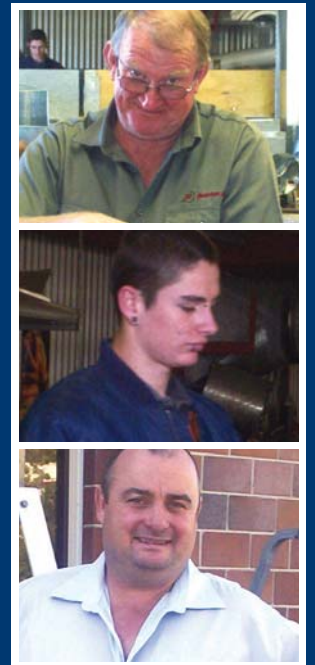


AUST(Q)

2004 Annual Report

Keeping it
simple



16% pa credited to members - For 1 January to 30 June 2004



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

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Front cover: Richard Walters, Matthew Bowman and Ty Aleckson -
from Quantum Air (Qld) Pty Ltd

Message from the Chairperson



Bob Henricks
Chairperson &
Employee Director



John Jones
Fund Secretary &
Independent Director



David Whiting
Employer Director



Mark Vining
Employer Director



Ian McComb
Employee Director

I am pleased to present the 2004 annual report for the AUST(Q) Superannuation Fund.

The 2003-2004 financial year was another good year for AUST(Q) with a return to double digit crediting rates for members, on the back of stronger than expected share market returns and economic growth around the world.

AUST(Q) continues to be one of the few superannuation funds to have never credited a negative interest rate to members and this year I am proud to advise that the Fund credited member's accounts with a very healthy 16% pa for 1 January to 30 June 2004 and 8% pa for 1 July to 31 December 2003, an average of 12% pa for the 12 month period.

Interestingly, while AUST(Q) has always maintained a 6 monthly interest crediting rate as the Trustee believes the more regular crediting of interest is beneficial to members, we have seen a number of other funds follow our lead and introduce a similar process this year.

It has been a busy year on other fronts as well with the introduction of the Financial Services Reform Act (FSRA), which required AUST(Q) to introduce a number of new processes and prepare a Product Disclosure Statement (PDS) to comply with the new legislation. I am happy to advise that these measures have all been completed satisfactorily and AUST(Q) is fully compliant with the new requirements.

The introduction of the Governments Co-contribution scheme has also meant that a large number of AUST(Q) members have had additional contributions paid into their account by the Government. For information about Government Co-contributions and how you can have extra contributions paid by the Government into your AUST(Q) account, refer to page 6 of this Annual Report.

While it has been a challenging and rewarding year, the future also looks very bright for AUST(Q). The number of staff or corporate funds choosing to transfer into AUST(Q) has increased and the Trustee is currently reviewing the Funds insurance arrangements in order to ensure the best and most appropriate deal for members. Both of these issues will help ensure that AUST(Q) continues to provide value for money and a high level of benefit to members.

I would like to thank my fellow directors for their enthusiasm and commitment towards AUST(Q) over the past year. They continue to dedicate significant time and effort to ensuring that members and employers are provided with the best possible superannuation arrangements and that this is done so in an efficient and cost effective manner. Our fund administrator, Superpartners, and our Client Services Manager, Helen Medland, have also given sterling service to the Fund during 2003-2004.

In closing, I would also like to thank the most important people to AUST(Q), our members and employers, for your continued support and loyalty to the Fund and urge you to take the time to look over this annual report and really get to know your Fund.

Bob Henricks
Chairperson

Keeping it simple

AUST(Q) is one of the few superannuation funds never to post a negative annual crediting rate since its establishment in 1985. How do we do it? AUST(Q) keeps things simple. The Fund doesn't overwhelm its members with hundreds of choices regarding their investments. Instead we rely on the advice of our professional investment managers to assist us in making informed investment decisions, for the long-term benefit of members.

Keeping it simple doesn't mean limiting the services on offer. AUST(Q) is committed to the ongoing development of services to members. This enables us to cater to the diverse mix of members – from construction and maintenance, to office and management staff.



Your Client Services Manager – Helen Medland

“The simplicity of AUST(Q) is what makes it work.”

I believe the simple nature of AUST(Q) is what makes it work for both the members and the employers. Part of my role is to visit workplaces, to educate the members about their superannuation, other services and benefits, as well as keeping the employers updated with any superannuation legislative changes. I have developed many great relationships with members and employers in the Fund and it is this personalised contact that can really make the difference.

My objective in the coming year is to continue to maintain a high level of service and commitment to our members and employers and to help the Fund continue to grow so that many others are able to utilise its superannuation benefits.

If you have any queries or questions about your AUST(Q) account, about superannuation in general, or would like a visit to your workplace, please contact me on **1800 637 698**.



Ty & Lynn Aleckson, Directors

AUST(Q) – our choice

Quantum Air (QLD) Pty Ltd, AUST(Q) participating employer

“In early February 2004, when we were establishing our company Quantum Air (Qld) Pty Ltd, we went in search of a superannuation fund that would not only be good for our employees, but one that we could communicate with as an employer. Helen Medland, the Client Services Manager, was there from day one answering our questions and giving us the support we needed during our foundation period. We didn't hesitate to go with AUST(Q) and the personal relationship has helped both our employees and us. When a new employee arrives we suggest AUST(Q) for their superannuation because we know they will be looked after. Helen's regular visits to our workshop and accessibility for our site workers has continued since joining the Fund.

AUST(Q) is constantly developing their services and the fact that they have never posted a negative annual crediting rate has made it easy for us to recommend them to other employers as well.

We see AUST(Q) as a long-term part of our company.”

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

A simple, low cost alternative to your superannuation needs

Do you have a staff or corporate fund? Is it becoming a burden? Why not consider AUST(Q), the simple, low cost alternative.

It is pleasing to see companies like Regent Sheet Metal Pty Ltd choosing to transfer their staff super funds into AUST(Q).

Anthony Cox, Manager: "The transfer across was very simple and there were no costs to the employees to transfer the funds to AUST(Q). The low administration fee of \$1.00 per week and the fact that the Fund has never declared a negative return to its members, were key factors in making our decision.

It is also reassuring that the Fund has a full time representative in Helen Medland. Helen takes a personal approach and keeps us and our employees well informed about the Fund's performance and any superannuation issues."

Join Regent Sheet Metal, in making AUST(Q) "your choice" for superannuation.



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. The tax benefits of choosing this option can be significant in some situations.

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 these services, call Members Equity on 13 15 63 or visit www.membersequity.com.au.

Online convenience

SuperSite is a secure online service that enables you to access your account balance at your convenience. Simple and easy to use, SuperSite allows you to:

- Check your account balance and view a summary of contributions
- Update account and personal information such as address details
- Minimise risk via its integrated electronic payment system to ensure prompt clearance of funds and allocation to member accounts.

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

Contribute to your future

Generally employers are required to contribute 9% of salaries into a complying superannuation fund. This is a healthy start towards saving for your retirement but will it be enough to keep you through your retirement years? Have you considered how much money you might need to achieve your desired lifestyle when you retire? Will your employer's contributions be adequate?

Many people make voluntary contributions into their superannuation accounts to top up the amount paid in by their employers. This can be done through payroll deduction, direct debit or lump sum payment. With AUST(Q) it's easy, and there is no charge for making voluntary contributions.

Another option to consider could be salary sacrificing. This may be a tax effective means of 'topping-up' your retirement balance. Talk to your employer to see whether this facility is available to you or you may like to speak to your financial adviser about its tax effectiveness.

Consolidate your super and save!

Consolidating your super simply means rolling all your super accounts into one. Having more than one superannuation fund may mean you are paying more fees than you should be. It can also be difficult to keep track of what's happening with your superannuation. With AUST(Q) you can roll all your other superannuation accounts into your AUST(Q) account. The advantages include:

- Paying one low set of fees may help the growth of your retirement benefit.
- You will know exactly where your superannuation is.
- 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 the Customer Service Centre and request a rollover form.

Before making a decision to rollover, you may like to verify with your other funds whether any exit fees apply.

Making the most of co-contributions

Established with effect from 1 July 2003, the co-contribution arrangements are designed to give low-income earners a boost to their super savings.

Essentially the co-contribution scheme means that for every \$1 you voluntarily put into super, the government will put in \$1.50, up to a maximum of \$1,500 per year. The amount co-contributed by the government is determined by your 'total income' (which is defined as assessable income plus reportable fringe benefits), and operates on a sliding scale from \$28,000 up to a maximum income of \$58,000.

Your 'Total Income' is:	Your personal contributions:		
	\$1,000	\$500	\$200
Less Than \$28,000	\$1,500	\$750	\$300
\$30,000	\$1,400	\$750	\$300
\$40,000	\$900	\$750	\$300
\$50,000	\$400	\$400	\$300
\$58,000 and over	\$0	\$0	\$0

For example, if you earn \$30,000 'total income' in a year, make a \$500 personal contribution to super and meet the eligibility conditions, you will be eligible to receive a \$750 co-contribution from the government.

Eligibility

The co-contribution scheme is not available to everyone. Broadly, to be eligible in a particular financial year you need to:

- Make personal superannuation contributions to a complying superannuation fund like AUST(Q), or a Retirement Savings Account.
- Have a total income less than \$58,000.
- Earn 10% or more of your total income from eligible employment.
- Not hold an eligible temporary resident visa at any time during the year.
- Lodge an income tax return for the year of income.
- Be less than 71 years old at the end of the year of income.

Once the Australian Taxation Office (ATO) has obtained details from AUST(Q) regarding the amount of personal contributions you have made, and you've lodged your tax return, the ATO will then determine your co-contribution entitlement. Generally the Government will then pay the appropriate co-contribution amount directly to AUST(Q).

The co-contribution is not subject to the usual taxes associated with super. The contributions tax and surcharge tax are not applied and nor will the amount of the co-contribution be taxed when you receive your end benefit.

For more information and a fact sheet about co-contributions, go to the ATO website at www.ato.gov.au.

Please note that the above information about the co-contribution applies for the 2004-2005 financial year and subsequent years. For the 2003-2004 year, the Government will match every \$1 you have voluntarily contributed with a \$1 co-contribution. Also, the eligibility for the co-contribution in 2003-2004 was limited to those persons whose total income is \$40,000 or less (and a sliding scale operates from \$27,500 up to the maximum income of \$40,000). All other conditions and features for the 2003-2004 year are as indicated above.

Investments

Crediting Rate

2003-2004 was another strong year for AUST(Q), with interest credited to members for 1 January to 30 June 2004 of 16% pa and 8% pa for the period 1 July to 31 December 2003. This has resulted in an average return to members of 12% pa for the full year.

The table below shows the funds crediting rates compared with changes in the Consumer Price Index (CPI) over the last five years. Please note that past performance should not be taken as an indication of future performance.

6 months ending	% pa CREDITED six monthly	% pa for YEAR ended 30 June	CPI for YEAR ended 30 June
30/06/04	16.0	12.0	2.50
31/12/03	8.0		
30/6/03	2.5	1.25	2.70
31/12/02	0.0		
30/6/02	0.0	0.0	2.80
31/12/01	0.0		
30/6/01	8.0	7.0	6.0
31/12/00	6.0		
30/6/00	11.4	10.2	3.2
31/12/99	9.0		

The compound average rate of interest credited for the last five years ending 30 June 2004 was 5.98%. CPI over the same period has averaged 3.43%.

Past performance is not a reliable indicator 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 investments. 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 investments of the Fund and may be modified accordingly.

Investment strategy

The investment strategy adopted is based on an asset allocation within ranges set by the directors. Professional investment advisors may be appointed, if appropriate, to actively vary the asset allocation of funds under their management within the Fund's overall asset allocation but still remain within the 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	30%	25%	45%
Overseas equities	20%	10%	25%
Opportunities	10%	5%	15%
Property	15%	5%	20%
Growth Assets	75%	50%	80%
Capital Guaranteed	8%	0%	15%
Fixed interest	15%	5%	30%
Cash	2%	0%	15%
Defensive Assets	25%	20%	50%

To obtain the most recent interim crediting rate, call the AUST(Q) Customer Service Centre on 1800 637 698.

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

Interim crediting policy

The interim crediting rate will generally be determined by reference to the prevailing crediting rate of the AMP Capital Guaranteed investment less 1%. However, during poor investment periods, this rate may be modified accordingly.

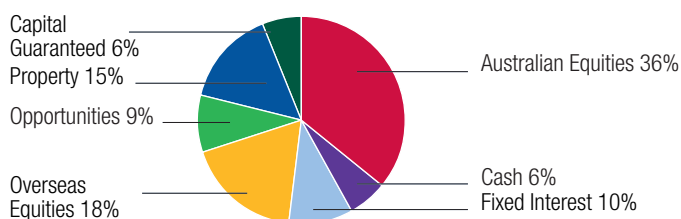
Reserving and crediting rate policy

The Fund maintains an Investment Fluctuation Reserve. The Reserve will be used in periods of poor investment markets to increase the crediting rates to members, and will be added to in periods of above average returns. In regard to the actual after-tax and expenses return and the amount in the Reserve, the Trustee will determine the actual rate to be credited to members' accounts. The Trustee may take into account other factors relevant to the maintenance of equity in the Fund. Interest will be credited at the applicable interim crediting rate if benefits are paid at other times.

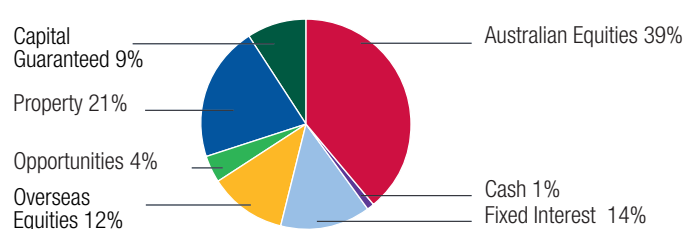
AUST(Q) level of reserves

Year Ending	Amount	% of Members' Funds
30/6/04	\$1,039,197	1.24
30/6/03	\$1,187,723	1.75
30/6/02	\$1,288,418	2.09
30/6/01	\$3,467,826	6.03
30/6/00	\$3,660,842	7.2

Asset allocation as at 30 June 2004



Asset allocation as at 30 June 2003



Investment management

	Australian Equities \$	Overseas Equities \$	Alternatives \$	Direct Property \$	Bonds \$	Capital Guarantee \$	Cash \$	Total Assets \$	Total %
AMP	7,839,099					4,724,941		12,564,040	14.8%
Bank of Ireland		8,187,430						8,187,430	9.6%
Barclays	9,944,345		1,038,748					10,983,093	13.0%
Citigroup		7,440,781			5,849,884			13,290,665	15.7%
Colonial				2,889,655				2,889,655	3.4%
Hastings			3,593,292					3,593,292	4.2%
Lazard			1,864,419					1,864,419	2.2%
Loomis Sayles					2,638,299			2,638,299	3.1%
Members Equity							1,000,508	1,000,508	1.2%
QIC	6,885,001		911,782	6,070,951			4,282,626	18,150,360	21.4%
Suncorp	6,293,019							6,293,019	7.4%
Trinity				3,401,728				3,401,728	4.0%
TOTAL	30,961,464	15,628,211	7,408,241	12,362,334	8,488,183	4,724,941	5,283,134	84,856,508	100.00%

Insurance

Death and Total and Permanent Disablement insurance 24 hours a day – 7 days a week

Although it's not something that we like to think about, it is important to consider how you and your family would be supported if you were injured or die. AUST(Q) provides 24 hours a day, seven days a week insurance cover against Death and Total & Permanent Disablement (TPD). This insurance cover has been designed to assist in protecting you and your family's financial security and wellbeing.

Your Death and TPD benefits as at 30 June 2004 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 2004 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 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

Insurance continuation

If you change jobs, Death cover continues for 26 weeks and TPD 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.

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.

Further, 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 directly 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.

For more information about extending your cover when you cease employment, see pages 9-11 of the Member Handbook or contact the Service Centre on 1800 637 698.

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 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. A dependant generally means one or more of the following people:

- The spouse of the member (including a de facto spouse);
- Any child of the member - including any step child, any child recognised by the member as an adopted child and any child of the member born after the member's death;
- Any person who the Trustee considers to have been wholly or partially financially dependent on the member at the time of the member's death; or
- Any person who the Trustee considers to have been in an 'interdependency relationship' with the member at the time of the member's death.

A financial dependant does not need to rely on you totally for financial support. They may be your dependant, even if you partially support them financially. Financial dependency may include payments of bills, rent, maintenance payments, and shared financial commitments, such as a mortgage.

Two people will have an 'interdependency relationship' if:

1. they have a 'close personal relationship' (A close personal relationship is one that involves a demonstrated and ongoing commitment to the emotional support and wellbeing of the two parties);
2. they live together;
3. one or each of them provides the other with financial support; and
4. one or each of them provides the other with domestic support and personal care.

An interdependency relationship will also exist if there is a close personal relationship, even though requirements 2,3 & 4 are not satisfied because one or both of the parties suffer from a physical, intellectual or psychiatric disability.

The Trustee can only pay a Death benefit as permitted by the Superannuation Industry (Supervision) Act and the Fund's Trust Deed.

Insurance cover for members is provided through a group risk policy with Commlnsure. (Commlnsure is a registered business name of The Colonial Mutual Life Assurance Society, ABN 12 004 021 809).

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

The table below details the significant fees you may be charged. These fees may be deducted from your account balance, the returns on your investment or from the Fund as a whole. You should read all of the information about fees as it is important to understand their impact on your investment in the Fund.

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. Further information about the management of the Fund can be found on page 11.

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. The total administration fee for members is \$1.00 per week. There are no other administration fees deducted from member accounts.

Below are the fees and charges as at 30 June 2004.

Fees deducted from member accounts:	Amount	How & when paid
Establishment fee: to set up an account in the Fund.	NIL	–
Contribution fee: for the initial and every subsequent contribution you make to the Fund (or that may be made on your behalf eg. by an employer).	NIL	–
Administration fee: to cover the general administration of the Fund.	\$1.00	Weekly and credited to the Fund's administration reserve account to cover the Fund's operating expenses.
Member fee: a member account keeping fee charged by the Fund.	NIL	–
Withdrawal fee: deducted from 'leaving the industry' withdrawals and transfers made from the Fund	\$50.00	Deducted from account when a benefit is paid.
Termination fee: when you close your account with the Fund.	NIL	–
Location fee: only applies if you change your address, do not advise us and we undertake a search and locate you.	\$27.50	Deducted from account when a search is undertaken.
Family Law		
<ul style="list-style-type: none"> This fee will be levied where a person requests information as provided under the Family Law Act. This fee is to be paid by whoever asks for that information, whether it be the member's spouse or the member themselves. 	\$79.00 (inc GST)	Paid by cheque made payable to AUST(Q).
<ul style="list-style-type: none"> This fee will apply if and when the member's account is split into two accounts as provided for under the Family Law Act. 	\$55.35 (ex GST)	The fee must be split equally between the parties & deducted from each party's share of the split balance unless the whole account balance is being transferred to the non-member spouse.

Ongoing fees paid by the Fund:	Amount	How & when paid
The total of all ongoing administration, investment management, expense recovery and other fees charged by the Fund. A breakdown of these fees is as follows		
Investment Management fee: for managing the Fund's investments.	0.1% to 1.5%*	Deducted from the gross investment earnings of the Fund. Interest credited to members is net of Investment Management Fees. * Performance fees maybe paid in some instances.
Issuer 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	–

For information about the Federal Government Surcharge and Contributions tax, see page 15.

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 or the Audit Report on the Fund for 2003/2004 once finalised, or a previous year, contact the Fund administrator.

Abridged Financial Information Operating Statement for the year ended 30 June 2004

	30 June 2004	30 June 2003
REVENUE – INVESTMENTS		
Interest	\$254,989	\$399,439
Dividends	\$4,353,144	\$2,871,831
Changes in net market value	\$4,789,377	(\$2,253,378))
Other income	–	\$35
Direct investment expenses	(\$92,517)	(\$99,956)
Total net revenue – investments	9,304,993	\$917,971
REVENUE – CONTRIBUTIONS		
Employer	\$12,913,029	\$11,995,274
Member	\$234,700	\$208,644
Transfers from other superannuation funds	\$4,026,175	\$3,413,431
Total revenue – contributions	\$17,173,904	\$15,617,349
REVENUE – OTHER		
Proceeds from Reinsurance	\$562,500	\$485,000
Interest on cash at bank	\$56,534	\$44,038
Sundry Income	\$981	\$445
Total revenue – other	\$620,015	\$529,483
TOTAL REVENUE	\$27,098,912	\$17,064,803
EXPENDITURE		
Members Group Life Insurance Premium	\$734,843	\$773,206
Administration	\$1,030,579	\$923,355
Surcharge	\$35,838	\$21,310
TOTAL EXPENDITURE	\$1,801,260	\$1,717,871
BENEFITS ACCRUED BEFORE TAX	\$25,297,652	\$15,346,932
Income tax expense	\$2,599,836	\$1,770,494
BENEFITS ACCRUED AFTER TAX	\$22,697,816	\$13,576,438

Abridged Financial Information Statement of Financial Position for the year ended 30 June 2004

	30 June 2004	30 June 2003
INVESTMENTS	\$84,963,190	\$68,377,411
OTHER ASSETS		
Cash at bank	\$455,871	\$933,220
Contributions receivable	\$935,153	\$764,533
Other receivables	\$33,088	\$30,874
Deferred tax benefits	–	\$40,749
Total other assets	\$1,424,112	\$1,769,376
TOTAL ASSETS	\$86,387,302	\$70,146,787
LIABILITIES		
Income tax payable	\$588,336	\$618,468
Deferred Tax Liability	\$770,135	–
Accounts payable	\$261,741	\$345,567
Benefits payable	\$175,986	\$177,502
TOTAL LIABILITIES	\$1,796,198	\$1,141,537
NET ASSETS AVAILABLE TO PAY BENEFITS	\$84,591,104	\$69,005,250
Represented By:		
LIABILITY FOR ACCRUED BENEFITS		
Members' funds	\$83,551,907	\$67,817,527
Reserves	\$1,039,197	\$1,187,723
LIABILITY FOR ACCRUED BENEFITS	\$84,591,104	\$69,005,250

Who manages AUST(Q)

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

The company has five directors. Of these, two directors have been nominated by participating employer associations and two by employee unions. One independent director makes up the total of five.

All directors are appointed for a term of four years. The term of each director's appointment may be varied by the relevant sponsoring organisation at any time. The Board has developed a Corporate Governance Policy that incorporates a Code of Conduct for all directors.

For the financial year ended 30 June 2004, the directors were:

EMPLOYEE REPRESENTATIVES:

Bob Henricks (Chairperson)

Former 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

Former 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 2003.

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 directors to represent the members. They also have the power to replace or remove any director elected by them.

Appointment of Employer Representative Directors

The employers of the Fund are represented by directors nominated and elected by the Australian Industry Group – Queensland and the Queensland Master Builders Association.

These employer organisations collectively have the power to elect two directors to represent the employers. 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 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.

Meeting Attendance - Directors

During the year the directors attended various board and committee meetings as part of their role in the management of the Fund.

Detailed below is a summary of the number of meetings attended by each director. The number in brackets represents the maximum number of meetings the director could attend and will vary depending on the various committees to which each director is appointed.

Bob Henricks	13	(13)
John Jones	12	(13)
David Whiting	9	(11)
Ian McComb	4	(5)
Mark Vining	4	(5)

Administration of AUST(Q)

Superpartners Pty Ltd (ABN 57 078 907 883, AFSL 238761) is the administrator contracted by AUST(Q) to provide services to AUST(Q) members and employers. The day to day administration of the Fund is handled by Superpartners. As a major provider of multi-employer superannuation administration services in Australia, Superpartners holds a license to provide general financial advice in respect of superannuation. For more information on Superpartners go to www.superpartners.biz.

Regulated Fund

AUST(Q) is a Regulated Fund, under legislation known as the *Superannuation Industry (Supervision) Act 1993 (SIS)*. As 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 that 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, ie. eligibility, government rules, duties, equal representation.
2. Fund operational issues, ie. investments, accounts, benefit payments.
3. Member reporting issues, ie. Annual Report, Statements.
4. Legal issues, ie. 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) Customer Service Centre on 1800 637 698.

Claim statistics

1 July 2003 to 30 June 2004

Type of Benefit	Number	Benefit from Fund \$	Insured Benefit \$	Total Benefit \$
Leaving Employment	1507	4,363,062.50		4,363,062.50
Retirement	100	1,426,303.49		1,426,303.49
Financial Hardship	67	216,925.66		216,925.66
Overseas	5	6,345.81		6,345.81
Transfer to Eligible Rollover Fund	2023	417,084.62		417,084.62
Death & TPD	44	152,753.30	382,500.00	535,253.30
TOTAL	3746	6,582,475.38	382,500.00	6,964,975.38

Understanding your benefit statement

1 STATEMENT DETAILS

OPENING BALANCE*	INTEREST APPLIED SINCE LAST STATEMENT*	ACCOUNT BALANCE AS AT 30/06/04*
\$47,823.18	\$614.03	\$51,181.88

*Full details of your account, including credits and deductions, are shown on the opposite page.

2 PREFERRED BENEFICIARIES

JANE CITIZEN

3 BENEFITS **Death and Total and Permanent Disablement**

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

4 TRANSACTIONS

TRANS DATE	DESCRIPTION	PAYMENT PERIOD	WEEKS PAID	PRESERVED		NON-PRESERVED		TOTAL
				MEMBER	EMPLOYER	MEMBER	EMPLOYER	
31/12/2003	Opening balance			5902.01	41921.17			47823.18
20/01/2004	ABC CO Pty Ltd	30/11/2003-27/12/2003	4		752.58			752.58
20/01/2004	ABC CO Pty Ltd	30/11/2003-27/12/2003	4		450.00			450.00
12/02/2004	ABC CO Pty Ltd	28/12/2003-31/01/2004	5		50.00			50.00
14/03/2004	ABC CO Pty Ltd	01/02/2004-28/02/2004	4		150.00			150.00
14/03/2004	ABC CO Pty Ltd	01/02/2004-28/02/2004	4		250.00			250.00
02/04/2004	ABC CO Pty Ltd	01/03/2004-28/03/2004	4		334.48			334.48
02/04/2004	ABC CO Pty Ltd	01/03/2004-28/03/2004	4		200.00			200.00
30/04/2004	ABC CO Pty Ltd	28/12/2004-31/01/2004	5		83.62			83.62
14/05/2004	ABC CO Pty Ltd	29/03/2004-25/05/2004	4		585.34			585.34
14/05/2004	ABC CO Pty Ltd	29/03/2004-25/05/2004	4		350.00			350.00
16/06/2004	ABC CO Pty Ltd	19/04/2004-23/05/2004	5		167.24			167.24
			47	5902.01	45295.29			
	LESS Administration Fees							- 52.00
	Insurance Premiums							- 114.50
	Federal Government Tax							- 488.95
	ADD Interest Credited							614.03
30/06/2004	Account Balance							51181.88

5 Restricted non-preserved money

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

6 YOUR BENEFITS AS AT 30/06/04

7

8

1 Statement details
This is your opening balance, the interest earned since your last statement and your closing balance as at 30 June 2004.

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 2004.

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.

6 Unrestricted non-preserved money
This money can be withdrawn as cash (less tax) at any time.

7 Contributions
If your 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 benefit statement is for the six months to 30 June 2004.

This statement shows all contributions received and allocated in the period 1 January 2004 to 30 June 2004, 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, eg. change of name, address or your preferred beneficiary
- 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.

Superannuation Guarantee (Legislation)

Your employer is required to pay a minimum level of superannuation under the Superannuation Guarantee Legislation. For the 2003/2004 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.

Other information

MEMBER PROTECTION

From 1 July 1995, account balances less than \$1000 must be protected from erosion by fees. This means that the administration and reserve charges applied to a member's 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 page 14 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 qualifies under one of the following:

- 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
- 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 2003/2004, are:

- \$588,056 when taken in a lump sum benefit payment.
- \$1,176,106 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". If the Fund does not receive contributions for you for a period of 12 months or longer and your account is less than \$1000, you may be advised that your account will be transferred to AUSfund if contributions do not recommence. The ERF chosen by AUST(Q) is AUSfund, Australia's Unclaimed Super 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 find out more about AUSfund on 1300 361 798 or write to them at PO Box 2468, Kent Town SA 5071, or go to www.unclaimedsuper.com.au.

Unclaimed benefits

The government established a process to collect unclaimed superannuation benefits 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 either one of 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.
- 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 (ATO) 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 ATO 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).
- 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 do not:

- Any deductible contributions may be subject to an additional 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%).
- Benefits within the Fund may not be able to be amalgamated for you.

If you would like further information on the use of TFNs for superannuation purposes please call the Australian Prudential Regulation Authority (APRA) on 13 10 60 or the ATO on 13 10 20.

What happens if my employer doesn't pay my super contributions?

AUST(Q)'s 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.

Taxes

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 that is deducted by the Fund and paid to the Australian Taxation Office (ATO).

Federal Government 14.5% 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 \$94,691 or more (indexed annually eg. for 2004/2005 financial year the figure of \$99,710 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 \$94,691.

For 2003/2004 the surcharge is 1% for each \$1,399 above \$94,691, rising to a maximum of 14.5% at \$114,981. These figures are indexed annually so for the 2004/2005 financial year the surcharge will be 1% for each \$1,709 above \$99,710 rising to 12.5% at \$121,075. 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.

The surcharge percentage will be reduced over the next two years. The percentages will be as follows:

- 2004/05 year 12.5%
- 2005/06 year and beyond 10.0%

AUST(Q) must report to the 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.

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 Annual 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 28 days. Legislation requires that all complaints are appropriately resolved 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 then 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.

AUST(Q)

SFN: 268339

ABN: 65 010 677 013

SPIN: AUTO100AU

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