181.88 Unrestricted Non-Preserved \$0.00 Restricted Non-Preserved \$0.00

TRANS DATE	DESCRIPTION	PAYMENT PERIOD	WEEKS PAID	PRESERVED MEMBER	PRESERVED EMPLOYER	NON-PRESERVED MEMBER	NON-PRESERVED EMPLOYER	TOTAL
31/12/2002	Opening Balance			5902.01	41921.17			47823.18
20/01/2003	ABC CO AUST PFY LTD	30/01/2002-27/12/2002	4		752.58			752.58
20/01/2003	ABC CO AUST PFY LTD	30/01/2002-27/12/2002	4		450.00			450.00
13/02/2003	ABC CO AUST PFY LTD	28/12/2002-18/01/2003	5		50.00			50.00
14/03/2003	ABC CO AUST PFY LTD	01/02/2003-28/02/2003	4		150.00			150.00
14/03/2003	ABC CO AUST PFY LTD	01/02/2003-28/02/2003	4		250.36			250.36
02/04/2003	ABC CO AUST PFY LTD	01/03/2003-28/03/2003	4		334.48			334.48
02/04/2003	ABC CO AUST PFY LTD	01/03/2003-28/03/2003	4		200.00			200.00
30/04/2003	ABC CO AUST PFY LTD	28/12/2002-31/01/2003	5		83.62			83.62
14/05/2003	ABC CO AUST PFY LTD	29/03/2003-25/04/2003	4		585.34			585.34
14/05/2003	ABC CO AUST PFY LTD	29/03/2003-25/04/2003	4		350.00			350.00
16/06/2003	ABC CO AUST PFY LTD	19/04/2003-23/05/2003	5		167.24			167.24
				5902.01	45295.29			
30/06/2003	Account Balance							51181.88

Monies allocated to 30/06/03 are on this Statement. Future allocations will be on the next Statement. While all care is taken to make this information correct, neither the Trustee nor the Fund Administrator accept liability for any error or misprint.

1 Statement Details

This is your opening balance, the interest earned since your last statement and your closing balance as at 30 June 2003.

2 Beneficiary

Your preferred beneficiary is who you want to leave your benefit to in the event of your death. You may change your preferred beneficiary at any time.

3 Insurance cover

Your statement shows your insured amount for Death and Total and Permanent Disablement cover.

Your Insurance cover is only valid if your contributions have been received by the due date.

Your insured benefits are based on your age at 30 June 2003.

4 Preserved money

Contributions that are required to be preserved until at least age 55 and your retirement from the workforce or on death or total and permanent disablement.

5 Restricted non-preserved money

This money can be withdrawn as cash (less tax) if you leave your employer, subject to appropriate waiting periods.

6 Unrestricted non-preserved money

This money can be withdrawn as cash (less tax) at any time.

7 Contributions

If you think contributions are missing from this statement, contact your employer. AUST(Q) have established procedures to follow up employers with outstanding contributions.

8 Charges at tax

Your account is debited with administration charges, the cost of the insurance cover and Federal Government contribution tax (if applicable).

About your benefit statement

Current members

Your enclosed benefit statement is for the six months to 30 June 2003.

This statement shows all contributions received and allocated in the period 1 January 2003 to 30 June 2003, any lump sums transferred from other superannuation funds, less deductions for administration, insurance (where applicable), taxation and surcharge tax (if applicable) plus interest credited and the total account balance. If your account is below \$1000 your statement may show a member protection rebate.

It is in your best interest to check your statement to see if the correct contribution amounts are shown.

If you think your contributions are incorrect please talk to your employer.

Benefit statements have been designed to enable you to:

- identify your opening balance together with the preserved and non-preserved contributions;
- identify your accumulated benefits;
- easily check the payments that have been received by the Fund on your behalf;
- advise of any changes affecting your membership, e.g. change of name, address or your preferred beneficiary; and
- advise if you wish to claim a benefit

New members

New members to AUST(Q) are provided with a copy of the latest annual report upon joining the Fund. Under relevant industrial awards and/or the Superannuation Guarantee Legislation your employer is required to make superannuation contributions for you into a fund such as AUST(Q).

The Trustee has established an arrears procedure to ensure late payments are followed up.

Please remember that contributions for a given month, even though due and payable on the last day of the month, are not normally received until the first or second week of the following month.

Types of contributions

Award Superannuation

If you are covered by an industrial award, your employer is required to pay a set percentage of your wage/salary as a contribution for you.

Industrial Agreements

Where you work for an employer that has an enterprise or industrial agreement, your employer is required to pay the rate set out in that agreement.

Voluntary contributions

Personal contributions made by you.

Superannuation Guarantee (Legislation)

Your employer is required to pay a minimum level of superannuation under the Superannuation Guarantee Legislation. For the 2002/2003 year that level was 9% of your ordinary time earnings. Contributions made under an industrial award or industrial agreement count towards this minimum level.

Personal details

On your benefit statement there is a coupon response to fill in if you wish to notify us of a change to your name, address or your preferred beneficiary.

If our records are out of date, please advise the AUST(Q) Administrator as soon as possible.

MEMBER PROTECTION

From 1 July 1995, if your account balance is less than \$1000 it must be protected by law. This means that the administration and reserve charges applied to a members' account cannot exceed the interest credited to the balance, except for periods where the Fund's total investment returns are below the Fund's total administration costs. If this occurs, administration fees up to a maximum of \$10 may be charged by the Fund during this period.

Deductions for insurance cover and the Government's compulsory contributions tax remain payable and are not included in administration charges.

Some members of AUST(Q) will notice an entry appearing on their statement, described as a "member protection rebate". This rebate adds back any fees and charges (not Government taxes and insurance deductions) which exceed the amount of interest credited.

Where AUST(Q) is no longer able to continue member protection for any particular category of member, AUST(Q) will transfer those members to an Eligible Rollover Fund (ERF). Members who have a current address will be given 28 days notice to nominate their own rollover fund rather than the ERF selected by AUST(Q) — refer to Benefits Section for details of the ERF chosen by AUST(Q).

HOW TO MAKE A CLAIM

If you are eligible to claim a benefit, contact the AUST(Q) Administrator for a claim form. Make sure that you send all necessary documents listed on the claim form, as this avoids unnecessary delays in receiving your benefit.

PRESERVATION

"Preservation" means that a member's superannuation account cannot be withdrawn until the member:

- reaches "preservation age" and retires from the workforce permanently;
- reaches 65 years of age;
- passes away;
- is totally and permanently disabled;
- qualifies for an invalidity benefit;
- is in severe financial hardship, as defined by Government regulations; or
- qualifies on compassionate grounds, as defined by Government regulations

The Federal Government requires superannuation funds to preserve all contributions made after 1 July 1999.

"Preservation Age"

The Federal Government has introduced a phased increase in the preservation age linked to the member's date of birth, as follows:

Date of Birth	Retirement Age
From 1 July 1964 onwards	60
From 1 July 1963 to 30 June 1964	59
From 1 July 1962 to 30 June 1963	58
From 1 July 1961 to 30 June 1962	57
From 1 July 1960 to 30 June 1961	56
Before 1 July 1960	55

Other information

Reasonable Benefit Limits (RBL)

The Government has reviewed the maximum amount you can receive as a benefit from a superannuation fund, which is taxed at reduced rates.

The RBLs applicable for the financial year 2002/2003, are:

- \$562,195 when taken in a lump sum benefit payment
- \$1,124,384 when at least 50% is taken as a complying pension or annuity

Any amount in a superannuation fund above these levels is taxed at marginal rates. Some members may have applied for a more generous limit under the transitional RBL rules. If you feel that you may come close to these limits, a professional financial planner can advise you of the options for your circumstances.

Eligible Rollover Fund (ERF)

SIS legislation allows superannuation funds to nominate an Eligible Rollover Fund (ERF) where benefits may be paid if the member has become a "lost member". The ERF chosen by AUST(Q) is AUSfund, Australia's Unclaimed Super Fund (previously known as the Australian Preservation Fund). AUSfund is an eligible rollover fund where all accounts are member protected. Accounts transferred to AUSfund continue to receive interest, but insurance cover is not provided.

AUSfund is committed to transferring the small or lost super accounts it receives into peoples' most active super account – for free. AUSfund has transferred \$88 million to 220,000 members' active super, and has helped locate 407,000 lost members.

You can call AUSfund on 1300 361 798 (for the cost of a local call) or write to them at PO Box 2468, Kent Town SA 5071.

Unclaimed benefits

A collection process that the Government has established for unclaimed superannuation benefits commenced in April 1998. In Queensland the benefits will be collected by the Registrar of Unclaimed Monies and held by the Public Trustee.

All superannuation funds in Australia, including Eligible Rollover Funds, are required to transfer members' accounts to the relevant collection agency in the following circumstances:

- where a member has reached the pension age;
- a lump sum is payable under the rules of the Fund and the member has not requested payment of their benefit; and
- the Trustee cannot find the member to pay the benefit.

All enquiries and claims for Queensland unclaimed monies should be directed to:

The Public Trustee of Queensland
444 Queen Street, BRISBANE QLD 4000
Telephone: (07) 3213 9288
Facsimile: (07) 3213 9484

Lost Member Register

The Australian Taxation Office has established a "lost member register" to record details of superannuation accounts that funds are holding for members they cannot locate, and for certain members whose contribution payments have ceased.

This means that you can make enquiries at the Australian Taxation Office in your state on 13 10 20 if you have lost contact with a fund and are entitled to a benefit.

Tax File Number (TFN)

AUST(Q) is authorised to seek your TFN under the Superannuation Industry (Supervision) Act 1993.

However, it is optional for you to provide your TFN.

The Fund is required by law to properly safeguard it and only use it for legislatively approved Superannuation purposes.

The reasons we ask for your TFN are to:

- advise the Commissioner of Taxation when reporting details of contributions for the purposes of the superannuation Surcharge Tax;
- advise the Commissioner of Taxation for taxation and Reasonable Benefit Limit (RBL) purposes;
- ensure that benefits paid to you are taxed at concessional rates;
- advise the relevant State Authority if we are paying unclaimed money on or after age pension age;
- advise the Australian Taxation Office if no contributions are received for you for the period of two years and AUST(Q) does not have a current address for you. In these circumstances you are assumed to be a "lost member" to AUST(Q);
- assist in searching for and amalgamating your superannuation benefits in AUST(Q); and
- allow your TFN to be forwarded to another Regulated Fund, Approved Deposit Fund (ADF) or Retirement Savings Account (RSA) if your benefit is rolled over or transferred (unless you request in writing for this not to be done).

These lawful purposes and the consequences of not providing your TFN may change as a result of future legislation.

It is entirely your choice to provide your TFN however if you don't:

- any deductible contributions may be subject to an additional 15% superannuation surcharge tax on top of the current 15% contributions tax;
- any lump sum benefits payable to you will be subject to tax at the highest personal rate plus Medicare levy (currently 48.5%) and
- benefits within the Fund may not be able to be amalgamated for you.

If you want further information on the use of TFN's for superannuation purposes please call the Australian Prudential Regulation Authority on 13 10 60 or the Australian Taxation Office on 13 10 20.

Arrears of Contributions

The Trustee has implemented procedures to follow-up employers who do not pay contributions on time.

The procedures are:

1. A letter is sent to the employer 15 days after the date the payment was due. The letter advises that a payment has not been received and requests payment.
2. If the payment is not received, a second letter is sent 10 days after the first letter requesting immediate payment.
3. If payment is not received, the arrears is forwarded to a debt collector and phone contact immediately commences.
4. If payment is not received 17 days after the first letter, a third letter file is produced and forwarded to the debt collector.
5. If the payment is not received 7 days after the third letter file, a solicitor's letter is sent
6. A legal action request from the debt collector is referred to AUST(Q), if payment is not received within 7 days of the solicitor's letter.



Enquiries/complaints

If you wish to make an enquiry about the Fund, or if you have any concerns about its operation or management, please contact the Fund Administrator at the address shown in this report.

If you telephone, in most cases you will receive an immediate reply, but some issues may need further investigation. Any written enquiry or complaint will be acknowledged promptly and in most cases responded to in detail within twenty-eight (28) days. Legislation requires that all complaints are dealt with within 90 days.

AUST(Q) strives to provide good service to its members. However, if you are not satisfied that your enquiry or complaint has been satisfactorily answered, you should write to the Complaints Officer at the Fund Administrator's office. Your concerns will be referred to the Trustee for consideration.

If you are not satisfied with the Fund's handling of your complaint, or the Trustee's decision, you may contact the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Federal Government to assist members or beneficiaries in resolving certain superannuation complaints.

You may only approach the SCT if you have made use of the Fund's internal complaints handling process. If the SCT agrees to review your complaint, it will attempt to resolve the matter by conciliation, which involves helping you and the Fund to come to a mutual agreement.

If you wish to find out whether the SCT can handle your complaint and the information you will need to provide, please phone the SCT directly on 1300 884 114 (from anywhere in Australia for the cost of a local call).

If you wish to notify us of a change to your name, address or your preferred beneficiary, fill in the coupon on your benefit statement or contact the AUST(Q) Customer Service Centre on 1800 637 698.

FUND ADMINISTRATOR

Superpartners

PO Box 329, Spring Hill QLD 4004

Level 11, 120 Edward Street, Brisbane QLD 4000

Telephone (07) 3307 6444 Country callers (1800) 637 698

Facsimile (07) 3210 0088

www.austq.com.au

CLIENT SERVICES MANAGER

Helen Medland

Telephone (07) 3307 6450

PO Box 329, Spring Hill QLD 4004

Level 11, 120 Edward Street, Brisbane QLD 4000