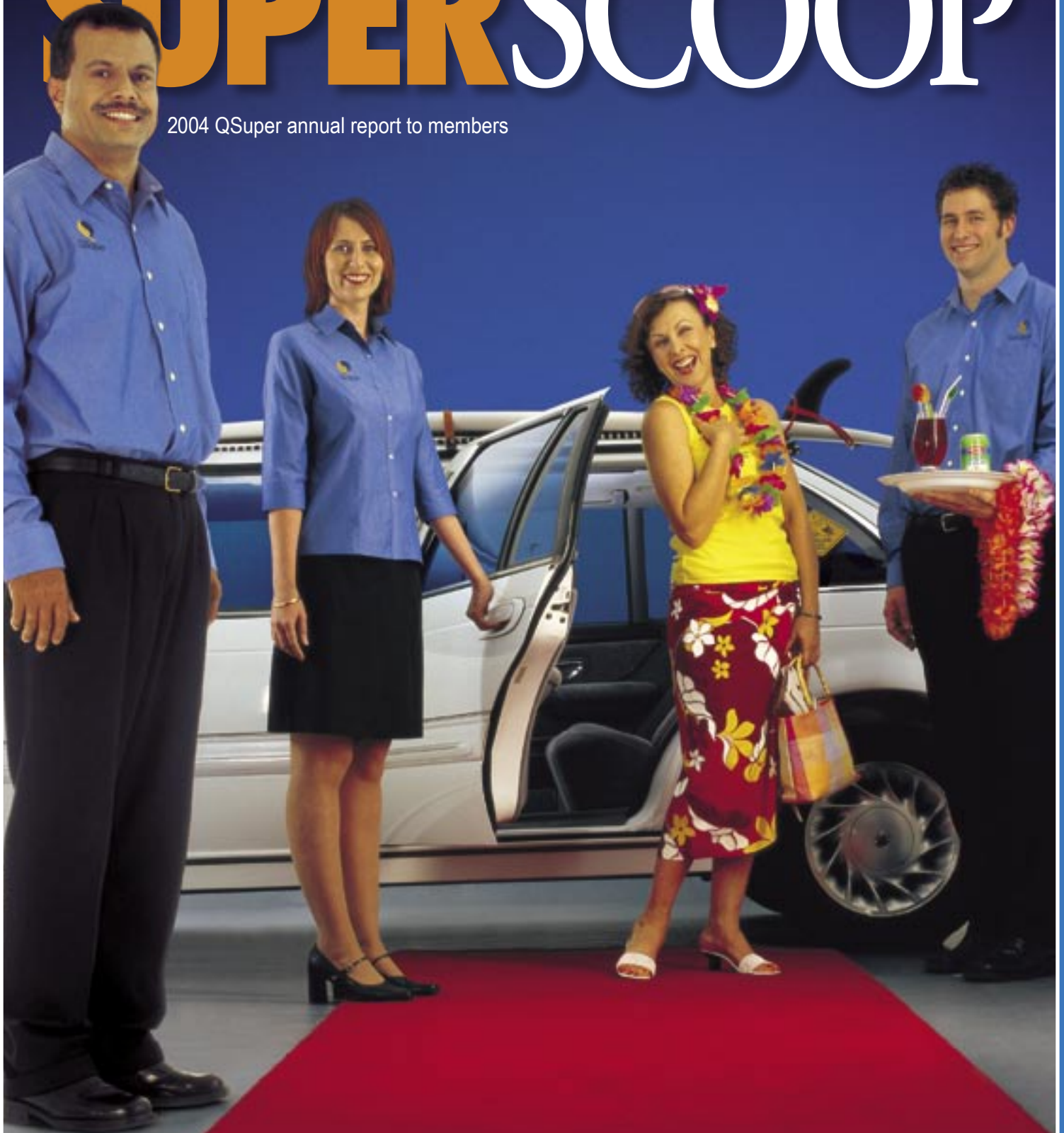


SUPERSCOOP

2004 QSuper annual report to members



You're important to us!

WIN \$\$\$
in giveaways!

See inside for details...

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How much does Super Scoop cost?

All super funds are required to provide members with a benefit statement and a report each year.

The QSuper Board of Trustees sees this as an opportunity to also

provide useful articles and updates on how you can make the most of your super, to help in *financing your future*.

Last year, QSuper received an industry communication excellence award for the quality of our annual reporting. And, with over 418,000 members, producing a magazine like *Super Scoop* is a very efficient way to get this information to our membership.

In fact, this year the cost of printing *Super Scoop* was just 33 cents per copy! And, we are pleased to use recycled content paper.

Trustee details

The Trustees of QSuper are known as the Board of Trustees of the State Public Sector Superannuation Scheme (ABN 60 905 115 063).

Employer representatives

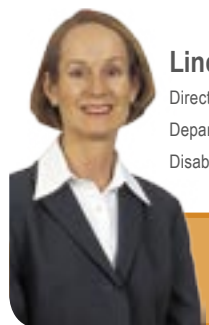
(nominated by the Queensland Government)



Gerard Bradley

Under Treasurer and
Chairman of the Board

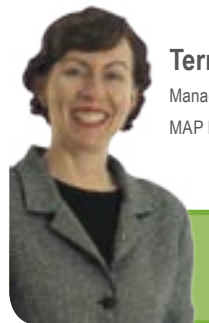
Meeting attendance 12
(Deputy – Tim Spencer)



Linda Apelt

Director-General
Department of Communities and
Disability Services Queensland

Meeting attendance 11
(Deputy – Wayne Cannon)



Terri Hamilton

Managing Director
MAP Funds Management Ltd

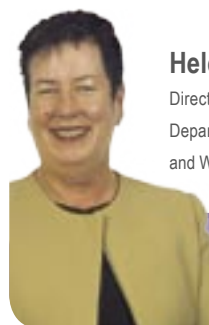
Meeting attendance 12
(Deputy – John Carpendale)



Tony Hawkins

Chief Executive Officer
WorkCover Queensland

Meeting attendance 12
(Deputy – John Carpendale)



Helen Ringrose

Director-General
Department of Tourism, Fair Trading
and Wine Industry Development

Meeting attendance 12
(Deputy – Cathi Taylor)

Member representatives

(nominated by the Combined Public Sector Unions' Superannuation Committee)



Chris Barrett

Assistant General Secretary
Queensland Council of Unions

Meeting attendance 11
(Deputy – Grace Grace)



Karen Peut

Council Delegate
Queensland Public Sector Union

Meeting attendance 11
(Deputy – Alex Scott)



Garry Ryan

State President and Southern
District Secretary
The Australian Workers' Union

Meeting attendance 10
(Deputy – Tom Jeffers)



Steve Ryan

Vice-President
Queensland Teachers' Union

Meeting attendance 12
(Deputy – Jeff Backen)



Merv Bainbridge

Official
Queensland Police Union of Employees

Meeting attendance 11
(Deputy for Gary Wilkinson)

Year in review

BY GERARD BRADLEY

The 2003/2004 year saw the economic recovery investors had been waiting for. This has helped deliver strong returns for members, with QSuper's performance among the best of any super fund in Australia.

I hope you enjoy reading this year's issue of *Super Scoop*, QSuper's annual report to members. In last year's *Super Scoop* we asked, "What's important to you?".

This year the Board would like to assure you that "You're important to us".

Our priorities are to provide you with professional expertise and the best superannuation service, so you can have greater lifestyle choices. We want to make sure you know how you can make the most of your super, because... you're important to us.

Leading investment returns

The Board is delighted with the investment performance achieved for members this year. QSuper's investment results are shown in detail on pages 22–24. However, the strength of our performance this year is highlighted by the fact QSuper was consistently ranked among the leaders of Australian super funds in a number of surveys completed throughout the year.

In last year's *Super Scoop*, we talked about short-term losses being inevitable from time to time, as the "nature of investing" means returns are cyclical and affected by domestic and international conditions.

Although investment conditions were very different this year, the message for members remains the same, and that is to invest with discipline and focus on long-term objectives.

You can be assured the QSuper Board will remain committed to long-term investment objectives in both good and bad years, to ensure funds are managed with our members' retirement interests in mind.

More investment options

The Board continually strives to meet the needs of members. In response to member feedback, the Board has approved the development of five additional investment options, which are expected to become available in early 2005. You can read more about these new options on pages 16–17.

Asset consultant

Global consulting firm, Watson Wyatt, has been appointed to provide additional investment consultancy services. While QIC will remain the main source of advice, the independent consultant will be available to provide industry and investment performance information.

Giving you the help you need

During the year, the Fund continued to offer members like you, information and help, to make decisions to improve your future lifestyle.

This year we presented more than 700 seminars for members across the State—more than ever before. Our website attracted a record 464,630 visits, we fielded over 268,000 calls from members, and our Member Service Centre at 81 George Street, Brisbane, was redesigned to give greater access to our personal service.

During the year, Q•Invest provided 10,825 interviews to members at no additional cost, as part of their QSuper membership. Q•Invest opened new premises at Central Plaza 2 in Eagle Street, Brisbane, to cope with the increasing demand from members for this valuable service.

Acknowledgements

The Board thanks its major service providers, including the Government Superannuation Office, QIC, Q•Invest, and the State Actuary. The Board also appreciates the support received from the Auditor-General of Queensland. ■



Our priorities are to provide you with professional expertise and the best superannuation service, so you can have greater lifestyle choices.

You're important to us!

QSuper has over 418,000 members and around \$13 billion in funds under management, which means you are a member of one of Australia's largest and strongest superannuation funds. But QSuper is more than just a large fund. Our commitment to helping you make the most of your super is what really counts, because... you're important to us!



Who are QSuper members?

On 30 June 2004, QSuper had 418,204 members! Just over half our members no longer work for the Queensland Government, but have chosen to keep their money invested with QSuper.

But where do our Government employed members work?

- ▶ 32.0% Education Queensland
- ▶ 23.2% Queensland Health
- ▶ 5.6% Queensland Rail
- ▶ 5.2% Queensland Police
- ▶ 4.9% Department of Employment and Training
- ▶ 29.1% other employers

We recognise all of our members are individual people, with specific needs and wants, and different levels of understanding when it comes to investing and finance.

One in every nine Queenslanders is a member of QSuper. That means we have all sorts of members in all types of locations. From medical scientists in Brisbane, to police officers in Kowanyama, retirees travelling Australia, school crossing attendants in Mackay, and trade development executives in Jakarta.

We recognise all of our members are individual people, with specific needs and wants, and different levels of understanding when it comes to investing and finance.

So at QSuper, we've made a commitment to help each one of our members understand how they personally can make the most of their super from the wide range of choices available to them.

This means that as a QSuper member, you're a step closer to having the future lifestyle you want and deserve.

For most members, the retirement benefit they receive from QSuper will be the largest single sum of money they ever have to deal with. And, most of these people will live almost as many years in retirement as they did in their working careers (and sometimes more). For that reason, it's critical to us that each one of our members makes the most of the great range of products and services we have to offer, to give them the best possible future lifestyle.

After all, that's why we're here... for your future!

CONTINUED OVER PAGE 5

So, what does QSuper offer you?

Solid returns

This year, QSuper was ranked as one of Australia's top three performing funds in a study conducted by the respected financial services information group, Rainmaker. The study looked at our results over the 2003/2004 year, and was great news for all our members.

What's more important, however, is the fact our performance over the last 10 years sees us ranked among the top funds in the country for long-term performance.

QSuper's investment objectives are aimed at providing a solid return for members over the long term. Even in your retirement, it's still important to invest for your future, because your money may need to last you another 20 years or more. That's why delivering solid returns to you is important to us – it means a better lifestyle for your future.

Low fees

QSuper is well known for its low fees – and fees are just as important as returns. Super accounts grow with returns, but reduce with fees. Returns can vary from year to year, and the best performing fund one year is not likely to be on top the next year. However, the benefit of a low fee will be there for you each and every year.

Compare us with other super funds, and you'll find QSuper's fees are among the lowest in Australia. And, with QSuper, you pay no entry fees, no exit fees, and no commissions.

OPTION	MER	OPTION	MER
Cash	0.37%	Balanced	0.54%
Cash Plus	0.45%	High Growth	0.57%

Keeping your fees as low as we can is important to us, so you have more money in your account, working for you.

Better knowledge

The better your knowledge, the better the decisions you make. At QSuper, we receive more than 260,000 phone calls from members each year. Over 22,000 people attend the hundreds of free seminars we run across the State, almost 470,000 visits to our website were recorded throughout the year, and more than 10,000 of our members visited Q•Invest for personal financial planning advice. What's more, all these information services are provided for you as part of your QSuper membership, at no extra cost.

We're committed to giving you better knowledge to understand your super, so you can enjoy a better retirement.

Real service

Many financial institutions talk about giving service, but at QSuper you get real service, from people who are also QSuper members, just like you. We're easy to contact, and we won't make you wait in long queues.

But, we do make sure your questions get answered!

Our popular seminars are free, our website lets you check your account whenever you want to, 24 hours a day, and when you call us you can speak to a real person who has the knowledge to answer your question.

To ensure we keep providing you with the best possible service, we are currently undergoing a major review of our website. The QSuper website will soon be easier to use, contain information focussing on your individual needs, and have a lot more features to help you in making the right decisions.

Your superannuation is important and you can trust QSuper with your retirement savings.

That's why we give you real service with your super, because you're important to us! ■

Did you know...

- ▶ Queensland's population grew by 22% in the last decade, the fastest of all states and territories. This was followed by Western Australia and the Northern Territory, which grew by 16% each.
- ▶ 10.7% of the Australian population is aged over 65, with 11.9% of Queenslanders over the age of 65.
- ▶ Australia's population has doubled in the last 44 years, from 10 million in 1959 to 20 million in 2003.

(Source: Australian Bureau of Statistics, April 2004).

"I know super's important, but I don't really know what it is."

That's a comment we hear a lot.

Superannuation is simply a type of investment. In fact, it's the most commonly held type of investment in the country, with virtually all adult Australians now holding a super account of some type.

Super is designed specifically to fund retirement, and the Commonwealth Government provides a number of incentives to make super a particularly attractive investment option.

Because of its compulsory nature, super is a disciplined savings vehicle that enables virtually all Australians to have a role in building the nations' wealth – as well as their own future income.

The basic concept is that you and your employer deposit money into an account. That money is pooled with other members of your fund and is invested in areas like the sharemarket, commercial property, and fixed interest.

If you have an accumulation account, your balance (or benefit) grows from the amounts deposited, and the returns your money earns.

If you have a defined benefit account, your benefit is calculated on the amount you pay in, your salary, and your years of service – returns don't affect the amount of your final benefit.



BY ROSEMARY VILGAN

Rosemary Vilgan is Chief Executive Officer of the Government Superannuation Office (GSO) and Executive Officer of the QSuper Fund. She holds directorships of Q•Invest Limited, the Association of Superannuation Funds of Australia (of which she is a past Chair), and the Fund Executives Association Limited. Rosemary was awarded the Fund Executives Association's inaugural Fund Executive of the Year award, and used her award to study behavioural finance – the psychology of money.

Ten tips to improve your financial lifestyle

No matter who we are, or what stage of life we're at, we all need to keep a focus on our finances. Making the most of your money and being in control of your finances can give you more choices with your lifestyle, both now, and in the future. Here are ten quick and easy tips that could help you finance your future lifestyle choices, and give you some instant results as well!

1. Know what you're aiming for

You may know how much money you need to live on from week to week now, but have you thought about what you'd like to do in retirement and how much you would need week to week? After all, you can't plan to reach your retirement savings target, if you don't know what it is.

2. Make it automatic

Research shows people know they should save more, but don't want to start right now. To get that nest egg growing, consider starting extra, or "voluntary", contributions with your next pay rise. Your investment could get a real boost and by having your contributions paid automatically from a pay rise, you won't even miss the money! Check out your benefit statement to see how easy it is to start.

3. Get what you're entitled to

Find out if you're getting all of the superannuation payments you're entitled to. If you earn under \$28,000 p.a. and pay your own personal contributions into super, the Commonwealth Government will pay up to \$1,500 a year straight into your super account. This amount reduces as your salary increases, but doesn't cut out until your income reaches \$58,000, (see page 26 for more info). Also, consider whether you would like to receive the maximum amount of super from your employer. By paying 5% of their salary into QSuper, most members receive a 12.75% super contribution from their employer. If you're not paying in your own money, your employer won't pay in the maximum amount either.

4. More in your pay packet

By salary sacrificing super contributions, some people end up with more money in their pocket each week, and more in their retirement nest egg too. Get hold of one of our salary sacrifice workbooks, or talk to a Q•Invest financial planner to see if salary sacrificing could work for you.

5. Find what you've lost

The Australian Taxation Office holds billions of dollars of lost super and some of it could be yours. If you lost a \$100 note you'd spend ages looking for it, so see the lost super article on page 25 and then spend 5 minutes seeing if you've lost any super.

CONTINUED OVER PAGE 7

6. Keep it together

Do you have other super accounts from previous jobs? Did you know you can roll all your super accounts into QSuper? Besides making it easier to keep track of your super, often this can save you money in extra fees across each of these accounts – fees which come straight out of your savings. And remember, QSuper's fees are among the lowest in Australia.

7. Cover yourself

Most QSuper members have automatic insurance cover as part of their membership, and around 40% of our members also pay for private insurance. For some of these people this may mean they are over-insured. It's important to assess the level and type of cover you need. It's also important to understand just what type of cover you currently have with QSuper while you are employed with the Queensland Government. You may need to consider additional QSuper cover, or other forms of insurance.

8. Choose where it's invested

With QSuper's range of investment options, you can choose how your money is invested, and make sure it's done in a way that suits your needs and your attitude to investment risk. Over a long time, a small difference each year, could amount to a lot for your retirement.

9. Keep your head

Don't let your heart rule your head when it comes to your finances. Often, when money is involved,

people make decisions they might rationally be able to see are wrong, but they do them anyway. For example, why do people sell shares when share prices are low, or buy into the property market when it is high? People often place more importance on avoiding a loss, rather than focussing on making a gain. If you can keep your head when you're making financial decisions, your discipline will pay off in the long run.

10. Know your super

Your super benefit is likely to be the largest single sum of money you ever get, so find out about it. You have an investment that could be worth hundreds of thousands of dollars, so take some time to understand it. Learn how your super works and how you can make the most of it. Go to a seminar, read your benefit statement, surf the QSuper website, and read *Super Scoop*!

These are just a few ideas to help you get on top of your financial lifestyle. At QSuper, we're committed to showing you how to make the most of your super today, for a better lifestyle tomorrow.

But remember, everyone's circumstances are unique and to make the most of your money you should seek professional financial advice.

So, call Q•Invest today for expert advice, and get on track for a better retirement.

How much is enough?

A recent study* into retirement living standards has found a retired single person would need to spend \$32,800 a year for a "comfortable" lifestyle, while a couple would need to spend \$43,350.

That calculation considered a range of standard expenses such as housing, energy, food, clothing, health, medical, and transport costs. In addition, the study also added leisure and personal expenses, including occasional eating out and entertaining, modest updating of clothes and appliances, private health insurance, an annual holiday, and owning a late model standard car.


By comparison, a "modest" lifestyle was deemed to require \$16,930, or \$23,550 for a couple – but that involved much less expenditure in areas such as leisure, health, transport, and food. Either way, these amounts will hardly provide an exorbitant lifestyle, and if you'd like regular overseas holidays, a prestige car, and to spoil your family with gifts and random generosity – you'll need even more.

Why not see if you're on track for the type of retirement you'd like, and run some forecasts on the calculators you'll find on our website – www.qsuper.qld.gov.au.

*Published on the Association of Superannuation Funds of Australia website – www.asfa.asn.au.

A little
extra
today...





Consider encouraging the idea of putting aside money for helping others and let your kids decide for themselves, with some guiding, how much they want to spend and save.

Teaching your kids about money

Helping your children develop skills with money could be one of the best gifts you ever give them.

As with most things, your children will learn a lot of their financial skills from you.

Examples you set with earning, spending, saving, and budgeting are likely to be copied. Take the time to include your children in some of your financial decision making and consider using pocket money as a means of teaching those skills, rather than just a means of managing behaviour or providing a reward. You can even use money to help teach counting skills, along with the concept of setting and reaching goals.

You might want to link pocket money to regular household chores. But if you'd rather

those jobs be seen as a family responsibility that should be done without reward, set some additional tasks to help with the concept of earning based on effort.

Consider encouraging the idea of putting aside money for helping others and let your kids decide for themselves, with some guiding, how much they want to spend and save (their budget). You might be surprised how they choose to split their weekly income once they've set themselves a savings goal!

If you're worried your skills aren't up to scratch, then do some research. There are literally hundreds of magazines, books, and websites to help you.

Take the time to teach your kids these valuable habits, and be consistent by setting aside a regular time each week to discuss where money has gone, or how it has grown.

You'll help them develop good habits that will last a lifetime, and have some fun along the way. ■



QSuper

...could mean
a lot more tomorrow.

Making extra contributions to your super now, could make a big difference to your retirement benefit. Watch your investment take off by contributing more today!

Check out your benefit statement to see how easy it is to start,
or call us on 1300 360 750.



QSuper

Your super is now online

QSuper's website is full of information to help you understand more about your super, and investing generally. But did you know you can now access your account details online, to follow your investment, whenever you want to?

In the last year, almost 470,000 visits were made to our website by members wanting to check unit prices, download forms and fact sheets, learn more about our products and services, book into a seminar, check the latest investment news, and use our calculators and profiling tools to help plan their financial futures.

And, thousands of members are now also taking advantage of our secure online facility to see their account balance, check their investment preference, view their benefit statement, request quotes, or even change their personal details.

If you haven't registered to access your account details online, then now is the perfect time.

Registering is easy!

Simply select the Log on button from the member menu. Then, all you will need is your latest benefit statement and your payroll number.

If you're no longer employed within the Queensland Government you can still use your old payroll number to register.

And, if you can't remember your payroll number, just call us on 1300 360 750 and we'll help you register over the phone. Once you've registered, you're ready to go!



Keep your eyes on the QSuper website over the coming months, as some exciting changes are about to take place.

QSuper's entire website is undergoing a major redesign, which means you'll soon have access to a series of new educational tools and easy to find, useful information.

More and more members are discovering how they can use www.qsuper.qld.gov.au to make the most of their super.



Thousands of members are now also taking advantage of our secure online facility to see their account balance, check their investment preference, view their benefit statement, request quotes, or even change their personal details.

Did you know?

- ▶ 55% of Australian households have Internet access. People generally use the Internet in a range of ways, but the most common activities are email/online chat (75% of users), Internet banking and financial activities (37%), buying or selling items (28%), and entertainment (27%). (Source: The current state of play 2003, National Office for the Information Economy.)
- ▶ 48% of Australian farms have access to the Internet. This is slightly lower in Queensland than in other states, with only 41% of Queensland farms online. (Source: Australian Bureau of Statistics, April 2004.)
- ▶ An estimated 850,000 people now use the e-tax system to lodge their tax return. (Source: Australian Taxation Office, October 2003.)
- ▶ 70% of Queenslanders over 18 use a mobile phone. (Source: Australian Bureau of Statistics, April 2004.)

New look for member statements

Each year, QSuper mails you a benefit statement, along with your copy of *Super Scoop*. This year we have improved the design to help make it easier for you to read. You can also view your statement through the QSuper website, whenever you want to, 24 hours a day.

So what does your benefit statement tell you?

Your benefit statement contains valuable information to use in planning your finances. This could include information like:

- ▶ how much your QSuper benefit has grown over the year;
- ▶ a projection of your account balance at retirement, and the level of income this could provide you with in retirement;
- ▶ the amount that would be paid if you died; and
- ▶ the value of your disability benefits.

Your benefit in the event of total and permanent disability is also shown, along with your income protection benefit details, if you have this insurance.

Your benefit statement is an important document and should be kept in a safe place.

For many members, your statement also includes a handy slip to complete and give to your employer if you would like to make voluntary contributions from your pay—remember, it's your retirement!



QSuper may be calling you

Ensuring your fund provides a range of products and services that meet your needs is a primary concern of the QSuper Board of Trustees. And, with more than 418,000 members, it's quite a challenge to know what those needs are! So, to find out what you want from your fund, QSuper often undertakes market research.

Sometimes our own staff will contact you, and on other occasions this research is contracted out to professional market research firms. When we engage an external research firm, formal agreements ensure they comply with strict standards imposed by QSuper, and national privacy guidelines. If you are ever contacted for QSuper research, your participation is entirely voluntary and confidential.

The personal data we supply to researchers is generally limited to your name and contact details, and the results we receive never list names of

respondents. If you are ever in any doubt about a call from a researcher, feel free to contact us to verify the call.

Your privacy

QSuper values your privacy and the security of your personal information, and follows the requirements of both the Queensland Government's privacy scheme which are consistent with the Commonwealth Government's Privacy Act.

Do you have a surcharge debt?

The superannuation surcharge debt is a debt levied by the Australian Taxation Office against superannuation accounts of high income earners. Generally, debts are required to be paid when

the member first withdraws funds from their account. For more information, grab a copy of the *Superannuation surcharge guide* from our website, or by calling 1300 360 750.

Keep track of our unit prices

If you want to keep track of QSuper's unit prices, you can get a daily update from our website, by looking at the unit price display board in the foyer of our Office at 81 George Street, Brisbane or by calling 1300 360 750. You will also find our unit prices listed in *The Courier-Mail* on the first working day of each month.

Pay by BPAY®

Did you know you can make both voluntary and spouse contributions into QSuper using BPAY®? Check our website at www.qsuper.qld.gov.au for more details! © Registered to BPAY Pty Ltd ACN 079 137 518

Did you know?

- ▶ QSuper has more than 418,000 members, all current or former Queensland Government employees or their spouses.
- ▶ During 2003/2004, QSuper members made 847,309 voluntary contributions, boosting their super by \$339.3 million.
- ▶ Members also rolled \$209.7 million into QSuper from other funds, consolidating their super and making it easier to keep track of.
- ▶ QSuper held 712 seminars throughout Queensland, attended by 22,111 people.
- ▶ On 17 June 2004, our Member Services area received its two millionth call since it began operating in 1993.
- ▶ While around one quarter of QSuper's members are aged over 50, four in ten are aged between 25 and 39.



BY STEVE RYAN

Steve Ryan has been a QSuper Trustee for 10 years. Steve has been an Executive member of the Queensland Teachers' Union since 1993 and a Senior Officer of the Union since 2000. He is also a Director on the Board of Q•Invest Limited.



Your future is in good hands

With QSuper, you are a member of one of Australia's largest superannuation funds. But just who is QSuper?

QSuper is managed by a Board of ten Trustees, five of whom are appointed by the employer (the Queensland Government) and five, including me, who are appointed by various public sector unions. The Board meets monthly to make decisions on the general management of the Fund, which includes monitoring the Fund's investments, considering disability claims appeals, keeping abreast of relevant legislation, and identifying new products and services to meet the needs, and wants, of our members.

The Government Superannuation Office (GSO) is the Fund's administrator and has almost 350 staff. They are responsible for maintaining the Fund's records, paying member benefits, ensuring accuracy of member accounts, preparing the information you receive, and answering your queries. They are the voices and faces of QSuper and I'd like to introduce you to just some of the people, who each day, look after your retirement savings.

CONTINUED NEXT PAGE 

These are just some of the professional and experienced staff who look after your money each day. More than 80% of GSO employees have undertaken a higher education qualification, which reflects not just their professionalism, but also a desire to develop their skills, so they can provide you with leading products and real service. As a QSuper member, you can rest assured your super is in safe and expert hands!

Michael Pennisi

Michael is Chief Strategy Officer with the GSO and leads the Superannuation Policy, Investment Services, and Marketing and Development business units of the Office. Michael started with the GSO in 1996 and has over 15 years experience in the superannuation industry, in the private sector, and with the industry regulator.

Austen Morse

Austen is one of the QSuper Information Officers who handled the 268,000 calls members made to QSuper last year. On a given day, Austen might field up to 70 phone enquiries ranging from a question like "what's my balance", through to more complex questions on taxation or investment performance. Austen also helps answer member emails and enquiries over the counter at our 81 George Street Office, as well as "moonlighting" for us in some of our advertising!

Don Kofoed

Don is the Chief Operating Officer of the GSO, and oversees the services provided to members and employers. He has 14 years experience in managing service delivery in both the public and private sectors, and has worked in the financial services industry for 8 years. Don brings significant experience in leading edge quality management processes to the GSO service delivery team.

Agnes Bednarczyk

Agnes is a Senior Executive Officer in the Investment Services area and has been with the GSO for over 3 years. Her role involves analysing and advising the Board on investment policy matters. She also investigates and analyses opportunities for the development and introduction of new QSuper investment products. Agnes has a Bachelor of Commerce (Hons) and a Diploma of Financial Planning.

Cliff Kaye

Cliff joined the GSO as Chief Financial Officer in April 2003 with over 12 years superannuation and finance experience. Cliff's current responsibilities encompass a range of areas, including Finance, Business Solutions and Technology, and Human Resources and Administration. He is a member of the Institute of Chartered Accountants in Australia and Fellow of the Institute of Chartered Secretaries in Australia.

Tuong Nguyen

Tuong is a Computer Systems Officer working on the Help Desk. He provides IT support for staff at the GSO and for any members who have trouble accessing the QSuper website. Tuong was involved in the development of the new secure member access section of QSuper's website, along with internal systems that have helped automate and increase productivity for our staff when processing members' superannuation details. Tuong holds qualifications in IT and Engineering. ■



PICTURED (from left to right): Austen Morse, Michael Pennisi, Agnes Bednarczyk, Don Kofoed, Tuong Nguyen, Cliff Kaye.



Linda Apelt is Director-General of the Department of Communities and Disability Services and was formerly Director-General of the Department of Housing. She is a member of the Board of the Australian Institute of Health and Welfare, and Community Services Ministers' Advisory Council and is also Adjunct Professor to the Faculty of Social and Behavioural Sciences, University of Queensland.

BY LINDA APELT

Who's managing your money?

As a QSuper member, not only do you have one of Australia's leading fund managers investing your super funds, but you also have the best fund managers around the world making your money work harder for you.



QIC has managed QSuper's funds for well over a decade. The government owned, yet fully-commercial corporation, consistently achieves above industry average returns and ranks as the nation's fourth largest wholesale funds manager.

Property, fixed interest, and cash asset classes are directly invested by QIC, along with some Australian shares. However, to complement its own expertise, QIC currently engages and manages 25 additional investment managers to work with them for the investment of QSuper's international shares, and a proportion of Australian shares and fixed interest.

QIC also employs external managers to add value through active currency management.

These investment managers are closely monitored by QIC, while the QSuper Board of Trustees closely monitors QIC's performance.

This means your funds are getting expert attention 24 hours a day, as we continue focussing on reducing risk, expanding investment diversity, and improving investment returns.

Why use other investment managers?

External managers are appointed by QIC for their specialist experience and skills in particular regions or markets. They all bring different perspectives and create new opportunities to boost your return and manage risk. In other words, they provide diversification – which avoids “having all your eggs in one basket”.

How does QIC choose managers?

QIC's selection process is rigorous. Identifying the best managers in each market, and matching different management styles with market and economic conditions is a difficult task, requiring extensive research.

QIC aims for a mix of styles to reduce volatility and improve consistency over time. They are renowned for their skill in selecting managers, as evidenced by the fact QIC was the only Australian fund manager to use Rogge International before they were announced 'World's best bond manager' this year, by the international *Global Investor* magazine.

QIC monitors managers' results on a daily basis, right down to individual share choices. QIC regularly reviews each manager in detail, to confirm they are meeting their objectives and targets.

How much of QSuper's funds do external managers invest?

Around 35% of QSuper's Australian share holdings, 100% of international shares, and around 37% of the fixed interest portfolio is externally managed. This represents around \$6.7 billion, or 51% of the total QSuper Fund.

So, with QSuper, you know Australia's best and brightest investment professionals, along with other specialist fund managers around the world, are working for you and your money, every hour of every day! ■



Defined Benefit or Accumulation... what's best for you?

Most QSuper members can choose the style of account which best suits their needs. If you're currently working for the Queensland Government, and not employed on a casual basis, you can decide whether your QSuper grows:

- ▶ at an agreed rate based on your salary and years of service, in a Defined Benefit account; or
- ▶ with investment returns, in an Accumulation account.

There are a number of factors to consider when deciding which account is right for you. For instance, if you're looking for low investment risk or expecting your salary to increase significantly, then a Defined Benefit account may suit you.

But, if you want to have some investment choice by taking on a level of risk you're comfortable with, then an Accumulation account may interest you.

Very few super funds offer their members this kind of flexibility. However, there are a number of important things you need to

consider and there is no straight forward answer to which type of account is best for you. You should keep in mind your personal situation and select the best account for you—it could make a big difference to the type, and size, of benefits you receive.

More information is available from the QSuper website at www.qsuper.qld.gov.au, or by contacting us on 1300 360 750.



Reach your life goals™

Our Investment Access Funds now offer a regular savings plan, making it even easier for you to reach your life goals.

The Funds give you the opportunity to access cash, fixed interest, property, or share investments. But, unlike superannuation, you can access your money whenever you need to.



Q Invest

For more information, or to obtain a copy of the Product Disclosure Statement, phone 1300 360 750, visit www.qinvest.com.au or email qinvest.info@qinvest.com.au.

INVESTMENT
ACCESS FUNDS™

Reach your life goals™

*QInvest Limited (ABN 35 063 511 580) (QInvest) AFS Licence 238274 is the Responsible Entity for the Investment Access Funds. You should consider the current Product Disclosure Statement (which has the application form attached), in deciding whether to acquire, or continue to hold, the product.



BY TONY HAWKINS

Tony Hawkins has been the CEO of WorkCover Queensland for the past 6 years. He brought to this role 13 years insurance experience with the AXA Group and 14 years mining experience at CSR. In his spare time Tony is a strong supporter of up and coming Queensland rugby union and water polo talent.

More ways to invest your money

How would you like your super invested? With a QSuper Accumulation account, you can choose from four investment options when deciding how you would like to invest your super. Or, if you don't want to make a choice, you can leave it to us to invest your money for you.

And, right now we're developing five more options – giving you even more ways to invest your money.



We all have different investment needs, depending on the stage of life we are at, how long our money will be invested, and how comfortable we are with taking on some investment risk.

Currently with QSuper, you can make a choice from our range of four investment options or, if you don't make a choice, your money will be automatically placed in the Balanced option. However, from early next year, there will be five more investment options to choose from, giving you even greater control over your super.

Your benefit statement tells you what options your money is currently invested in. Of course, there's no need to change anything – either now, or when the new options are launched. But, if you do want to select new investments to better suit your particular needs, then you'll be able to choose any combination of these options,

ranging from low risk and return to higher risk and return. There will also be an option for you to direct your money into socially responsible (or ethical) investments. And you'll still be able to make up to four switches each year.

Being able to tailor the way your money is invested can be very important for you, and your retirement savings. And that's why we're developing new options to meet needs you've been asking about... because you're important to us!

Our new range of investment options will be available early in 2005. A new look investment choice book will be available with information to help you make the best investment decisions.

Keep your eye on the QSuper website for more details. ■

CURRENT OPTIONS

Cash
Cash Plus
Balanced
High Growth

ADDITIONAL OPTIONS

Australian shares
International shares
Property
Fixed interest
Socially responsible

Being able to tailor the way your money is invested can be very important for you, and your retirement savings.

more!

Your health Your future

At QSuper, we're committed to helping you make the most of your super, to give you more options for your future lifestyle needs. But that is just one element of a happy and fulfilled life. Just as your finances are important to your future, so is your health. And, we want to help you with that too!

Australians are now living longer than ever before. Advancements in medical technology mean many Australians entering the workforce today will have longer retirements than working lives.

We want to make it our responsibility to help our members, like you, with a total lifestyle solution, rather than just focussing on finances. So, besides giving you better knowledge in investment areas, we'd like to create greater awareness of some of the other components such as travel, exercise and fitness, gardening and even cooking, to help you achieve the future lifestyle you want. And of course, the most important element to a comfortable retirement other than your finances, is your health.

Of course, your health is not just about your body, but your mind as well. Often, physical

issues are easier to spot and to treat, but mental illness is something many of us will be touched by at some point in our lives. One of the most common forms of a mental illness is depression, and although it might be uncomfortable to think about, this is a major health issue among all Australians. Depression is also one of the key illnesses we deal with at QSuper, through income protection and disability claims. So, in this article, we'd like to give you some information on depression, as part of helping you get better knowledge on this important condition.

800,000 Australians this year

This year, 800,000 Australians will find themselves living with depression. In fact, one in five Australians (one in four women and one in six men), will experience depression at some

point in their life. In addition to the many people suffering depression, the lives of those around them are very often affected as well.

What is depression?

Depression is defined as a pervasive and relentless sense of despair, lasting for 2 weeks or longer. And, depression also commonly occurs with anxiety syndromes, which involve feelings of tension, worry, fear, and nervousness.

This year, 800,000 Australians will find themselves living with depression.



If you think you, or someone close to you, could be depressed, you should ask for help. Find a doctor you can trust and talk to freely.

What causes depression?

Depression is often caused by a mix of significant events and other personal factors.

Specific events such as childbirth, relationship breakdowns, loss of a loved one, and work related issues can contribute. Depression and anxiety can also run in families. However, it's what is happening in a person's life that is likely to affect their chances of becoming ill.

What should I do?

If you think you, or someone close to you, could be depressed, you should ask for help. Find a doctor you can trust and talk to freely.

Remember, depression is an illness and lots of people experience it. If you would visit a doctor about any other illness, then why not seek a diagnosis, and treatment, for depression?

Depression is the third most common cause of illness among women – don't discount depression or anxiety as something that couldn't affect your life, or those close to you. If you're unsure, find out more. Check some of the websites listed on page 20, and talk to a health professional – you are not alone!

CONTINUED NEXT PAGE ▶

Symptoms of depression

- Moodiness out of proportion to events
- Irritability and frustration
- Sensitivity to personal criticism
- Loss of interest in food, exercise, or socialising
- Increased alcohol or drug use
- Difficulty with decisions and concentration
- Fatigue, feeling sick, headaches, and muscle pain
- Thoughts of death
- Loss of confidence
- Changes to sleep patterns
- Acting recklessly and taking risks
- Significant weight loss or gain



Be enthusiastic, focus on what's good in your life and not what you wish was different. Make the most of every day – don't waste a minute.

CONTINUED FROM PREVIOUS PAGE

Whether or not you're suffering from a medical condition, like depression, it's important to keep your fitness in order. Staying on top of your physical wellbeing is often a lot easier than trying to get back into shape afterwards. Regular exercise can make a real difference to your life because it generates endorphins—chemicals which will help you feel good. Improving your diet, staying fit, and finding balance in the emotional and spiritual side of your life will help you feel more vibrant and positive, and keep you on the road to a successful future lifestyle.

Remember, the first step in recovering is to identify the illness, and there are many people who can help in rebuilding your health. ■

What's the difference between a psychologist and a psychiatrist?

In Australia, psychiatrists require a medical degree and then specialise in psychiatry. This allows them to prescribe drugs as well as use counselling and other talking based therapies. Psychologists study for at least 6 years and learn about emotions and thought processes, but cannot prescribe drugs.



Websites and support services

www.beyondblue.org.au
www.depressionnet.com.au
www.health.qld.gov.au
www.wesleylifeforce.org
www.parentline.com.au
 Lifeline telephone counselling (24 hours): 13 11 14
 Kids Helpline (24 hours): 1800 551 800
 Parent Line (24 hours): 13 20 55

Stay healthy

Get on top of your health and stay there! You'll feel much better for it.

- ▶ **Exercise.** Make it a regular habit if you can, but do something! Take the stairs instead of the lift, or get off a stop earlier on the way home and walk the rest of your journey.
- ▶ **Eat well and watch your diet.** Often healthy food is a cheaper and quicker alternative. There's not much preparation needed for a piece of fruit.

- ▶ **Be positive.** Be enthusiastic, focus on what's good in your life and not what you wish was different. Make the most of every day – don't waste a minute.
- ▶ **Get a check up.** Visit your doctor for an annual check up – don't just see your doctor when you're sick. Would you wait until your car broke down before you took it to a mechanic?
- ▶ **Improve the world around you.** Surround yourself with people who make you feel good, not with people who live in a cloud. Do something to make your environment – your home, your workplace, your neighbourhood – better and brighter.

Strong returns and low fees

QSuper is well known for its low fees. And fees are important. In fact, fees can be just as important to your retirement savings as returns. So, if you're comparing QSuper with other funds, then don't just compare returns, make sure you understand the way other funds charge fees, and how much they charge.

Different investment products often disclose their fees in different ways. Some split them up (as they have so many), while others group them under terms like MERs and OMCs. For the 2003/2004 year, QSuper's management fee has again remained at 0.35%.

This fee is reviewed by the QSuper Board of Trustees annually. There are also other investment charges that happen outside of QSuper, such as brokerage, stamp duty, audit fees, custodian fees, and external management fees, but these are deducted before QSuper receives its earnings. These other investment related costs differ for each investment option.

The management expense ratio, or MER, is the combined amount of these costs and the management fee. Our MERs for 2003/2004 are shown in this table.

OPTION	MER	OPTION	MER
Cash	0.37%	Balanced	0.54%
Cash Plus	0.45%	High Growth	0.57%

A member with funds in the VPP (closed) option pays an additional 0.35% for a capital guarantee over their funds.

Although our management fee of 0.35% hasn't altered from last year, for some options there have been additional external costs, most of which are associated with the move to bring a number of external managers into the investment management role.

This small increase in fees has, however, been more than offset by the additional returns these managers have achieved for members. Defined Benefit accounts (including State and Police accounts) provide a benefit based on

a multiple of salary calculation, so fees and investment returns don't directly affect the end benefit. However, a management fee of 0.35%, and tax expenses, are deducted from the earnings of resignation benefits.

It's also important to remember the returns QSuper members receive are calculated after fees and a tax provision have been deducted. This means our returns are always net of fees.

What's more, with QSuper you pay no entry fees, no exit fees, and no commissions.

So, with QSuper's low fees you're already in front. ■

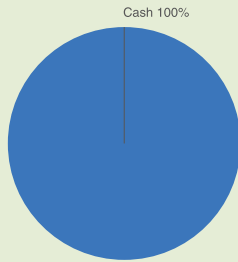
You're on the road to success with QSuper!

Our low fees and top ranking returns will drive your money further.

www.qsuper.qld.gov.au

QSuper

Returns 2003/2004



Cash

The Cash option primarily invests in cash instruments and is expected to provide consistency of returns and safety of capital.

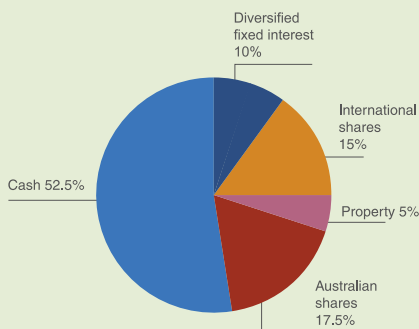
ASSET CLASSES	RANGES	ALLOCATION 30 JUNE 2003	ALLOCATION 30 JUNE 2004
Cash	100%	100%	100%
Diversified fixed interest	0%	0%	0%
Property	0%	0%	0%
Australian shares	0%	0%	0%
International shares	0%	0%	0%

Objective

To credit members' accounts, over a 1 year period, with an average return of 0.5% p.a. below the cash rate after administration fees, but before tax.

Net returns	2003/2004	4 year compound average (p.a.)
Accumulation account	4.37%	4.19%
Allocated Pension	5.20%	5.03%

CREDITING RATES 2003/2004	ACCUMULATION ACCOUNT	ALLOCATED PENSION ACCOUNT
2003/2004*	4.36%	5.19%
2002/2003	3.87%	4.62%
2001/2002	3.65%	4.38%
2000/2001	4.86%	5.89%
1999/2000	NA	NA
4 year compound average (p.a.) <small>the crediting rates are net of fees and tax</small>	4.18%	5.02%



Cash Plus

A large proportion of the Cash Plus option invests in defensive style assets. This is expected to provide downside protection in negative markets while offering some exposure to equity markets to boost returns.

ASSET CLASSES	RANGES	ALLOCATION 30 JUNE 2003	ALLOCATION 30 JUNE 2004
Cash	49%–63%	53.3%	52.9%
Diversified fixed interest	4.5%–16.0%	6.0%	8.7%
Property	2.3%–7.9%	5.2%	4.6%
Australian shares	14.2%–21%	18.6%	17.7%
International shares	9.1%–21.4%	16.9%	16.1%

Objective

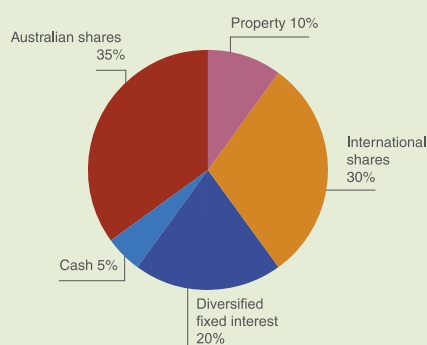
To credit members' accounts, over 3 year periods, with an average return of cash +0.75% p.a. after administration fees, but before tax.

Net returns	2003/2004	5 year compound average (p.a.)
Accumulation account	9.93%	4.90%
Allocated Pension	11.30%	5.37%

CREDITING RATES 2003/2004	ACCUMULATION ACCOUNT	ALLOCATED PENSION ACCOUNT
2003/2004*	9.55%	10.88%
2002/2003	1.21%	1.50%
2001/2002	0.03%	-0.01%
2000/2001	5.26%	5.90%
1999/2000	8.68%	8.84%
5 year compound average (p.a.) <small>the crediting rates are net of fees and tax</small>	4.88%	5.34%

*Net returns 2003/2004

Note the 2003/2004 crediting rates differ from net returns, due to the two day lag in unit prices on 30 June 2004. The crediting rates are received by members who have remained in the option/s for the entire year and made no transactions.



Balanced

The Balanced option is a well-diversified portfolio and is structured to provide a high level of returns while limiting return volatility.

ASSET CLASSES	RANGES	ALLOCATION 30 JUNE 2003	ALLOCATION 30 JUNE 2004
Cash	3%–22%	6.3%	6.2%
Diversified fixed interest	9.5%–30.5%	12.1%	17.3%
Property	5%–15%	10.5%	9.1%
Australian shares	30%–40%	37.3%	35.3%
International shares	19.2%–40.8%	33.8%	32.1%

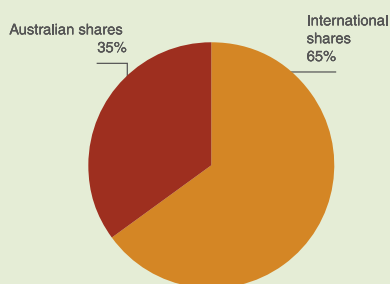
Objective

To credit members' accounts, over 5 year periods, with an average return of cash +2% p.a. after administration fees, but before tax.

Net returns	2003/2004	5 year compound average (p.a.)
Accumulation account	16.06%	5.21%
Allocated Pension	17.65%	5.48%

CREDITING RATES	ACCUMULATION ACCOUNT	ALLOCATED PENSION ACCOUNT
2003/2004*	15.26%	16.78%
2002/2003	-1.91%	-2.11%
2001/2002	-4.15%	-4.57%
2000/2001	5.12%	5.61%
1999/2000	12.88%	13.03%
5 year compound average (p.a.)	5.16%	5.42%

the crediting rates are net of fees and tax



High Growth

With 100% of assets invested in shares, the High Growth option has performed extremely well during recent sharemarkets strength, and is expected to outperform other options in the long run. However, given the nature of sharemarkets, the returns for this option are expected to be volatile.

ASSET CLASSES	RANGES	ALLOCATION 30 JUNE 2003	ALLOCATION 30 JUNE 2004
Cash	-2%–2%	-0.2%	0.2%
Diversified fixed interest	0%	0%	0%
Property	0%	0%	0%
Australian shares	31%–39%	34.9%	34.9%
International shares	61%–69%	65.3%	64.9%

Objective

To credit members' accounts, over 10 year periods, with an average return of cash +3% p.a. after administration fees, but before tax.

Net returns	2003/2004	4 year compound average (p.a.)
Accumulation account	20.72%	-1.43%
Allocated Pension	23.60%	-1.68%

CREDITING RATES	ACCUMULATION ACCOUNT	ALLOCATED PENSION ACCOUNT
2003/2004*	19.97%	22.74%
2002/2003	-3.44%	-3.94%
2001/2002	-11.98%	-13.14%
2000/2001	-7.58%	-8.94%
1999/2000	NA	NA
4 year compound average (p.a.)	-1.47%	-1.73%

the crediting rates are net of fees and tax

CONTINUED NEXT PAGE

Returns 2003/2004

CONTINUED FROM PREVIOUS PAGE

QIC
YOUR INVESTMENT PARTNER
TOP 5 PROPERTY INVESTMENTS
30 JUNE 2004

Castle Towers shopping centre, Sydney
Canberra Centre, Canberra
Eastland shopping centre, Melbourne
Central Plaza Complex, Brisbane
MLC Centre, Sydney

QIC
YOUR INVESTMENT PARTNER
TOP 5 INTERNATIONAL SHAREHOLDINGS
30 JUNE 2004

General Electric Company
Citigroup Inc.
Pfizer Inc.
Intel Corporation
Exxon Mobil Corporation

QIC
YOUR INVESTMENT PARTNER
TOP 5 AUSTRALIAN SHAREHOLDINGS
30 JUNE 2004

BHP Billiton Limited
News Corporation Limited
Commonwealth Bank of Australia
Telstra Corporation
Westpac Banking Corporation

Defined benefit accounts

QIC, as investment manager, implements the asset allocation within defined ranges around the neutral benchmarks. Tactical asset allocation ranges have also been established, enabling QIC to take short-term over or under weight positions in certain asset classes, to take advantage of market opportunities.

ASSET CLASSES	NEUTRAL ASSET ALLOCATION	ALLOCATION 30 JUNE 2003	ALLOCATION 30 JUNE 2004
Cash	0%	1.5%	0.8%
Diversified fixed interest	10%	0.8%	7.3%
Property	10%	13.5%	9.5%
Australian shares #	40%	41.4%	40.2%
International shares	40%	42.8%	42.2%

The allocation to Australian shares includes an investment in Q•Invest Limited.

Derivative policy

Derivatives are investment products where the value is linked to the value of another investment product, e.g., shares. Derivatives can be bought and sold and may be used to protect an investment portfolio against unfavourable movements, or to switch funds between different investments cost effectively. The QSuper Board of Trustees has obtained and accepted a risk management statement from QIC, which defines how QIC can use derivatives. This statement specifically prevents the use of derivatives for speculative purposes.

Assets above 5%

The following QSuper options had exposures over 5% at the end of the financial year.

Allocated Pension and Accumulation accounts Cash option: 5.40% exposure to Commonwealth Bank debt securities; Allocated Pension and Accumulation accounts High Growth option: 10.44% exposure to Barclay's Global Investors.

General reserve

A general reserve is held aside to pay for specific items as they occur. It covers insurance for death and disability, income tax liabilities, and general administration costs, and operates within an established reserving policy, approved by the QSuper Board of Trustees.

The reserve is held in a mixture of cash and balanced investments.

30 June 2004	30 June 2003	30 June 2002
\$268.11m	\$169.38m	\$109.67m

Investment returns—defined benefit accounts

YEAR	DEFINED BENEFIT ACCOUNT			STATE ACCOUNT				POLICE ACCOUNT			
	Net earning rate	Crediting rate #	5 year objective (CPI+4.5%)	Net earning rate	Resignation crediting rate#	Preservation crediting rate#	5 year objective (CPI+4.5%)	Net earning rate	Resignation crediting rate#	Preservation crediting rate#	5 year objective (CPI+4.5%)
2003/2004	18.76%	15.26%	-	18.76%	14.86%	15.26%	-	18.76%	14.86%	15.26%	-
2002/2003	-2.40%	0%	-	-2.40%	0%	0%	-	-2.40%	0%	0%	-
2001/2002	-4.90%	0%	-	-4.90%	0%	0%	-	-4.90%	0%	0%	-
2000/2001	5.27%	5.20%	-	5.27%	4.80%	5.20%	-	5.27%	4.80%	5.20%	-
1999/2000	13.37%	13.35%	-	13.27%	12.85%	13.25%	-	13.32%	12.90%	13.30%	-
COMPOUND AVERAGE											
3 year (p.a.)	3.30%	4.85%	-	3.30%	4.73%	4.85%	-	3.30%	4.73%	4.85%	-
5 year (p.a.)	5.64%	6.57%	7.94%	5.62%	6.32%	6.55%	7.94%	5.63%	6.33%	6.56%	7.94%

A smoothing policy applies to the defined benefit accounts to reduce the volatility of the yearly crediting rates. Therefore, the crediting rates might be lower than the net earning rates when markets perform well, while the opposite may occur when markets under perform. The crediting rates, which have a fee deducted for management, insurance, and tax expenses, apply to your personal contributions for your defined benefit account, but do not affect the final benefit you will receive.



BY KAREN PEUT

Karen Peut is the Executive Director (Roads Programs) with the Department of Main Roads and a Director of Queensland Motorways Limited. She has been a QSuper Trustee since 1985, and is a life member of the Queensland Public Sector Union. In her spare time, Karen enjoys reading and spending time with her family.

Lost billions! Is some of it yours?

If you lost a \$100 note, you'd probably spend days looking for it, and even longer cursing the fact you'd lost it. Yet more than 3 million Australians have lost some of their superannuation and haven't bothered to look for it. Are you one of those people?

The Australian Taxation Office (ATO) has \$7.3 billion worth of unclaimed money they'd like to give back to the rightful owners. Chances are, if you've worked outside the Queensland Government in the last 15 years or so, you'll have a superannuation account for every one of those jobs—unless of course you've already decided to roll those accounts into QSuper.

If you haven't remembered to keep track of that money, or if you've changed address and haven't told your various super funds, then your

money might be part of the ATO's \$7.3 billion worth of lost super.

Why not spend a few minutes finding out? It's quick and easy and could give you an unexpected bonus.

Visit the ATO website at www.ato.gov.au and use their "Super Seeker" online search tool. If you find you have a share of the lost billions, you can download a form to arrange for them to send your money to QSuper, or any other fund you might choose. ■



>Top results
for QSuper members

>Top shopping
for Australia

QIC is the investment manager behind QSuper's successful funds.

We are one of the country's leading fund managers and we work with QSuper to meet your needs by investing in a range of national and international assets.

On your behalf, we own some of Australia's top shopping centres including Robina Town Centre, Toowoomba Grand Central, Logan Hyperdome, Castle Towers in Sydney, and Eastland in Melbourne.

Our development program not only makes our centres a great place to shop but also adds value to your investments.

With QIC as investment manager, your future is in safe hands.



Super changes

Superannuation has been in the spotlight over the last year and fund members have been the winners.

Government co-contribution

The Commonwealth Government introduced new legislation in October 2003 to provide low-income earners, making their own contributions into super, with a matching payment, known as a 'co-contribution'. If you had an assessable income (and reportable fringe benefits) of less than \$27,500 in the 2003/2004 year, you will be eligible to receive the maximum co-contribution of \$1,000.

Salary sacrifice or spouse contributions, or those for which a tax deduction has been claimed, do not qualify for a co-contribution.



The level of the co-contribution reduces as income climbs, phasing out at \$40,000. You do not have to apply to receive the payment, it will be deposited into your super account automatically by the Australian Taxation Office.

In even more good news for members, legislation was passed in June 2004 to increase the income limit range (\$28,000–\$58,000) and the rate of the payment from \$1 to \$1.50 for each dollar a member contributes from 1 July 2004.

Surcharge reduction

Legislation was also passed in June to reduce the superannuation surcharge paid by high-income earners. This will see the original maximum rate of 15%, reduced to 14.5% for 2003/2004, 12.5% for 2004/2005, and 10% for 2005/2006 and subsequent years.

Extension of tax-free benefits

The Commonwealth Government also widened the rules on who can receive a tax-free superannuation death benefit when a member dies. Previously, tax free benefits were generally payable only to dependants (including married or de facto partners). The definition of dependant has now been extended to include those in an "interdependent relationship".



This relationship is defined as one of continuing mutual commitment to financial and emotional support between two people who reside together. This now enables same sex partners to also receive concessional tax treatment over their partner's death benefits.

Choice of fund

Legislation has also been passed to allow employees to direct their employers to pay compulsory super contributions into the fund of their choice from 1 July, 2005.

This is unlikely to affect QSuper, with those employed under State legislation exempt from this Commonwealth legislation.

QSuper rule change

The QSuper Board of Trustees has amended the Fund rules to now allow members rejoining Government employment a period of 3 months, after re-starting employment, to "buyback" their previous defined benefit service. To be eligible, members must have made no withdrawals from their member component.

For more information on buyback rules, or any of these changes, contact QSuper.

Unit price used for switches

Currently, when you ask to switch money between investment options, the unit price which is applied to your funds for that switch, is the unit price on the day your switch form is received. However, from 1 January 2005, investment switches will be processed with the unit price applicable to the day after your switch request is received. This is consistent with the standard industry approach for funds utilising the same type of investment pricing model as QSuper.

Because unit prices reflect earnings from 2 days prior, this new approach will reduce the risk of an individual member making a personal gain at the expense of other members of the Fund, by switching their money based on known market movements for a given day. ■



WIN \$\$\$

in our Reach your *life goals*™ competition!

Because you're important to us, QSuper and Q•Invest would like to give you the chance to boost your investments by winning in our "Reach your life goals" competition.

Financing your future

Want better knowledge about your super and investing generally? Then find out all the latest information from QSuper by subscribing to our quarterly newsletter, *Financing your future*. In each issue you will find valuable articles on a range of topics including:

- ✓ financial planning;
- ✓ investments;
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- ✓ retirement and lifestyle issues.

If you would like a free subscription to *Financing your future*, simply complete this coupon and either mail or fax it to the address, or number, shown below. Or, if you prefer, you can email your details to qsuper@qsuper.qld.gov.au.

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Financial highlights and summary

QSuper member funds as at 1 July 2003 = \$9,730.16m

**Total inflows
\$4,560.78m**

Investment income	\$1,903.71m
Employer contributions	\$1,612.63m
Member contributions	\$509.67m
Transfers in	\$534.16m
Other income	\$0.61m

**Total outflows
\$1,308.04m**

Benefits paid	\$1,193.41m
Administration expenses	\$44.30m
Income tax expense	\$54.85m
Other expenses	\$15.48m

QSuper member funds as at 30 June 2004	\$11,945.52m
QSuper employer funds as at 30 June 2004	*\$1,037.38m
Net assets available to pay benefits at 30 June 2004	\$12,982.90m

*Note: This amount represents defined benefit advance employer funding.

TOTAL ASSETS	\$13,062.96m	TOTAL LIABILITIES	\$80.06m
Investments	\$13,054.83m	Provision for fund tax	\$24.71m
Other assets	\$8.13m	Other liabilities	\$55.35m

Fund accounts

This summary of the Fund's financial position was prepared before the audit of the accounts, using information available at the time of publication. The audited financial statements and auditor's report will be available from QSuper on request in November 2004.

The *Superannuation (State Public Sector) Act 1990* provides for the indemnification of the Board of Trustees. The Board has a level of indemnification that is consistent with Commonwealth superannuation laws and consistent with other State legislation. Any liability would therefore attach to the State.

QSuper contacts

-  www.qsuper.qld.gov.au
 **1300 360 750** for the cost of a local call
 (07) 3221 9663

-  David Longland Building
 81 George Street Brisbane Q 4000
 GPO Box 200 Brisbane Q 4001

Disclaimer

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Q•Invest's Investment Access Funds can help you build savings through both lump sum deposit and regular contribution options without the withdrawal restrictions of super.

We're excited to give you the chance to win an Investment Access Funds account, or a cash injection into your existing account if you open one between now and the end of November 2004!

INVESTMENT ACCESS FUNDS™

There are two ways you can win

1. Read *Super Scoop* and win \$2,000!

Find the answers in *Super Scoop* to the questions on the competition page of our website. Simply complete the online entry and go straight into the draw for a \$2,000 Investment Access Funds account. The competition closes 31 December 2004. To enter, go to www.qsuper.qld.gov.au and click on the "Reach your life goals" competition link.

2. Invest and win one of six \$1,000 prizes!

Open an Investment Access Funds account between 2 September 2004 and 30 November 2004, and go into the monthly draw to win one of two \$1,000 cash bonuses, to be paid straight into your account. There will be three monthly draws of two \$1,000 prizes—that's six \$1,000 prizes in total!

For more information, including the competition terms and conditions, visit the competition page of the QSuper website at www.qsuper.qld.gov.au or www.qinvest.com.au.





Our commitment

Financing your future.

