

# Aiming for a recovery – after two tough years



## Annual Report

For the year ended 30 June 2009



**MEAT INDUSTRY EMPLOYEES'  
SUPERANNUATION FUND**

# Letter from the Secretary

The 2008/09 financial year has been a very bad year for superannuation funds, with all large funds reporting negative investment returns. Unfortunately, MIESF could not escape the poor investment market conditions and a return (net of fees and tax) of -11.2% was allocated to members' accounts for the year in the Trustee Option.

From looking at a variety of surveys, MIESF's return is in line with the average of superannuation funds with similar investments. It is disappointing for members and the Trustee directors to see the Fund have its second negative return after more than 25 years. (See page 3 for more details).

Further details of the Fund's investments are given on pages 5, 6, 7 and 8. The Trustee regularly monitors the Fund's investment performance and also reviews the Fund's investment objectives and strategy. You will be advised if the Trustee changes its investment objectives and strategy.

Your superannuation is a long-term investment and members are urged to take a long-term view. People have differing ideas about what period is long-term. The returns achieved by the Trustee Option up to 30 June 2009 have averaged:

4.4% p.a. for 5 years

5.1% p.a. for 8 years

5.7% p.a. for 10 years

8.7% p.a. for 26 years

Please note that past performance is not a reliable indicator of future performance.

The Government's co-contribution scheme continues to benefit members of MIESF (see page 4 for more details). This can provide a valuable boost to your retirement savings. The extra Government contributions have amounted to more than \$5.2 million during the past four years.

The administration fee of \$1 per member per week has been in place since January 2005 and this will continue. The Fund's fees and other costs are described further on page 10 and MIESF remains one of the lowest cost superannuation funds in Australia. There are no exit or entry fees.

The Fund was created by the AMIEU and continues to be supported by the Union, which also provides help for the directors that it appoints to the Fund. (Refer to page 9 – Union Appointees). The Union is also disappointed that the Fund has had another negative earnings year; but it remains proud of its association with the Fund and its long-term achievements.

## Graham Bird

Secretary, Meat Industry Employees' Superannuation Fund Pty Ltd and Secretary of the Victorian Branch of Australasian Meat Industry Employees' Union (AMIEU, or Union).

# Letter from the Chairperson

I wish to also express my regret that the Fund has had to allocate another negative investment return to members' accounts. It is little consolation to know that most superannuation funds with similar investments have had a similar return to MIESF.

No one really knows whether the improvement in the world's investment markets since they reached their lows in March 2009 will be sustained.

The Fund's investment return for the Trustee Option has turned positive since 1 July 2009 and strongly positive for the High Growth Option - which has more shares amongst its investments.

It is not unusual for very good returns to follow very bad returns and it is important to focus on the long-term returns achieved by the Fund.

We are surprised that more members contemplating retirement or semi-retirement have not started a MIESF Pension (see page 4 for more details).

As you may know, the Fund is internally administered and members can call the Fund and speak to administrators who know the Fund and can answer members' queries. We anticipate that more members than usual will phone the Fund this year when this report is delivered along with the Annual Benefit Statement. Please leave your name and number if you cannot be connected straight away and one of our staff will call you back.

The Trustee now offers members a "High Growth" investment option and full details were sent to members in January 2009. Members can change their investments twice a year with effect from 30 June and 31 December.

On behalf of the directors, I acknowledge with thanks the hard work and dedication of our management team and staff during a very difficult year; and we look forward to their ongoing support during 2009/10.

## John Kelly

Chairperson  
Meat Industry Employees' Superannuation Fund Pty Ltd

### Disclaimer:

This annual report has been prepared by the Trustee to meet its legislative obligations under the Corporations Act 2001 (Cth). The information contained in this annual report does not take account of the specific needs, or personal or financial circumstances of any persons. Readers should obtain specialist advice from a financial adviser who is licensed to provide personal financial product advice before making any changes to their own superannuation arrangements or investments. You should also read carefully the Fund's Product Disclosure Statements.

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

All statements of law or matters affecting superannuation policy are up-to-date as at 1 July 2009.

This document contains general information about investments and investment performance. Please remember that past performance is not necessarily a guide to future performance. Investments can go up or down in value.

# What happened in 2008/09?

## Negative investment returns

The 2008/09 financial year has been another very tough period for investors. The collapse of several US based financial institutions brought on by rising defaults on so called "sub prime" loans and a slump in house prices in North America led to a worldwide wave of financial instability - now referred to as the global financial crisis (GFC). Apart from government bonds and cash all other investment types produced large negative returns.

For the 12 months to 30 June 2009, the average investment return of Australian shares was approximately negative 20%. The losses on overseas shares amounted to approximately 16%. The average investment return of Australian property shares was approximately negative 42% and the average loss for directly held property investments was approximately 15%. Nearly all large superannuation funds in Australia invest more than half of their assets in shares and property and, as a result, they have allocated a negative investment return to their members' accounts for the year.

Despite the short term volatility, it should be remembered that the Australian share market produced investment returns of more than 25% per annum on average for the 4 years ended 30 June 2007. These returns had been a very important factor in superannuation funds being able to credit double digit earning rates on members' accumulation accounts in the 4 years ended 30 June 2007.

MIESF delivered a return (net of fees and tax) of -11.2% for the year for the Trustee Option. This means that for the second time since the Fund was started more than 25 years ago, the short-term financial objective (refer to page 5 for more details) to avoid a loss each year, was not met for the Trustee Option.

The median (middle ranking) return of 216 "diversified balanced" investment options of large superannuation funds with "growth" investments of between 55% and 75% in the SelectingSuper Survey was -12.0%. ([www.selectingsuper.com.au](http://www.selectingsuper.com.au)) Superannuation fund investment returns have not been this bad since 1974. As can be seen from the table on page 6 of this report, the MIESF Trustee Option had between 59% and 62% of its assets invested in "growth" assets over the 2008/09 financial year.

Whilst MIESF's negative return was in line with the average of superannuation funds with similar investments, it is still very disappointing for members and the Trustee directors. Depending on the contributions made to your account, the value of your account will have fallen as a result of the negative return. Seeing the value of your superannuation account fall can be unnerving, but please bear in mind that it is normal for investment markets to move up in some years and down in others.

The Fund has always had positive returns before the past two years. Following 2 years of small, but positive, returns in 2001/02 and 2002/03, there were 4 years of double digit returns as shown on page 6 of this report. The Fund's 10-year average return was 5.7% p.a., and its 26 year average return was 8.7% p.a.

Some members have suggested they would be better off invested in term deposits with a bank. This is obviously true for the last two years, but over longer periods a "balanced" portfolio should produce a higher return than cash deposits. The Fund's average return of 5.7% p.a. for the last 10 years can be compared with the return on the UBSW Bank Bill Index of 5.7% p.a., which would be 4.8% p.a. after the 15% superannuation tax rate.

No one knows when the fluctuations in the world's investment markets will diminish. Most commentators urge people to take a long-term view when considering the impact of these fluctuations on their retirement savings.

Governments around the world have responded to the GFC by undertaking very large "stimulus spending" and reducing interest rates to restore consumer confidence. There has been some stabilisation in global economic conditions.

Your superannuation is a long-term investment and it is important to be a patient investor and to focus on the long-term returns achieved by the Fund.

## Introduction of member investment choice

With effect from 31 January 2009, the Trustee introduced an investment choice for members of the Main section and Rollover section of the Fund. More information is provided on pages 5, 6, and 7 of this Annual Report.

## Reduction in concessional (pre-tax) contribution limits

With effect from 1 July 2009, the limit on pre-tax contributions that can be made to a superannuation fund on your behalf has been cut in half.

Employer contributions (including salary sacrifice contributions) are known as concessional contributions. Concessional contributions are taxed at 15% when paid into the Fund and are now limited to \$25,000 per person per annum. Contributions in excess of the limit will be taxed at 46.5%. There are some transitional rules for people aged 50 or over during the financial years 2009/10 to 2011/12 which allow them to have concessional contributions up to \$50,000 per annum.

Despite the reduction in the limit, making extra contributions into your superannuation fund (within the new limit) can still be a great way to save for your retirement. More details are provided on the next page of this Annual Report.

# Boosting your retirement benefit

## Have you considered a MIESF pension?

A MIESF Pension offers you an account where you can invest your superannuation in order to receive a regular income. Such a pension can offer you significant tax savings as well as favourable Social Security treatment.

MIESF's Pension section is open to members of the Fund who have reached age 55.

You do not have to retire permanently from your job before you can convert your super to a pension. Provided you are age 55 or over, you can purchase a MIESF Pension and "Transition to Retirement" at your own pace by continuing to work, reducing your working hours and supplement your pay with regular pension payments (up to a maximum each financial year of 10% of your account balance at the start of that year).

Members over age 60 may be able to boost their retirement savings by taking a transition to retirement pension and using the income as a substitute to finance salary sacrifice contributions to their on-going superannuation account.

Full details can be seen in the Fund's Product Disclosure Statement for the Pension section members.

## Making your own contributions

You can increase the size of your retirement benefit by making your own contributions to MIESF. Even a few extra dollars per week, contributed over your working life can translate into thousands of dollars in the long-term. The contributions can be made on a pre-tax basis (also known as salary sacrifice) if permitted by your employer, or on an after-tax basis (also known as voluntary member contributions).

Members often ask which is the best way of making additional contributions. The correct answer depends on your individual financial situation, including your income level. From 1 July 2009 if your "total income" is less than \$31,920 per year (\$612 per

week) you may be eligible to receive an extra "co-contribution" to your superannuation fund paid for by the Government of up to \$1,000 per year, depending on the amount of contributions that you make.

Your "total income" is your assessable income plus all reportable fringe benefits, plus salary sacrifice contributions made on your behalf. Your total income may be reduced by deductions from carrying on a business.

Your assessable income is your income before any deductions are allowed. Assessable income includes any salary payments received (including bonuses, annual or long service leave payments), gross investment income received and the taxable component of any withdrawals you make from superannuation in that financial year.

If you are considering making additional contributions, then you should try to qualify to receive the maximum co-contribution that is available to you. The table below shows the voluntary contribution that must be made to receive the maximum co-contribution at various levels of "total income". For example, if your "total income" is \$727 per week, the maximum co-contribution available is \$800 and this would be payable if you contribute at least \$800 per year from your after-tax pay, i.e., \$15.34 per week.

Once you have qualified to receive the maximum co-contribution available for your income, it is worth considering making additional contributions to the Fund by salary sacrifice, provided your employer permits this practice. If your taxable income is less than \$35,000 per year (\$671 per week) it is generally not tax effective to make additional contributions by salary sacrifice. This is because the tax saving is virtually the same as the tax that you will pay in the Fund on the contributions made.

Assessable Income Plus Salary Sacrifice Contributions Plus Reportable Fringe Benefits		Maximum Co-contribution Available	Contribution to Receive Maximum Co -contribution
\$ per year	\$ per week	\$ per year	\$ per year
31,920 or less	612 or less	1,000	1,000
34,920	670	900	900
37,920	727	800	800
40,920	785	700	700
43,920	842	600	600
46,920	900	500	500
49,920	957	400	400
52,920	1,015	300	300
55,920	1,072	200	200
58,920	1,130	100	100
61,920 or more	1,187 or more	0	0

# Where your super is invested

## How your benefit works

MIESF is an industry fund open to all workers in the meat industry and employees of other participating employers. It is managed by a Trustee Board with equal representatives of the Union and employers. We operate as a non-profit organisation where all earnings belong to the members and are allocated accordingly. MIESF is a regulated superannuation fund. This means that it is subject to government regulations and can accept rollovers from other superannuation funds.

MIESF provides benefits for you and your dependants. Money that is contributed either by your employer or yourself is invested to provide your benefits.

The Fund operates on an accumulation basis where the benefits are based on the balance of your account when you leave MIESF. You can receive your benefits as a lump sum or as an income stream from the Pension section of the Fund.

Investment earnings are allocated to your account each year either at the time of benefit payment at the interim earnings rate or at MIESF's declared earnings rate at the end of the financial year. The earnings rate for each of the two investment options is determined by the Trustee and takes into account both the cash earnings and movements in the market value of assets. As a result, the earnings rates may be either positive or negative. The declared earnings rates are net of tax and any investment related fees and allow for any adjustments to reserves. The calculation of the earnings rates and their crediting or debiting to members' accounts, is usually done in October each year. For information about your personal benefits, the earnings rates and entitlements in MIESF please refer to your Annual Benefit Statement.

## Planning to leave?

If you leave MIESF before the next earnings rates are declared, your account will be credited or debited with the interim earnings rate(s) in your chosen investment option(s). They will apply for the period from the 30 June at which the last annual allocation of earnings was made. These interim earnings rates are based on the Trustee's expectations of the Fund's investment earnings for each investment option for that period. The rates are reviewed at least monthly.

Subject to satisfying the eligibility conditions, benefits may be withdrawn at any time during the year. Cheques are drawn twice monthly, but members are advised to check with the Fund Office before submitting their paperwork. You will be required to provide proof of identity when claiming a benefit. This is due to the increasing incidence of identity fraud in the community.

## Member investment choice

Up until 31 January 2009, the Fund did not offer investment choice to members. All of the Fund's assets were invested in accordance with the investment objectives and strategy described below for the "Trustee Option".

With effect from 31 January 2009, the Fund offers Main section and Rollover section members an investment choice, which is referred to as the "High Growth Option". You can elect to

have all or part of your account invested in this option. You have the opportunity to switch into or out of the option twice a year, with effect from 30 June and 31 December. Any choice you make will apply to your current account balance and your future contributions.

If you wish to make an investment choice you need to complete the Member Investment Choice form at the back of the Fund's Product Disclosure Statement (PDS) and return it to the Fund at least one week before the switch date. There is also a copy of the form at page 14 of this Annual Report.

**The Trustee Option is the default option for the Fund. Members not electing to switch part or all of their account to the High Growth Option have their entire account balance invested in the Trustee Option.**

## Your Fund has guidelines for investing

The Trustee has an investment policy that sets investment strategy and objectives covering how and where the Fund's assets will be invested. While having an objective and strategy is required by law, having a strategy helps ensure your Fund maximises investment returns while maintaining an acceptable level of risk. **Please note that the objectives are not a forecast or guarantee of future performance.** The investment policy also covers other related matters, such as appointment of investment managers and guidelines for investments in futures and options.

The Trustee regularly monitors the Fund's performance against its objectives and strategy and changes are made where necessary. A copy of your Fund's investment policy statement is available on request.

## Investment objectives for the Trustee Option

The aim of the Trustee Option is to ensure the security of your retirement money and to provide a reasonable rate of return above bank rates of interest over the medium and long-term without taking undue financial risk. This is based on the Trustee's belief that members have a strong need to achieve a positive earning rate each year.

In order to achieve this aim, the following primary investment objectives have been established for the Trustee Option:

- Avoid a loss; that is to be in a position to declare a positive rate of return each year (short-term financial objective)
- Beat inflation; that is to achieve a rate of return which exceeds the rate of inflation (as measured by the CPI) by at least 2% per annum, after allowance has been made for tax and fees over periods of three years or more (medium-term financial objective).

The Trustee keeps these objectives under review to ensure that they continue to be appropriate, taking into account the Fund's past investment performance (see the table on page 6 under the heading "Investment performance of the Trustee Option"), the advice of its investment managers, and current and expected market conditions. The Trustee has

developed an investment strategy which it considers is appropriate in order for the Trustee Option to achieve its investment objectives over the indicated timeframes.

However, you should note that the investment objectives for the Trustee Option do not constitute, nor should they be treated as, a guarantee of future performance. There is the risk that if market conditions change, the investment objectives may not be achieved.

Investment markets can both rise and fall, and for this reason a positive return cannot be guaranteed. These objectives had been achieved over the 25 years plus history of the Fund, until unfortunately, the short-term financial objective to avoid a loss each year was not met in 2007/08 and in 2008/09.

Detailed information about the other types of risks that can affect the Fund's investment performance is set out in the Fund's PDS.

### Investment strategy for the Trustee Option

MIESF invests your money in a variety of assets with the objective of achieving a sound rate of return each year with an acceptable level of risk.

In establishing the strategy for the Trustee Option, the Trustee and the Investment Committee take into consideration the needs of investors in MIESF and the stated investment objectives. The state of the economy and financial markets are also taken into account.

The Investment Committee meets every month to review the investments.

In order to achieve this balance, the Fund invests in a number of different asset classes including property, Australian and overseas shares, private equity, infrastructure, bonds and cash.

The following table shows the allowable range and benchmark allocation for the Trustee Option. It also shows the actual allocation as at 30 June 2008 and 30 June 2009.

	Mini- mum %	Bench- mark %	Maxi- mum %	30.06.08 %	30.06.09 %
Australian Shares	10	15	35	21	22
International Shares	5	10	25	7	7
Private Equity	0	5	10	3	3
Property	10	25	50	31	27
<b>Growth Assets</b>	<b>25</b>	<b>55</b>	<b>75</b>	<b>62</b>	<b>59</b>
Fixed Interest	10	30	50	25	19
Infrastructure	0	5	15	1	3
Cash	0	10	40	12	19
<b>Debt Assets</b>	<b>25</b>	<b>45</b>	<b>75</b>	<b>38</b>	<b>41</b>
<b>Total</b>		<b>100</b>		<b>100</b>	<b>100</b>

### Investment performance of the Trustee Option

This table shows the Trustee Option's annual effective rate of net earnings and rate credited to members accounts over the past eight years.

Year ended 30 June	Rate credited to Main and Rollover and Spouse section accounts %	Rate credited to Pension section accounts %
2009	-11.2	-11.2
2008	-3.2	-3.2
2007	12.5	13.5
2006	12.0	13.25
2005	14.5	16.0
2004	11.0	12.0
2003	4.5	5.0
2002	3.15	3.65
5-year compound average p.a.	4.4	5.1
8-year compound average p.a.	5.1	5.7

Investment strategies vary significantly between funds and investment options. The Trustee Option has a history of providing good returns from a conservative investment strategy with lower exposure to shares, than most others. However, you should be aware that past performance is not a guide to future performance. The average increase in the CPI for the 5 years ended 30 June 2009 was 2.9% p.a.

### Investment objectives for the High Growth Option

The aim of this investment option is to provide members with a "high growth fund" with an exposure to Australian and International Shares and Listed Property Shares of around 90%. This option is designed to deliver higher long term returns to members, but is likely to experience significantly higher volatility than the Trustee Option with the probability of a loss possibly as often as every three or four years. The option may be suitable for those members who can tolerate a higher degree of risk and are prepared to take an investment horizon of at least five to seven years.

The investment objectives of the High Growth Option are:

- To provide capital growth over the long-term by investing in a portfolio of predominantly growth assets with minimal defensive asset exposure; and
- To achieve a total return after fees that is greater than the median (middle ranking) return of diversified growth investment options in the SelectingSuper survey, over rolling five-year periods.

For the High Growth Option, the Trustee has agreed to select an externally managed pooled superannuation trust to meet these objectives. The initial investment will be into the Vanguard Life Strategy Index PST High Growth fund. The Fund's Investment Committee and Trustee Board will review the use of this fund from time to time and may vary this investment at their discretion.

The Vanguard fund has the following asset allocation strategy:

	Minimum %	Benchmark %	Maximum %
Australian Shares	42	44	46
International Shares	32	36	40
Property	9	10	11
<b>Growth Assets</b>	<b>88</b>	<b>90</b>	<b>92</b>
Fixed Interest – Australian	3	4	5
Fixed Interest – International	5	6	7
Cash	0	0	1
<b>Debt Assets</b>	<b>8</b>	<b>10</b>	<b>12</b>
<b>Total</b>		<b>100</b>	

The actual allocation as at 30 June 2009 was the same as the benchmark allocation shown above except that Australian Shares was 45% and International Shares was 35%.



You have the choice  
where to invest

### Investment performance of the High Growth Option

The High Growth Option is invested in the Vanguard High Growth PST. The investment returns achieved by that fund (net of fees and tax) are set out below. You can compare these returns with those achieved by the Fund's Trustee Option as shown on page 6. The actual return to MIESF members from 31 January 2009 onwards reflects the cost of buy/sell spreads incurred by MIESF and the impact of cash flows into and out of the investment option.

Please note that past performance is not a reliable indication of future performance.

Year ended 30 June	Investment Return (%)
2009	-16.1
2008	-13.7
2007	18.4
2006	19.3
2005	14.6
2004	17.2
2003	-3.6
2002	-6.5
5-year compound average p.a.	3.2
8-year compound average p.a.	2.7

The investment return achieved by the Fund's High Growth Option was 4.3% for the 5 months from 31 January to 30 June 2009. Members who switched from the Trustee Option to 100% High Growth Option on 31 January 2009 achieved a return of -5.8% for the year ended 30 June 2009.

## External Managers

### Proportion of net assets as at 30 June

Investment manager or product	2009 (%)	2008 (%)
Wallara Asset Management Pty Ltd	10.0	11.0
Janus Partners	3.6	4.1
Fidelity Investments Australia Limited	4.7	5.2
Dexia Asset Management	1.0	1.0
Franklin Templeton Institutional	0.9	1.0
GBS Ventures (Private Equity)	0.6	0.3
Hawkesbridge (Private Equity)	1.6	2.9
IB Bioscience (Private Equity)	0.9	0.4
Unlisted Property Trusts	10.1	12.6
TPCG (Infrastructure)	3.1	0.6
Vanguard High Growth Fund	0.4	–

### Other investments

The table above shows the proportions of the Fund's net assets that are managed by external managers. Much of the Fund's investing is undertaken and administered 'in-house', rather than by external investment managers. No direct investments by the Fund amounted to more than 5% of the Fund's net assets as at 30 June 2009.

### Use of Derivatives

MIESF may use financial derivatives in three ways:

1. Fund managers may use futures and options as part of their risk control mechanism. The manager provides the Trustee with a Derivative Risk Statement setting out their usage.
2. The Fund may use forward currency purchases and sales so as to hedge the overseas currency risk. No hedge contracts were entered into in 2008/09.
3. Equities warrants may be used to assist the purchase of Australian shares and manage risk.

A Derivative Risk Statement has been prepared by the Trustee and is available upon request. Over the past 12 months the Fund has not used derivatives.

## Fund Reserves

It is the Trustee's policy to distribute all investment earnings (or losses, if these should occur) after an allowance has been made for fees, taxes and other expenses and any adjustments to reserves. The money in the reserve accounts is invested in accordance with the investment strategy for the Trustee Option described on page 6. MIESF currently holds minimal reserves which represent the unallocated portion of the Fund's assets plus an insurance reserve to meet costs arising from adverse death benefit claims experience. The unallocated assets are available to finance the costs of operating the Fund that are not met by deductions from members' accounts or the rate of earnings credited (or debited).

The table below shows MIESF's reserves over the last three years:

Balance Date	Unallocated Assets \$	General Death Benefit Reserve \$
30 June 2009	860,662	1,100,000
30 June 2008	388,047	1,000,000
30 June 2007	754,801	1,300,000
30 June 2006	423,719	1,271,158

## Environmental, social and ethical considerations

The Trustee takes into account labour standards (but not environmental, social or ethical considerations) in the selection, retention and realisation of investments in the property sector. In particular, the Trustee requires that proper workplace agreements are in place and that appropriate Occupational Health and Safety standards are to be followed in respect of property development projects in which the Trustee makes a direct investment. This is a critical aspect in the Trustee's decision-making process when considering whether to invest in a particular property development project.

The Trustee, through its advisor, monitors the application of these labour standards through attendance at monthly Project Control Group meetings throughout the course of each property development project, and would seek to enforce relevant contractual obligations in respect of such matters if breaches were identified.

The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments within any other asset classes.



# How your Fund works

Your Fund is run by a Trustee company Meat Industry Employees' Superannuation Fund Pty Ltd (ABN 58 005 793 199) and is subject to its governing legal document, the trust deed, and super laws. The Fund's trust deed was last amended on 28 June 2007.

The Trustee ensures that your benefits are secure and that your rights as a member are protected. The Trustee must also provide you with regular information about your individual benefits and the ongoing management and financial condition of MIESF.

The Trustee operates the Fund in compliance with provisions of its trust deed and rules and all relevant legal requirements. The main laws which the Trustee is required to comply with are the *Superannuation Industry (Supervision) Act 1993* and the *Corporations Act 2001*. No penalties were imposed on the Trustee during the year.

The Australian Prudential Regulation Authority (APRA) has approved the Trustee as a holder of a Registrable Superannuation Entity Licence (L0001434) and the Australian Securities and Investments Commission (ASIC) has granted the Trustee an Australian Financial Services Licence (AFSL 239953).

The Trustee has developed a specific set of rules for the election and removal of the Fund's Trustee directors. A copy of these rules is available from the MIESF Office on request.

## The MIESF Management Team

The MIESF management team runs the Fund on a day-to-day basis assisted by the Fund's service providers.

Graham Bird	Fund Secretary
Bill McRobert	Fund Manager
Chris Salamousas	Fund Accountant
Tracey Dunstone	Administration Manager
Jon Addison	Investment Manager
UHY Haines Norton	Auditors
Holding Redlich	Legal Advisers
ANZ Banking Group Limited Custodian Services	Custodian
Marek Petrovs	Property Consultant
Mercer	Actuarial

## The Trustee

The Trustee is managed by a board of directors drawn from the AMIEU on behalf of members and representatives of participating employers. Both groups may nominate up to 11 directors each to the Board. The current directors are:

### Union Appointees

Graham Bird*	Fund Secretary, Victorian Secretary, AMIEU
Laurie Burley	Organiser, AMIEU
Paul Conway*	Victorian Assistant Secretary, AMIEU
Wally Curran*	Former Fund & AMIEU Secretary
Charlie Donzow	NSW Secretary, AMIEU
Greg Leight	President, AMIEU Victoria
Michael Oravec	Works Delegate, Dons Smallgoods
Brian Crawford** <sup>3</sup>	Queensland Secretary, AMIEU

### Employer Appointees

John Kelly* <sup>1</sup>	Formerly Gilbertsons
Joe Borg	George Weston Foods
Kent Dickens	Fletchers International
Robert Jackson*	Klipspringer Pty Ltd
Shawn Quinton*	Southern Meats
Barry Smith* <sup>2</sup>	MC Herd
Sonia Takla	Baiada
Doug Gibson	Swift

\* Committee members

1 Chairperson Administration and Investment Committees

2 Chairperson Audit and Compliance Committee

3 Appointed 25 June 2009 following the resignation of Russell Carr on 24 April 2009. Brian was an alternate director for Russell until 24 April 2009.

Get 'in-the-know'  
on how we work



## Costs are carefully managed

The costs of running the Fund are managed carefully. This section shows fees and other costs you may be charged. These fees and costs may be deducted from your account, from the returns on your investment, or from the Fund's assets as a whole.

You need to take into account the impact of tax and insurance costs as well.

You should read all the information about fees and costs because it is important to understand their impact on your investment. The Fund's Product Disclosure Statements have more information.

### Fees and other costs

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
Establishment fee: The fee to open your investment	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee: The fee to close your investment	Nil	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment	In relation to administration expense recovery and other fees: \$52 p.a. per member plus 0.57%* p.a. of your account balance when it is invested in the Trustee Option or 0.37% p.a. of your account balance when it is invested in the High Growth Option.	\$52 is deducted from your account balance at 30 June each year or pro rata at your date of exit from the Fund. 0.57%* or 0.37% p.a. of the Fund assets comes out of the fund earnings before determining the earnings rates.
<b>Service fees</b>		
The Fund does not charge an investment switching fee although some family law fees apply as described below.	Nil	Not applicable

\*The percentage is based on the average net assets of the Fund for the year ending 30 June 2009 and reflects costs for the 2008/09 financial year. These costs include investment management fees paid to external investment managers, the Fund's custodian and investment advisers. These costs reduce the return that would otherwise have been allocated to your account. The investment management fees paid to a manager may include performance fees when the investment return exceeds an agreed benchmark. These performance fees amounted to 0.03% out of the 0.57% shown above. These costs also include 0.02% for the costs of protecting members with small account balances that were not able to be met from the \$52 p.a. paid by members with balances more than \$1,000.

### Tax

Any tax deductions obtained by the Fund, benefit members by increasing the Fund's total assets or reducing the deductions for administration costs and the cost of death cover:

### Family law fees

An application for information (i.e. benefit valuation) in the format specified under the Family Law Act will cost \$200 plus GST. This cost will not be paid out of the Fund. It is charged by the Fund's administrator and payable by the person making the request at the time the request is made.

For more information about how family law legislation applies to superannuation you can contact the Fund Office.



Low costs  
mean more  
money where  
it counts

### **Death Cover costs**

The cost of death cover is also passed on to members with this cover by a deduction from their accounts at the rate of \$3 per week. Please refer to the Fund's Product Disclosure Statement for the Main section members for more details.

### **Fee increases**

The Trustee has the right to increase charges at any time without requiring your consent. You will receive 30 days' notice before any increase in fees or charges take effect.

### **Member protection**

Federal Government legislation limits the amount of fees and charges that can be applied to certain small superannuation account balances.

If your account balance is less than \$1,000 at the end of a member reporting period (30 June each year) or at your date of exit from the Fund and your account includes any employer superannuation guarantee contributions, the Trustee currently applies this requirement to limit the administration fees deducted directly from your account in a member reporting period to the investment earnings credited to your account in that period. The cost to the Fund of this "protection" is met from the \$52 p.a. described above plus 0.02% of the Fund's net assets.

In 2008/09, the administration fees for members who are eligible for this "protection" have been reduced to \$0 because the earnings were negative. Member protection does not apply to tax or death cover charges.

### **Insurance protection**

The Trustee pays for indemnity insurance to protect itself, its directors and your Fund against the financial effects of any 'honest mistake' that might occur in running the Fund. The cost of this insurance is met by the Fund.

### **Special tax treatment**

Investing in superannuation is one of the most effective ways to save because superannuation fund earnings are taxed at a lower rate than many other forms of income. To get this tax advantage, your Fund must operate according to a strict set of laws.

To show that your Fund has followed these laws, the Trustee lodges a return each year with the Australian Prudential Regulation Authority.

The Trustee is unaware of any event that occurred during the year that would affect this special tax treatment. Any tax deductions obtained by the Fund, benefit members, by increasing the Fund's total assets or reducing the deductions for administration costs and the cost of death cover.

### **Who gets your super if you die?**

The Fund pays approximately 50 death benefits per year.

The Trustee can decide to pay your death benefit to one or more of your dependants. If the Trustee decides you have no dependants, payment can be made to your legal personal representative who is administering your Estate.

If the Trustee is reasonably satisfied that you have no legal personal representative, the benefit may be paid (if permitted by Superannuation Law) to one or more individuals as determined by the Trustee.

Under the Fund's Trust Deed, the definition of dependant includes:

- Your **spouse** (including defacto spouse);
- Your **children** (including a step child, ex-nuptial child or adopted child, or a child born after your death);
- Any person with whom you had an interdependency relationship as defined by Superannuation Law; and
- Any other person who was wholly or partially **financially dependent** on you at the time of death or had a legal right to look to you for financial support.

An interdependency relationship exists between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support.

By completing the Membership Application & Nomination of Dependants form, you have the opportunity to advise the Trustee which dependants you wish to receive your death benefit. There is a copy of the form in this Annual Report if you wish to update it and send it back to the Fund.

**Your nominations are not legally binding on the Trustee, but will act as a guide. In accordance with the Trust Deed, the Trustee has the absolute discretion to determine the benefit shares and proportions.**

# Financial summary

This is a summary of the Fund's unaudited accounts for the year ended 30 June 2009. The audit is expected to be completed by 31 October 2009. You can request a copy of the audited accounts and auditor's report from the Fund Office.

## Statement of financial position as at 30 June 2009

	2009	2008
<b>Assets</b>		
Investments	461,277,245	517,203,009
Other Assets	14,669,755	14,144,222
<b>Total Assets</b>	<b>475,947,000</b>	<b>531,347,231</b>
<b>less</b>		
<b>Liabilities</b>		
Benefits Payable	6,300,000	5,500,000
Provision for Income Tax	2,128,644	6,077,612
Other Liabilities	1,919,797	953,033
<b>Total Liabilities</b>	<b>10,348,441</b>	<b>12,530,645</b>
<b>equals</b>		
<b>Net assets at 30 June</b>	<b>465,598,559</b>	<b>518,816,586</b>
Allocated to Members' Accounts	463,637,897	517,428,539
General Death Benefit Reserve	1,100,000	1,000,000
Unallocated to Members' Accounts	860,662	388,047
<b>Liability for Accrued Benefits</b>	<b>465,598,559</b>	<b>518,816,586</b>

## Operating Statement for the year ended 30 June 2009

	2009	2008
<b>Net assets at the beginning of the year</b>	<b>518,816,586</b>	<b>524,222,700</b>
<b>plus</b>		
Net investment revenue	(68,019,694)	(22,675,996)
Employer contributions	41,612,723	40,542,722
Member contributions	2,195,303	4,790,106
Government co-contributions	1,044,860	1,064,130
Transfers from other superannuation funds	3,891,664	6,511,842
Other revenue	150,612	101,342
<b>Total revenue</b>	<b>(19,124,532)</b>	<b>30,334,146</b>
<b>less</b>		
Benefits paid and payable	36,432,063	32,614,560
Superannuation surcharge	(22)	17,917
General administration expenses	1,728,976	1,718,217
Income tax expense	(4,067,522)	1,389,566
<b>Total expenses</b>	<b>34,093,495</b>	<b>35,740,260</b>
<b>equals</b>		
<b>Net assets at 30 June</b>	<b>465,598,559</b>	<b>518,816,586</b>

# Membership Application & Nomination of Dependants

## Section 1 – Your Details

Mr     Mrs     Ms     Miss

MIESF Membership number

Given names       Surname

Postal address       Postcode

Residential address       Postcode

Date of birth

Tax File number

I authorise MIESF to disclose my tax file number when required. I have read the section on tax file numbers in the Product Disclosure Statement and understand that I have the choice of supplying my tax file number. I further understand that the Trustee will only use my tax file number for the correct purposes.

Employer name

Clock number       Date joined Employer

## Section 2 – Nomination of Dependant Details

In the event of the death of a member, the benefit provided is payable at the Trustee's discretion, to one or more of the member's dependants, or where no dependant exists, to the member's legal personal representative. You may nominate one or more dependants to whom you would prefer your benefit to be paid, alternatively you may wish to nominate your estate.

A. I have no dependants and request the Trustee to pay the benefit to my estate , OR

B. Full name of dependant	Relationship to member	Address	% of benefit
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

This nomination cancels any previous nomination made by me, and I understand that it is only an indication of my current wishes and is not binding on the Trustee of MIESF.

### Declaration and signature

Your signature below indicates you have read, understood and agree with the following statements:

- I apply to become a member of MIESF on the terms and conditions contained in the Trust Deed and Rules of the Fund. I understand that the Trust Deed and Rules can be inspected on request.
- I understand that my personal information will be handled by the Fund to provide and manage my superannuation and without this information the Fund may not be able to provide my superannuation benefits and choices. For this purpose my personal information may pass between the Fund and the Fund's professional advisers, insurers, government bodies, my employer and other parties as required, including the trustee of any other fund I may transfer to. I may access my information by contacting the Fund's Privacy Officer.
- I agree that until I give clear and complete instructions to the Trustee, any benefit due to me upon leaving my employer will be held in the Fund, or otherwise dealt with as allowed under Superannuation Law.
- The information provided on this application is correct to the best of my knowledge.

Member's signature       Date



**MEAT INDUSTRY EMPLOYEES'  
SUPERANNUATION FUND**

# Member Investment Choice

1. Please complete this form to choose your investment options for your current account balance and your future contributions.
2. New members can make an investment choice effective from date of joining MIESF provided this fully completed form is received by the Fund within one month of the Fund receiving the first contribution. If this form is received later than that, the investment choice will apply from the next switch date. The switch dates are each 30 June and 31 December.
3. This form can be used to make an investment choice at any switch date. The fully completed form must be received by the Fund at least one week before the next switch date in order to take effect from that date.
4. If you switch investments other than as at 30 June, investment earnings will be credited or debited at the relevant interim earnings rate(s).

## Section 1 – Your Details

<input type="checkbox"/> Mr	<input type="checkbox"/> Mrs	<input type="checkbox"/> Ms	<input type="checkbox"/> Miss	MIESF Membership number
Given names				Surname
<input type="text"/>				<input type="text"/>
Postal address				Postcode
<input type="text"/>				<input type="text"/>
Residential address				Postcode
<input type="text"/>				<input type="text"/>
Date of birth				Phone number
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

## Section 2 -Your Investment Choice Decision

Please invest my account balance and future contributions as follows:  
(Use whole percentages e.g. 22%, 78%, etc.)

High Growth Option	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Trustee Option	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Total	<input type="text" value="100"/>			%

## Declaration and signature

Your signature below indicates you have read, understood and agree with this document.

I also acknowledge that:

1. I have read the Member Investment Choice section of the Product Disclosure Statement for Main section members dated 1 January 2009; and
2. I understand that I should seek advice from a licensed financial adviser if I need advice before making an investment choice; and
3. I understand that if I do not make an investment choice by completing this form correctly, 100% of my account balance and future contributions will be invested in the Trustee Option.

Member's signature

Date



**MEAT INDUSTRY EMPLOYEES'  
SUPERANNUATION FUND**

# What to do when you leave

## Remember to claim your benefit

If you are about to leave work and want to take your super, make sure you contact the Fund Office promptly about your benefit payment.

If you are aged 65 or over and the Fund has not received an amount in respect of you for at least two years and after the end of the 5 years since the Fund last had contact with you, the Fund has been unable to contact you again after making reasonable efforts; your superannuation benefit will be paid to the Australian Taxation Office.

From 1 July 2007 MIESF will transfer a member's benefit to its nominated Eligible Rollover Fund (ERF) only if:

- a member's account balance is less than \$1,000 and
- we have not received any employer contributions for the member for 3 years or more, and
- the member is aged 40 or more, and
- the member has not responded within 28 days to correspondence offering to transfer their benefit to a superannuation fund of their choice.

If there is no response (in writing) after 28 days, the account will be automatically rolled over to AUSfund which is the Fund's nominated ERF.

You can contact AUSfund at:  
PO Box 2468  
Kent Town SA 5071  
Telephone: 1300 361 798  
[www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au)

ERFs are designed as holding funds and are required to provide member protection. The rate of return in the ERF may be lower than in another superannuation fund. Also, you will no longer receive any insurance cover as a member of the ERF.

## Protecting your privacy

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

The Fund has a Privacy Policy that sets out in more detail the way your personal information is handled. If you would like a copy of the Fund's Privacy Policy, please contact the Fund's Privacy Officer on 1800 252 099.

## Like to know more?

As a member of the Fund, you should already have a Member Booklet or Product Disclosure Statement containing information about your benefits and rules governing the Fund. You also receive an Annual Benefit Statement containing important personal information about your benefits in the Fund.

Other documents relating to the Fund that are available for you to look at include the:

- trust deed
- investment policy statement

- latest audited accounts and auditor's report
- details of how the directors of the Trustee are elected and how they can be removed
- enquiries and complaints procedure

If you have a question about your benefits in the Fund, please contact the Fund Office (see below). Please note that none of the Trustee, its directors and the Fund Office is able to give any personal financial advice relating to your own circumstances.

## Australasian Meat Industry Employees' Union offices

Victoria	(03) 9662 3766
New South Wales	(02) 9893 9011
Northern NSW (Newcastle)	(02) 4929 5496
Queensland: Brisbane	(07) 3217 3766
Queensland: Central Region	(07) 4922 4336
Queensland: Northern Region	(07) 4725 5644
South Australia	(08) 8279 2200
Western Australia	(08) 9479 6029
Tasmania	(03) 6331 7233

## If you have a problem...

Most queries can be sorted out over the phone, but if we are unable to help you immediately, you may be asked to put your question in writing and we will reply within 28 days.

If you are not satisfied with the response, you should write to the Complaints Officer at the address below, who will pass your complaint to the Trustee. You can expect a decision within 90 days.

The Trustee always seeks to resolve complaints to the satisfaction of all concerned and in the best interests of all members of the Fund. However, if you have followed the steps outlined above and are not satisfied with the outcome, you may be able to take the matter to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body that aims to resolve certain types of superannuation disputes.

Any complaints must be lodged with the SCT within certain time limits. For more information about requirements and time limits, you can call the Fund Office or the SCT on 1300 780 808.

If the SCT accepts your complaint, it will try and help you and the Fund reach a mutual agreement through conciliation. If conciliation is unsuccessful, the complaint is referred to the SCT for a determination that is binding.

## How to contact us


-  Meat Industry Employees' Superannuation Fund  
2nd floor, 62 Lygon Street  
CARLTON SOUTH VIC 3053
-  1800 252 099 or (03) 9662 3861 (for callers from mobile phones)
-  (03) 9662 2430
-  [fundadmin@miesf.com.au](mailto:fundadmin@miesf.com.au)
-  [www.miesf.com.au](http://www.miesf.com.au)

# Summary of benefits & costs

<b>MIESF returns all of its profits to members Higher returns – Lower costs</b>		
<b>Earnings Allocated – Trustee Option</b>	2008/09	-11.2% p.a. (-11.2% p.a. for Pension section)
<b>Historical – Trustee Option</b>	5 year average	4.4% p.a. (5.1% p.a. for Pension section)
	10 year average	5.7% p.a. (6.5% p.a. for Pension section)
	26 year average	8.7% p.a. (Pension section started in 1995)
<b>High Growth Option</b>	With effect from 31 January 2009, the Fund offers Main section and Rollover section members an investment choice which is referred to as the "High Growth Option". More details of this are shown on pages 5, 6 and 7.	
<b>Net Assets at 30 June 2009</b>		\$466 million
<b>Size of Fund</b>	Current membership	33,500
	Registered employers	2,400
<b>Management Fees</b>	Administration 0.57% p.a. of your account balance when it is invested in the Trustee Option or 0.37% p.a. of your account balance when it is invested in the High Growth Option. These are the Fund's investment related costs. There are no exit or entry fees.	\$52 p.a. deducted from each account
<b>Death Cover</b>	Eligible members under 65 have \$100,000 of death cover	\$3 per week is deducted to cover the cost
<b>Pension Section</b>	Members aged 55 or over can start a MIESF Pension	Same low fees as set out above under "Management Fees"
<b>Voluntary Contributions</b>	Voluntary member contributions can be made at no extra cost and may qualify for government co-contributions. Please note that if you are aged 65 or over, you will need to be employed on at least a part-time basis to make voluntary member contributions. If you are 75 or over, you cannot make these contributions into superannuation.	
<b>Your Industry Fund</b>	MIESF was established over 28 years ago. It operates Australia-wide as a multi employer fund providing superannuation for people working in the meat industry.	

 Meat Industry Employees' Superannuation Fund  
2nd floor, 62 Lygon Street  
CARLTON SOUTH VIC 3053

 1800 252 099 or (03) 9662 3861 (for callers from mobile phones)

 (03) 9662 2430

 fundadmin@miesf.com.au

 www.miesf.com.au