

## Member Annual Report



For the financial year ended 30 June 2004



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David Elia  
Chief Executive Officer



John Nicholson  
Acting Chairperson

## Executive overview

It has been another great year for **HOSTPLUS**.

With gains in the share market, **HOSTPLUS** has achieved impressive results for its members and I am delighted with the performance of all our investment options this year.

We are very pleased to report that the Balanced option achieved an impressive 14.0% return. What's more, over the five year period to 30 June 2004, **HOSTPLUS** Balanced option has been ranked the number two fund for investment performance in the balanced fund category\*.

As we all know, long-term investment performance is what really counts. So, while it's good to know your fund has performed well over the last year, it's even better to know your fund has performed consistently well over time – and offers one of the lowest fee structures in Australia – because this means more money for you in retirement.

With choice of fund finally becoming a reality for some Australians from 1 July 2005, it is indeed worthwhile considering this long-term performance and the many other benefits of **HOSTPLUS** membership – such as our low fees, profit for members philosophy and low-cost insurance options. It's worth remembering too, that many other superannuation funds charge entry and exit fees, whereas **HOSTPLUS** does not.

The year has also been one of significant membership growth. As a result of merging with Host West on 31 March 2004, we welcomed around 30,000 new members from Western Australia. We now have approximately 600,000 members, 24,000 participating employers and \$3 billion in assets under management. **HOSTPLUS** is not only the leading provider of superannuation for Australia's hospitality, tourism, recreation and leisure industries, we're also one the largest super funds in the country.

I encourage you to read all the articles in this Annual Report. There's a wealth of information on how **HOSTPLUS** can help you now, and in your retirement. As always, if you have any questions, feel free to call us on **1300 363 895**.

Thank you for being a **HOSTPLUS** member.

David Elia, Chief Executive Officer

## Message from the Board

As a director for **HOSTPLUS** it has been a pleasure to watch the Fund continue to grow and bring in great returns for its members, while still retaining one of the lowest fee structures of all super funds in the country. You can be sure your money in **HOSTPLUS** is working hard for you.

You may have seen many reports recently in the press regarding the fees and charges of industry funds versus retail funds. Earlier this year a leading independent research agency, SuperRatings, found that over the five years to 31 March 2004, earnings for average industry funds were \$7.82 for every \$1.00 in fees charged. Over the same period, the retail funds (also known as master trusts) on average returned just \$1.91 for each \$1.00 in fees charged†.

Based on existing fee structures, SuperRatings concluded that over a 40 year working life, Australians could be more than 37% better off in an industry fund. This is equivalent to having almost \$68,000 more (in today's dollars) or \$220,000 more (after 40 years) in your superannuation account at retirement‡.

Another leading research agency, Rainmaker Information, found that the fundamental reason why industry funds have, as a group, added more superannuation wealth for their members than retail funds is because of their better "net benefit to member" performance.

According to Rainmaker Information, the overall performance advantage of industry funds meant that industry fund members saw their super account balances outgrow retail funds by an average of \$324 over the 12 month period to 31 March 2004, \$1,588 over the three year period and \$3,131 over the five year period§.

This study certainly highlights the benefits to you in having your money invested in an industry fund like **HOSTPLUS**. And with **HOSTPLUS** you have the added benefit of investment performance that has consistently exceeded the industry average; plus the many other benefits membership provides, including low cost banking, discounted travel and accommodation, health insurance at special rates, and financial planning services.

With choice of fund now legislated, some Australians will be able to choose where their super is invested from 1 July 2005. These performance reports therefore serve as a timely reminder of the benefits that **HOSTPLUS** offers you now, and for your future.

John Nicholson, Acting Chairperson

\* Source: SuperRatings Superannuation Fund Earning Rates, Balanced Options (60%–76% in growth style assets), 30 June 2004

† Source: Industry Fund Network Net Benefit to Member Research, March Quarter 2004. Assumptions: Comparisons were made over one, three and five years, based on an opening balance of \$10,000, starting salary of \$40,000 and contributions of 9% of salary.

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## A great year for us, means a great year for you

### HOSTPLUS Balanced option ranked number two balanced fund over five years

It's been another year of strong investment returns for HOSTPLUS members, with our Balanced, Shares Plus and Capital Stable options all delivering significantly stronger returns since the last annual statement.

In fact, the 14.0% return of our Balanced option for the year ended 30 June 2004 results in that option being the number two ranked fund for investment performance over five years\*.

Our Shares Plus and Capital Stable options also remain near the top of the industry in their respective categories, having delivered returns of 16.5% and 7.8% respectively for the year ended 30 June 2004.

The Capital Stable option is also a top quartile performer over the three and five year periods to 30 June 2004\*.

### 30,000 new members in a day!

Western Australia's hospitality superannuation fund Host West merged with HOSTPLUS on 31 March 2004.

The merger added another 30,000 members to the 550,000 who were already benefiting from HOSTPLUS. Now, more than ever, HOSTPLUS is the leading national superannuation provider for the hospitality, tourism, recreation and leisure industries.

Having joined HOSTPLUS, former Host West members can now benefit from a greater range of investment choices, improved insurance cover, 24/7 online account access, plus a host of "Additions", including travel discounts, financial planning services, low cost banking and private health insurance at special rates.

### Fund Executive of the Year

The Fund Executive Association Limited (FEAL) named Chief Executive Officer David Elia as 2004's Fund Executive of the Year. The award acknowledges David's contribution to HOSTPLUS and the broader super industry in the areas of leadership, strategic direction and innovation.

## The super fund that gives you more

### Competitive returns

HOSTPLUS' investment strategy is designed to achieve strong, long-term investment performance. In recent years, HOSTPLUS has delivered investment returns well above the industry average for the Balanced option.

### Our fees remain amongst the lowest in Australia

Due to market pressures, from 1 January 2005 our member fee will increase to a flat \$1.50 per week. Even with this increase, HOSTPLUS' fees are amongst the lowest of any Australian super fund. And we use a simple, straightforward flat fee structure, unlike the complex, percentage-based fees of many other funds. See page 8 for more information.

### Profit for members

After investment taxes and costs are taken out of investment returns, any surplus is returned to members. Unlike many other retail superannuation funds, there are no dividends paid to shareholders and no fees or commissions paid to agents. This means that more money stays in your account and this then grows to create a larger nest egg for your retirement.

### The added extras of Additions

As a HOSTPLUS member you also have access to our "Additions" program, which provides a range of benefits you can access now, including:

- travel and accommodation discounts through the HOSTPLUS Travelclub;
- low cost banking solutions through Members Equity, including:
  - low interest rate home loans,
  - low interest rate personal loans,
  - low interest rate credit card, and
  - savings accounts with competitive interest rates;
- health insurance at special rates through Manchester Unity; and
- personal financial planning services through Industry Fund Financial Planning.

For more information on these benefits just call us on **1300 363 895** and ask for the HOSTPLUS Additions brochure, or visit [www.hostplus.com.au](http://www.hostplus.com.au)

"They're always with me."



### Additions: health cover that makes a difference

Through Manchester Unity, HOSTPLUS provides members with access to special rates on health insurance. Jane Delos is just one member who has taken advantage of the offer.

*"After receiving a flyer about Manchester Unity from HOSTPLUS, I rang to enquire and compare Manchester Unity's private health cover with other organisations."*

*"Not only was I pleasantly surprised by the helpful and quick delivery of personal service, but also by the great benefits of Manchester Unity health cover and the added bonuses that I receive just for being a HOSTPLUS member."*

*"I have been a member of Manchester Unity for over a year now and it has helped me with the birth of my child and covering me for things like chiropractic services. It is good to know that I have extra control over my health and that of my family."*

*"I also receive special rates, access to member support programs, generous benefits and limits and a great level of service, which always guarantees a quick turn around of information and payment on claims."*

Jane Delos  
Reservoir, Victoria.

For more information on the HOSTPLUS Health Plan call Manchester Unity direct on **1800 789 121** or visit [www.hostplus.com.au](http://www.hostplus.com.au)

\* Source: SuperRatings Superannuation Fund Earning Rates, Balanced Options (60%–76% in growth style assets), 30 June 2004



Trekking across Thailand

### Additions: breakthrough savings on getaways

More than 8,000 members have joined the HOSTPLUS Travelclub since its launch in February 2003. These members have browsed the website and taken advantage of terrific savings on airfares, accommodation and other travel services.

HOSTPLUS member, Maureen Carman recently joined the online Travelclub and used the service to book her trip to Thailand in February 2004.

*"I have been to Thailand a couple of times and it's a favourite of mine, so when I saw a special for Bangkok on the Travelclub site I took advantage of it right away."*

*"The best bit was that we were upgraded to first class on the trip home as part of this price. Now, I shopped around and found out that a return trip first class from Sydney to Bangkok can cost up to \$10,000 for two people."*

*"The HOSTPLUS Travelclub saved us thousands of dollars. I can't wait to go on another trip and use the HOSTPLUS Travelclub again – and to see how much I can save next time."*

Maureen Carman  
O'Halloran Hill, South Australia

For more information on the HOSTPLUS Travelclub visit [www.hostplus.com.au](http://www.hostplus.com.au)



HOSTPLUS member Jayson Faulkner

### Additions: Super Members Home Loans celebrates ten years, 100,000 home loans and \$10 billion.

This year Super Members Home Loans (SMHL) will celebrate its ten year anniversary. SMHL is part of Members Equity, one of Australia's newest and fastest growing banks.

In August 1994, the first ever Super Members Home Loan (SMHL) was advanced to a fitter and turner from Hoppers Crossing in Victoria. He was the first person in Australia to benefit from the novel idea of industry super funds providing discounted home loans to members.

Since then Members Equity has approved more than 100,000 home loans with a value in excess of \$10 billion.

*"Our home loan customers have saved thousands in interest payments over the years with SMHL,"* said Member Equity's National Business Development Manager Mr Howie Timms.

HOSTPLUS member, Jayson Faulkner of Dunsborough, WA, agrees. *"I've had my Super Member Home Loan since 1996 and always had a low interest rate. I'm a lot closer to paying off my loan now thanks to this great HOSTPLUS member benefit,"* he said.

Now 100% owned by industry super funds and with total assets under management in excess of \$11 billion, Members Equity is fast becoming a significant player in the banking industry.

*"No matter how big we get, we will always remember why we were created. We exist to provide low cost banking services to the members of super funds like HOSTPLUS, to help them save money and better manage their finances,"* Mr Timms said.

For more information on Members Equity call 13 15 63 or visit [www.membersequity.com.au](http://www.membersequity.com.au)

### Take HOSTPLUS with you wherever you go

Your HOSTPLUS account is portable, so you can take all the benefits with you from one job to the next. Be it from a club to a pub, one restaurant to another, or even from one state to another.

Even if you move on from the hospitality, tourism, recreation or leisure industries, you can still stay with HOSTPLUS, maintain your insurance cover and continue to enjoy all the benefits your membership provides. To get your new employer to contribute to HOSTPLUS, just ask them to call 1300 363 895.

### Check your balance whenever you want

With your HOSTPLUS PIN (personal identification number) you can check your HOSTPLUS account balance, change your investment choices and update your personal details – 24 hours a day, 7 days a week – online at [www.hostplus.com.au](http://www.hostplus.com.au)

If you don't already have a HOSTPLUS PIN, logon to "Your Account" on the website to request one, or call 1300 363 895.

### Lost your membership card?

If you have lost your membership card, please e-mail us at [info@mail.hostplus.com.au](mailto:info@mail.hostplus.com.au) or ring us on 1300 363 895 and request a free replacement card.

The card can be kept as a handy reference when you:

- ring our call centre
- access your account details online
- start work with a new employer and want them to pay contributions into your account
- want to access certain member benefits (e.g. low cost home loans through Members Equity)

## Another outstanding performance from HOSTPLUS

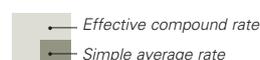
HOSTPLUS has a history of delivering quality returns to members and this year is no exception.

Here's a summary of how the various HOSTPLUS pre-mixed investment options have performed for the financial year ended 30 June 2004 and previous years.

### Crediting rates up to 30 June – pre-mixed options

Year	Balanced option	Capital Stable option	Shares Plus option
2004	14.0%	7.8%	16.5%
2003	4.1%	6.3%	-0.6%
2002	-0.5%	2.5%	-5.5%
2001	7.0%	6.4%	5.8%
2000	16.0%	8.9%	17.8%
3 year p.a.	5.7% <small>5.9%</small>	5.5% <small>5.5%</small>	3.1% <small>3.5%</small>
5 year p.a.	7.9% <small>8.1%</small>	6.4% <small>6.4%</small>	6.4% <small>6.8%</small>

A number of our competitors disclose average returns over a defined period on a simple average basis, as opposed to the equivalent compound rate noted above. To allow you to compare like with like, the simple average returns for the packaged options are shown.


  
 Effective compound rate  
 Simple average rate

### Crediting rates up to 30 June – Sector investment options (Super Select)

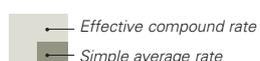
Year	Australian shares	International shares	Property	Diversified fixed interest	Cash
2004	21.0%	18.8%	10.1%	4.3%	4.3%
2003	1.8%	-8.7%	9.2%	10.8%	3.9%
2002	1.6%	-19.2%	6.9%	4.8%	4.9%
3 year p.a.	7.8% <small>8.1%</small>	-4.3% <small>-3.0%</small>	8.7% <small>8.7%</small>	6.6% <small>6.6%</small>	4.4% <small>4.4%</small>

Please note that the Super Select option was first offered to members on 1 July 2001.


  
 Effective compound rate  
 Simple average rate

### The HOSTPLUS Balanced option ranks well against other super funds\*

Period	Crediting rate	Industry average	Top quartile	Number of super fund options ranked	HOSTPLUS actual ranking	HOSTPLUS quartile ranking
1 year	14.0%	13.1%	14.0%	48	12	1st
3 year p.a.	5.7% <small>5.9%</small>	3.2%	4.4%	42	5	1st
5 year p.a.	7.9% <small>8.1%</small>	5.5%	6.2%	37	2	1st


  
 Effective compound rate  
 Simple average rate

### Explanation of terms

**Crediting rate** – this is the interest rate applied to your account.

**Top quartile** – this rating is based on a fund's crediting rate and means that it was ranked in the top 25% of all investment options surveyed. HOSTPLUS' Balanced option has been ranked in this top quartile for the past one, three and five years to 30 June 2004.

**Don't forget that past performance is not an indicator of future performance. Returns are volatile and may go up or down, sometimes quickly.**

\* Source: SuperRatings Superannuation Fund Earning Rates, Balanced Options, (60%–76% in growth style assets) 30 June 2004

## Choice of super fund to start 1 July 2005 for some employees

As a result of new Federal legislation, around five million Australian employees will have the right to choose the superannuation fund into which their retirement savings are invested from 1 July 2005.

Also affected will be some 654,000 employers, who will have 28 days from this date to give choice of super fund to their employees.

Not everyone will have the right to choose their own fund – employees covered by state awards or an Australian Workplace Agreement, for example, cannot exercise a choice.

Those employees who can choose but don't make a choice will have their super contributions directed to a default fund(s) as may be specified in a relevant award, or to a default fund selected by an employer where there is no award.

HOSTPLUS has been preparing for this new "choice environment" for some time now and we see it as a positive for our members and the Fund overall.

The Fund has an opportunity to highlight its low cost structure and history of consistently high investment returns – food for thought for Australians not currently with an industry fund like HOSTPLUS.

The benefits of being with an industry fund like HOSTPLUS was recently confirmed by two leading independent research companies – SuperRatings and Rainmaker Information. They compared the net benefit to investors for industry super funds, such as HOSTPLUS, and retail super funds (also known as master trusts) over one, three and five years\*. According to SuperRatings, in the five years to 31 March 2004, industry super funds earned an average of \$7.82 for every \$1.00 charged in fees. Retail funds in the same period earned just \$1.91 on average\*.

\*Source: Industry Fund Network, Net Benefit to Member Research, March Quarter 2004. Assumptions: Comparisons were made over one, three and five years, based on an opening balance of \$10,000, starting salary of \$40,000 and contributions of 9% of salary. This article was correct at date of publication.

### A few choice remarks from the CEO

David Elia, HOSTPLUS Chief Executive Officer, is confident HOSTPLUS members will stay with the Fund in a choice environment. However, he advises people considering changing funds to take care.

*"Switching your super to another fund is an important decision which needs to be taken with caution. People need to carefully compare fees, performance, insurance and other benefits to ensure their all-important retirement savings aren't disadvantaged,"* said David.

*"I would advise those thinking about changing funds to get professional financial advice. HOSTPLUS members are entitled to a free financial assessment from Industry Fund Financial Planning, which will help them make the right choice with their super,"* he said.

Super funds and managed investment schemes will also have to include a table, which highlights the annual fees and charges for each fund.

*"The new requirement for super funds to provide more information on fees is good, but doesn't go far enough. Funds will only need to illustrate the impact of fees in a single year. Consumers need to be told the effect of fees over five, 10 and 30 years to see their true impact. The effect of compound interest means that even a difference of one percent in fees can have a big impact on super account balances over time,"* he said.

However, David believes super choice will see people taking a greater interest in their own superannuation.

*"Those currently in retail super funds will have the option to move to an industry fund such as HOSTPLUS, which has a record of above average performance and provides a great range of additional benefits,"* he said.

*"The unique structure and philosophy of industry super funds is the key to their outperforming other types of superannuation funds. With HOSTPLUS, like other industry super funds, all profits are paid to members, fees are low and no sales commissions are paid,"* David said.

## Finding your lost super

Have you changed jobs or address in the last ten years? Married and changed your name? Been made redundant? Then you could have unclaimed or "lost" superannuation waiting to be collected.

More than \$7 billion of superannuation is currently listed as unclaimed. This is because members have either lost contact with their superannuation fund or their employer has not made superannuation contributions into their account in the last two years, and this money has been paid to the Australian Taxation Office (ATO) instead.

The average Australian has three superannuation accounts. Each of these super accounts is most likely being charged an administration fee and, over time, these fees eat into the account balance.

### AUSfund – Australia's unclaimed super fund

HOSTPLUS, has been working with AUSfund, Australia's Unclaimed Super Fund, to help reunite members with their lost or unclaimed superannuation.

In the past 12 months, AUSfund has reunited more than \$130 million with its rightful owners – for free. AUSfund's mission is to put itself out of business by returning all the money to its rightful owners.

To help people find their unclaimed super, AUSfund has an online search facility. To find unclaimed super just logon to [www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au) and type in your name.

If you can't find your name using the AUSfund search engine, AUSfund encourages you to logon to the ATO's Supermatch search engine linked to the AUSfund site.

Please see page 15 for more information on AUSfund.

## Your Tax File Number holds the key

Your Tax File Number (TFN) is the key to discovering your lost or unclaimed superannuation held by the ATO. Without your TFN you cannot use the ATO's Supermatch search engine, which means any money you might have will remain lost or unclaimed.

### Money found for HOSTPLUS members

Data matching exercises run over the last year mean that hundreds of HOSTPLUS members will have a smile on their face when they see their Annual Statement for 2003–2004. AUSfund has tracked down thousands of dollars in lost super for HOSTPLUS members including:

- \$7,103 for Adrian in Victoria,
- \$14,668 for Richard in WA, and
- \$21,884 for Kathryn in QLD.

## Data matching with the ATO

As well as data matching with AUSfund, HOSTPLUS also works with the ATO to help deposit lost or owing monies into members' HOSTPLUS accounts twice per year.

If, for example, your employer has been late in paying contributions and has forwarded this late payment to the ATO instead of your fund, then through data matching exercises, the ATO can deposit the payment into your HOSTPLUS account.

In the 2003–2004 financial year HOSTPLUS together with the ATO reunited a massive \$16 million for members of the Fund.

## How to boost your super payout

Making additional contributions to your super can have a dramatic effect on the size of your final benefit payout. Topping up your super could also enable you to benefit from the Federal Government's Co-contribution.

### Government Co-contributions and how to get them

 If your total annual income in the 2004–2005 financial year is \$28,000 or less, for every dollar of voluntary super contributions you make, the Government will match it by \$1.50 – up to a limit of \$1,500 a year, tax free. It doesn't matter if you make several voluntary contributions throughout the year or a one-off payment.

 If you earn more than \$28,000, then co-contributions reduce by 5 cents per dollar of income and phase out altogether when income reaches \$58,000 p.a. (Refer to the table below.)

To be eligible for the Government's Co-contribution you must also:

- have at least 10% of your total income (assessable income and reportable fringe benefits) attributable to eligible employment,
- be less than 71 years of age,
- be a permanent resident of Australia,
- make eligible financial contributions during the financial year,
- not hold an eligible temporary resident visa at any time during the financial year, and
- lodge your income tax return for the year of income.

 If you're self-employed you are not eligible for co-contributions. However, you may be able to claim a tax rebate on personal contributions. For more information visit [www.ato.gov.au](http://www.ato.gov.au) or call the Australian Tax Office (ATO) on 13 10 20.

Annual income	\$1,000 contribution	Annual income	\$1,000 contribution	Annual income	\$1,000 contribution
\$28,000 or less	\$1,500	\$38,000	\$1,000	\$48,000	\$500
\$29,000	\$1,450	\$39,000	\$950	\$49,000	\$450
\$30,000	\$1,400	\$40,000	\$900	\$50,000	\$400
\$31,000	\$1,350	\$41,000	\$850	\$51,000	\$350
\$32,000	\$1,300	\$42,000	\$800	\$52,000	\$300
\$33,000	\$1,250	\$43,000	\$750	\$53,000	\$250
\$34,000	\$1,200	\$44,000	\$700	\$54,000	\$200
\$35,000	\$1,150	\$45,000	\$650	\$55,000	\$150
\$36,000	\$1,100	\$46,000	\$600	\$56,000	\$100
\$37,000	\$1,050	\$47,000	\$550	\$57,000	\$50

Please note the payment rates and thresholds for the Government's Co-contribution were lower in the 2003–2004 financial year. The Government matched personal contributions up to a limit of \$1,000 in 2003–2004. The maximum Co-contribution was payable to persons with an income up to \$27,500 p.a. and reduced by eight cents per dollar of income up to \$40,000 p.a. when it phased out altogether.

## How to claim the Government Co-contribution

If you want to claim the Government Co-contribution you don't need to fill in any application forms – you simply need to submit your personal income tax return for the financial year. The ATO uses information from your tax return and HOSTPLUS to work out if a Co-contribution is payable. If it is, the ATO will pay it directly into your HOSTPLUS account.

For the Government to make the Co-contribution payment into your HOSTPLUS account, we need to have your Tax File Number (TFN) on record. Without this the Government can't match your data with the right fund. So to take advantage of the Government's Co-contribution please make sure that you have provided your TFN to HOSTPLUS. To do this please call **1300 363 895**.

## How does the ATO pay you the Co-contribution?

The ATO follows certain guidelines when paying the Co-contribution. Generally the ATO will forward the payment to the super fund which the member has made the personal contribution into.

However if the member has several funds and has made voluntary contributions into more than one of those funds then the ATO will be guided by the member's nomination. (To nominate a fund members must download a form from the ATO website [www.ato.gov.au](http://www.ato.gov.au) and return it to the ATO.)

If the member has one or more eligible accounts and no nomination is made, the ATO will pay in the following order:

- to the eligible account that has received a Co-contribution in the current financial year,
- to the eligible account that has received the most eligible contributions,
- to the most recently opened account,
- to the account with the highest balance, and then
- to the account determined by the ATO.

If the person who has made a personal contribution has passed away then the ATO will pay the Co-contribution to the legal personal representative.

If the person has retired and has no eligible account, then the ATO will pay the Co-contribution directly to the individual.

## How to make personal contributions

You can top up your super in several ways:

1. **Payroll deductions** – you can ask your payroll department to take an after tax amount from your pay and forward it to HOSTPLUS.
2. **Direct debit** – complete the direct debit form at the back of this Annual Report and mail it to HOSTPLUS.
3. **Cheque** – send your cheque with a contribution slip to HOSTPLUS. (Contribution slip booklets are available from HOSTPLUS by calling **1300 363 895**.)

 You can also top up your super via salary sacrifice. This is like a payroll deduction except you agree with your employer to take an amount from your before-tax salary and forward it to HOSTPLUS (see the next section for full details). However, unlike the post-tax contribution methods listed at 1–3 above, salary sacrifice contributions are not eligible for the Government Co-contribution.

## Salary sacrifice for further tax advantages

In addition to their wealth-building advantages, personal super contributions made from before tax salary may reward you with an immediate tax break.

It's simple. If your employer allows payroll deductions for super ("salary sacrifice"), you may only have to pay 15% contributions tax on the money invested, rather than up to 48.5% personal income tax on that money if you took it as take home pay.

High-income earners (\$94,691 p.a. or more in the 2003–2004 financial year) may be liable for a super surcharge of up to 14.5%, in addition to the contributions tax. Even then, the savings that salary sacrifice can provide are still considerable.

For full details of the tax implications, please call us on **1300 363 895** for a copy of our Salary Sacrifice Guide, or download a copy from our website at [www.hostplus.com.au](http://www.hostplus.com.au)

(Some employers may not offer salary sacrifice, or they may be unable to let you do it if this brings your salary under the minimum amount required under an applicable Award.)

## Combine your super accounts and save on fees

 It makes sense to consolidate all your super into HOSTPLUS.

If you have more than one super account, then you're probably paying multiple sets of fees. By rolling all your accounts into HOSTPLUS, you avoid paying these extra fees, which could save you thousands of dollars over the long term. This may mean more money for you at retirement.

Remember that HOSTPLUS does not pay commissions to advisers or financial planners. Nor does it pay dividends to shareholders. After investment taxes and charges are deducted from investment returns, any profits are returned to members.

## It makes life easy

With just one fund, you only have one membership number, one annual report and one contact number to think about. And a lot less paperwork to deal with.

## It's free

It's free to roll existing accounts into HOSTPLUS – we do not charge any entry fees or contribution fees.

To roll your money into HOSTPLUS, simply fill in the rollover form at the back of this Member Annual Report. If you would like additional forms, you can photocopy the one at the back of this report, or give us a call on **1300 363 895**. You can also download forms from our website at [www.hostplus.com.au](http://www.hostplus.com.au)

But remember, before you cancel existing arrangements with another fund, you should check to see if there are any exit fees/penalties and whether the cancellation will affect any insurance cover you may have.



## Change to fee structure from 1 January 2005

As a result of increased regulatory costs and expansion of services, **HOSTPLUS** will be increasing the member fee from \$1.00 per week to \$1.50 per week from 1 January 2005.

The licensing requirements and associated fees imposed by our regulators (the Australian Securities and Investments Commission and the Australian Prudential Regulation Authority) have meant that **HOSTPLUS** has been forced to increase its member fee – as a cost recovery measure.

In addition, the Fund has greatly enhanced its products and services which also has inevitably had an impact on funding requirements. **HOSTPLUS** has expanded the call centre hours to give you the convenience of 8am to 8pm weekday access, we have enhanced our service standards and have employed additional Account Managers to service the needs of employers and members like you. In addition we have developed an expanded range of investment options to enable you to select a strategy that best suits your individual investment needs.

Despite the increase, **HOSTPLUS** still retains one of the lowest fee structures of all super funds in Australia. We do not charge entry or exit fees or contribution fees like many other retail funds. Nor do we charge the complex percentage based fees such as assets under management fees, which over the long term help to eat away your important retirement savings. Rest assured, with **HOSTPLUS** your money is invested in one of the best value super funds around.

## Cost-effective insurance cover

 A key benefit of being a **HOSTPLUS** member is access to low cost insurance through ING Life Ltd. You can take advantage of wholesale premiums that are much lower than those available to retail customers for Death and Total and Permanent Disability (TPD) and Salary Continuance Insurance Cover. Employee members of **HOSTPLUS** automatically receive one unit of Death and TPD Insurance Cover, and can cancel or apply to increase it at any time.

### Are you eligible for higher insurance benefits without a higher premium?

 You could be eligible for significantly higher Death and TPD insurance benefits, without any increase in the premiums you pay, if you're employed at least 35 hours a week on a continuing basis in an office or similar environment, and your duties are management, administration, marketing, clerical or any similar low risk occupations agreed to in writing by the insurer.

### Extra peace of mind

 If you have a mortgage and/or family to support, taking out Salary Continuance Insurance Cover can be a wise decision in the event of an accident preventing you from earning an income.

This cover can provide a monthly income for a maximum of two years if you are unable to work as a result of being totally or partially disabled due to injury or illness.

Salary Continuance Insurance Cover is available if you are under 65, work more than 25 hours per week on average and are a permanent employee or self-employed.

### Suspension of benefits

If you are planning on travelling overseas, it is important to note that you are not covered for any claimable event that occurs six months or more after your departure date, unless we continue to receive employer contributions for you, or the Insurer has given its prior written approval to continue cover.

### Want to know more?

**HOSTPLUS'** great insurance options are fully explained in our Insurance Guide, which includes a form to apply for insurance cover, or change it.

Download the Insurance Guide from our website at [www.hostplus.com.au](http://www.hostplus.com.au) or for more information call **HOSTPLUS** on **1300 363 895** between 8am and 8pm weekdays.



## Now HOSTPLUS gives you even more investment choices

Everyone's investment needs are different and they change throughout our working life. That's why **HOSTPLUS** offers a range of investment options – and the flexibility to switch from one to another.

What's more, from 1 September 2004 you have even more investment choices. So whatever your outlook, or appetite for investment risk, there's a **HOSTPLUS** investment option to suit your needs.

### Choose one option or more...

If you have an account balance of \$1,000 or more, you can choose from any of the following options:

#### Pre-mixed options

- Balanced
- Capital Stable
- Shares Plus

For the Balanced, Capital Stable and Shares Plus options, the proportion invested in the asset classes – Australian shares, international shares, property, diversified fixed interest and cash – is predetermined by **HOSTPLUS**.

#### Sector investment options (Super Select)

If you're really keen, the sector investment options enable you to design your own asset allocation by selecting one or more of the six available asset classes:

- Australian shares
- Australian shares (index linked)
- International shares
- Property
- Diversified fixed interest
- Cash

#### Individual manager options

For maximum control you can select one or more of the following individual fund managers:

- Macquarie Investment Management – Australian fixed interest
- BlackRock Financial Management – international fixed interest
- Bridgewater Associates – international fixed interest
- Australian Prime Property Fund – property
- Industry Super Property Trust – property
- Alliance Bernstein – international shares
- Marathon – international shares
- Marvin & Palmer Associates – international shares
- Vanguard – international shares
- Balanced Equity Manager – Australian shares
- 452 Capital – Australian shares
- Macquarie Investment Management – Australian shares
- Paradise Cooper Investment – Australian shares
- Perpetual Investments – Australian shares

#### Mix and match

Members with \$1,000 or more in their account can mix and match any of the options. For example, you can have 50% invested in Shares Plus (pre-mixed option), 25% in property (sector investment option) and 25% invested with an individual fund manager. The only requirement is that you must have a minimum of 1% in any selected option.

#### You can change investment options

You can change investment options once a month if you wish.

You have one free switch each financial year. Any additional switches in that financial year will incur a \$20 charge. Your future/ongoing contributions can be redirected, at any time and at no cost. For example, you could switch 100% of your current **HOSTPLUS** super and your ongoing contributions into the Capital Stable option. A month later, you could redirect your ongoing contributions – at no cost – into Property (50%) and Vanguard international shares (50%).

If you transfer other super into **HOSTPLUS**, you can nominate an investment choice for this amount as well (provided there is a minimum of \$1,000 in your account after the transfer). This nomination does not need to be the same as your existing nomination.

If your balance is under \$1,000, or you don't wish to choose an option at the moment, your super will be invested in the Balanced option, which you can change later.

Visit [www.hostplus.com.au](http://www.hostplus.com.au) for more information or call **HOSTPLUS** on **1300 363 895** between 8am and 8pm weekdays and ask for an Investment Choice Guide.



## Know the investment mix that's right for you

	What does this option offer?	Investment objectives and strategies	May suit you if?
<p><b>Balanced option</b> Pre-mixed: 76% growth, 24% defensive</p> <p>Australian shares 38% (25–45%) International shares 21% (10–30%) Property 11% (5–20%) Diversified fixed interest 18% (10–40%) Cash 6% (0–10%) Private equity 2% (0–8%) Infrastructure 4% (0–8%)</p>	<p>Aims to produce consistent returns through a balanced diversification of assets, including some growth assets (shares and property) and some lower-risk investments (cash and diversified fixed interest).</p>	<ul style="list-style-type: none"> <li>To achieve a positive rate of return in excess of that of the Capital Stable option, while minimising significant fluctuations in returns (over a rolling three-year period).</li> <li>To maximise the prospect of a positive rate of return being credited in any one financial year through appropriate structuring of the asset mix.</li> <li>To achieve a rate of investment return above the average return achieved by other similar funds.</li> </ul>	<p>You want consistent returns over the longer-term, whilst accepting some fluctuations.</p>
<p><b>Capital Stable option</b> Pre-mixed: 34% growth, 66% defensive</p> <p>Australian shares 11% (5–20%) International shares 7% (5–15%) Property 10% (0–20%) Diversified fixed interest 46% (25–70%) Cash 20% (10–40%) Australian infrastructure 6% (0–10%)</p>	<p>Our most conservative and low-risk pre-mixed option. It contains a higher percentage of defensive assets (cash and diversified fixed interest) than the Balanced and Shares Plus options.</p>	<ul style="list-style-type: none"> <li>To achieve a positive rate of return that exceeds the return on cash and minimises fluctuations in returns (measured over a rolling three-year period).</li> <li>To provide stability of return by maintaining an asset mix that, subject to the return requirement, maximises the prospect of a positive rate of return being credited in any one financial year.</li> <li>To achieve a rate of investment return above the average return achieved by other similar funds and products.</li> </ul>	<p>You are closer to retirement or wish to protect your super from fluctuations in the investment market. However over the longer-term, the returns from the Capital Stable option may be lower than the other options, because of the low-risk nature of its investments. As is the case for all of the options, the Capital Stable option is not capital guaranteed. The value of your investment can rise or fall.</p>

NB: The figure beside the asset class is the actual asset allocation as at 30 June 2004. The figures in the bracket represent the range for that class.

	What does this option offer?	Investment objectives and strategies	May suit you if?
<p><b>Shares Plus option</b> Pre-mixed: 90% growth, 10% defensive</p>  <p>Australian shares 45% (30–55%) International shares 27% (15–35%) Property 8% (0–15%) Diversified fixed interest 10% (5–40%) Cash 0% (0–10%) Private equity 6% (0–8%) Australian infrastructure 4% (0–8%)</p>	<p>The pre-mixed option with the highest proportion of assets likely to bring a higher return over the long term. However, the value of the assets can fluctuate and so can the returns achieved, at times producing a negative return.</p>	<ul style="list-style-type: none"> <li>To achieve a higher long-term rate of return exceeding that of the Balanced option, acknowledging that there may be significant yearly fluctuations in returns (measured over a rolling five-year period).</li> <li>To invest in longer-term growth assets, accepting that the prospect of a negative rate of return in any one year is increased.</li> <li>To achieve a rate of investment return above the average return achieved by other similar funds and products.</li> </ul>	<p>You are comfortable with a higher level of investment risk and are aiming for a higher return over the long-term. May suit those who have many years until they retire.</p>
<p><b>Sector investment options</b> In the 2003–2004 financial year all sector investment options (Australian shares, international shares, diversified fixed interest, property and cash) had 100% asset allocation in their respective asset class.</p>	<p>This enables you to create your own investment portfolio from Australian shares, international shares, property, diversified fixed interest and cash. You decide your own strategy and make your own decisions about the mix of these asset classes that best suits your risk profile and investment objectives.</p>	<ul style="list-style-type: none"> <li>Depends on the type of investment portfolio you choose.</li> </ul>	<p>If you want to take maximum control over where your super savings are invested, this may be the option for you. The sector investment options allow you to select the asset class or combination of them that best suits your personal strategy.</p>
<p><b>Individual manager options</b> The individual manager options available from 1 September 2004 have the majority of their balance in the sector noted but may contain some cash for operational purposes.</p>	<p>This enables you to create your own investment portfolio from individual managers specialising in Australian shares, international shares, property, diversified fixed interest or cash.</p> <p>You decide your own strategy and make your own decisions about the mix of the fund managers that best suit your risk profile and investment objectives.</p>	<ul style="list-style-type: none"> <li>Depends on the type of investment portfolio you choose.</li> </ul>	<p>If you want to take maximum control over where your super savings are invested, you may like to choose individual managers that best suit your personal investment strategy.</p>

For full details of all the investment options please contact **HOSTPLUS** on **1300 363 895** or visit [www.hostplus.com.au](http://www.hostplus.com.au) for a copy of our Investment Choice Guide.

You may also like to consider the services of a financial planner before making an investment choice. We can refer you to a licensed financial adviser. Please call **1300 363 895** to find out more.



## Where your funds have been invested

### Pre-mixed options asset allocation

Pre-mixed options	Asset allocation at 30 June 2004					
	Balanced		Capital Stable		Shares Plus	
	2004	2003	2004	2003	2004	2003
Australian shares	38%	33%	11%	11%	45%	45%
International shares	21%	16%	7%	7%	27%	27%
Property	11%	11%	10%	10%	8%	8%
Diversified fixed interest	18%	24%	46%	46%	10%	10%
Cash & capital guaranteed	6%	9%	20%	20%	0%	0%
Other assets	6%	7%	6%	6%	10%	10%

## How HOSTPLUS invests in our sector

HOSTPLUS has investments within the hospitality, tourism, recreation and leisure industries. By doing so, we're helping the sector to grow, and in turn, helping to create more job opportunities for people in our industry, like you.

In the winemaking and brewing area, we invest in Fosters Group Ltd, Lion Nathan Limited, McGuigan Simeon Wines and Southcorp. In the gaming industry we invest in Aristocrat Leisure Limited, TAB Limited, TABCORP Holdings Limited and UNITAB Ltd.

In the recreation and leisure sector we invest in Village Roadshow Limited, which is an integrated entertainment, leisure and tourism company with core business in cinema exhibition and theme parks. In the tourism sector we invest in Qantas Airways, and HOSTPLUS is one of the founding unit holders of the Hotel Leisure Tourism Trust Australia which owns The Westin Hotel in Melbourne.

Plus, HOSTPLUS invests in infrastructure that supports the sectors – airports in Adelaide, Brisbane, Darwin, Melbourne and Perth, road developments like NSW's cross city tunnel and Interlink, and Victoria's Transurban; and buildings like Macarthur Place in Sydney and the Wintergarden Hilton in Brisbane.

### Investments greater than 5% of total Fund assets

Assuming that each pool represents a security, as at 30 June 2004, the following investments had a value in excess of 5% of the total assets of the Fund:

- 452 Capital
- Macquarie Australian equities enhanced passive
- ING enhanced cash
- Bridgewater
- Industry Fund Services
- Alliance Bernstein
- Marathon
- Marvin & Palmer

## Investment expenses

All superannuation funds pay fees to investment managers to invest and manage their assets.

Investment management fees are deducted or paid from investment returns before returns are credited to your account, so all returns declared by HOSTPLUS are net of these expenses.

These fees represent the investment management expense payable for the financial year ended 30 June 2004, based on the funds under management in each investment option.

<b>Pre-mixed options</b>	
Capital Stable option	0.14% p.a.
Balanced option	0.28% p.a.
Shares Plus option	0.32% p.a.
<b>Sector investment options</b>	
Cash	0–0.17% p.a.
Diversified fixed interest	0.19% p.a.
Property	0.66% p.a.
Australian shares (index linked) – available from 1 September 2004	0.04% p.a.
Australian shares	0.36% p.a.
International shares	0.80% p.a.
<b>Individual manager options (available from 1 September 2004)</b>	
Macquarie Investment Management – Australian fixed interest	0.00% p.a.
BlackRock Financial Management – international fixed interest	N/A*
Bridgewater Associates – international fixed interest	0.32% p.a.
Australian Prime Property Fund – property	0.80% p.a.
Industry Super Property Trust – property	0.49% p.a.
Alliance Bernstein – international shares	1.19% p.a.
Marathon – international shares	0.58% p.a.
Marvin & Palmer Associates – international shares	0.57% p.a.
Vanguard – international shares	0.10% p.a.
Balanced Equity Manager – Australian shares	0.36% p.a.
452 Capital – Australian shares	0.55% p.a.
Macquarie Investment Management – Australian shares	0.17% p.a.
Paradice Cooper Investment – Australian shares	1.93% p.a.
Perpetual Investments – Australian shares	0.47% p.a.

The fees that will be payable for the 2004–2005 financial year will be calculated as at 30 June 2005. Therefore, these expenses are presented to give you an indication of the fees that have been charged by the investment managers in the past. However, they may change without notice.

\* This manager was appointed from 1 September 2004. As such, there is no data to calculate the investment management fee as at 30 June 2004.

## Investment market update

The 2003–2004 financial year was a great one for investors, with share markets around the world delivering strong returns on the back of improved investor sentiment, driven by the global economic recovery.

The rebound in share prices has been attributed to strong economic growth and a sharp improvement in company earnings, as the low interest rates and budget deficits in most of the large, developed countries continued to stimulate most economies. Share markets have also benefited from some relief given the brevity of the Iraq war and also from the fact that the corporate scandals of the previous two years seem to have largely abated.

Listed share markets were the outstanding performers and returns from bonds, whilst remaining positive, were muted on a relative basis. Direct property investments also continued to perform well, although less than that of shares.

The Australian share market rose by 21.7% over the year. The best performing sectors of the markets were information technology, energy, healthcare and materials (resources). Small cap stocks outperformed large companies over the year. Overseas shares achieved a positive return following three consecutive years of losses. On an unhedged basis, overseas shares returned 19.9%.

Direct property markets again posted strong returns in the order of 12.3%, driven by continued strong performance of the retail sector. Office markets were again the worst performed sector, with vacancy rates continuing to rise. However, strong investor demand for assets has held up asset value despite weakening fundamentals.

One of the negatives about strong growth is that inflation around the world has been rising and bond market returns suffered as yields rose. Over the year, the Australian bond market return was just 2.3%, while global bonds returned 4.1%, boosted by higher yielding corporate bonds.

Looking ahead, it's unlikely that we will see a repeat of this year's high returns. Share markets do not appear cheap when compared to historical valuation parameters, and there is the threat of higher interest rates which is expected to result in lower property returns. The next 12 months are more likely to be steady rather than stellar.

Source: JANA Investment Advisers, July 2004.



## Looking after your super investment

HOSTPLUS has designed investment options with different investment objectives, strategies and risk profiles. We utilise high quality investment managers and together with our asset consultant (JANA Investment Advisers), we monitor and review the performance of our options and make whatever changes are necessary to deal with the changing economic outlook.

Founded in 1987, JANA is one of Australia's leading asset consulting firms with approximately \$50 billion under advice. JANA assists HOSTPLUS in establishing the overall investment strategy and investment objectives of all the Fund's investment options.

The Fund's investments are held by a custodian, JPMorgan Chase Bank. The performance of the investment managers chosen by the Fund is monitored by the custodian. A list of the current investment managers utilised for HOSTPLUS' investment options can be found in the table on page 19, on our website [www.hostplus.com.au](http://www.hostplus.com.au) or you can call us for the details on 1300 363 895.

Before you consider making an investment choice, you may like to learn more about our investment process, which we have outlined for you on this page.

### 1 Developing the investment strategy

The Directors of HOSTPLUS meet on a regular basis with the Fund's investment adviser, JANA Investment Advisers. The investment adviser assists the Fund in establishing the overall investment strategy and the investment objectives of the various investment options.

### 2 Establishing asset allocations

The Directors of HOSTPLUS meet to determine the Fund's strategic asset allocation. This involves the setting of the allocation between growth and defensive assets for the pre-mixed investment options. They decide which asset classes the Fund will invest in. They also set constraints on allocations to investments within each asset class.

### 3 Appointing investment managers

Professional investment managers are selected by the Fund based on a detailed assessment by the investment adviser. Once appointed, the investment managers are given detailed guidelines to follow and invest according to the strategy and risk profile stipulated by the Fund. Within the asset classes, the Directors also determine the mix of investment styles.

### 4 Ongoing review and monitoring of investment managers

The Fund's investments are held by a custodian, JPMorgan Chase Bank. The performance of the investment managers chosen by the Fund is constantly monitored – in fact, a monthly performance report is prepared for the Fund's Directors by the custodian and investment adviser. The performance of each investment option is also regularly reviewed to ensure it is achieving the agreed investment objectives.

### 5 You benefit from the Fund's crediting rates

Your Annual Statement and page 4 of this report detail the crediting rates for each investment option for the financial year ended 30 June 2004. The quality of HOSTPLUS' investment strategies can be seen in comparison to the general marketplace. The Balanced option for example has returned 14.0%, compared to the average balanced fund return of 13.1% for the last financial year. See page 4 for details of this comparison.\*

\* Source: SuperRatings Superannuation Fund Earning Rates, Balanced Options, (60%–76% in growth style assets) 30 June 2004

## Important information about your super

### When can you access your superannuation savings?

Some, if not all of your super must be kept in an approved superannuation account until you reach a certain age and have permanently retired from the workforce.

Depending on your date of birth, your preservation age varies:

Date of birth	Preservation age
Before July 1960	55
July 1960 – June 1961	56
July 1961 – June 1962	57
July 1962 – June 1963	58
July 1963 – June 1964	59
After June 1964	60

### Are all contributions preserved?

Generally, contributions made by your employer, and interest earned on all amounts, must be preserved. Until 30 June 1999, personal contributions were not usually preserved. However personal contributions made from 1 July 1999 are preserved. Any amounts that were non-preserved at 1 July 1999 will remain non-preserved, but the interest earned will be preserved. The table below provides a summary. Your Annual HOSTPLUS Statement will show the preserved and non-preserved components of your account.

	Up to 30 June 1999	From 1 July 1999
Employer contributions	Preserved	Preserved
Personal contributions	Non-preserved	
Interest earned on personal contributions	Non-preserved	
Interest earned on all other contributions	Preserved	

### Can you access your superannuation in other situations?

You can apply to access your superannuation before you retire under certain conditions, including:

- once you reach the age of 65, even if you're still working,
- in cases of severe financial hardship (as defined by government regulations),
- on compassionate grounds,
- total and permanent disablement, or
- death (your beneficiaries will receive your benefit in this instance).

Please call HOSTPLUS on 1300 363 895 for more information.

### Eligible rollover fund

In accordance with legislation, if your account balance is less than \$1,000 and we have not received contributions for you for more than 18 months, we may transfer your account balance to our eligible rollover fund (ERF).

Our nominated ERF is AUSfund, Australia's Unclaimed Super Fund (AUSfund). AUSfund's contact details are as follows:

**AUSfund Administration**  
PO Box 2468  
Kent Town SA 5071

**Phone: 1300 361 798 (toll free)**  
**Fax: 1300 366 233 (toll free)**  
**E-mail: Admin@AUSfund.net.au**  
**Web: www.unclaimedsuper.com.au**

If your superannuation benefits are transferred to AUSfund, your personal information will be used by AUSfund to establish your membership account and manage your superannuation balance, process your contributions, pay benefits, provide you with membership benefits and services, and correspond with you.

Being transferred to AUSfund may affect your benefits because:

- You will cease to be a member of HOSTPLUS.
- You will become a member of AUSfund and be subject to its governing rules. If HOSTPLUS can provide AUSfund with current contact details, AUSfund will send you their current Product Disclosure Statement (PDS). You can also ask AUSfund for a copy of their PDS.

- Accounts of \$50 or more attract a levy of \$10 per year or part-year, while lower balances are not subject to the levy but do not earn interest. AUSfund protects all accounts from erosion due to the administration levy, so that the levy cannot exceed the interest credited to each account.
- AUSfund has a different investment strategy to HOSTPLUS. For more details, ask AUSfund for a copy of their PDS.
- AUSfund does not offer insured benefits in the event of death or disability.

AUSfund conducts cross-fund matching initiatives, where it uses your information to search for an active account in your name or another superannuation fund. If AUSfund finds an active super account in your name, it will transfer your AUSfund benefits to the other fund. AUSfund also attempts to locate missing contributions paid to the ATO on a member's behalf or superannuation benefits that may have been transferred to another ERF due to inactivity.

AUSfund engages specialist agents such as its administrator, Superpartners Pty Ltd (ABN 57 078 907 883) and Baycorp Advantage Limited (ABN 29 080 662 568) to provide services and other benefits to its members, under the strictest confidence.

AUSfund will not use or disclose your information for any other purpose without your consent, except where required or authorised by law.

Should your benefits be transferred into AUSfund you may request access to, or correction of, any personal information held by AUSfund by writing to AUSfund's Privacy Officer at the address shown on this page.

## Unclaimed money

HOSTPLUS wants to keep in touch with you and makes every effort to do so. However, if you reach Age Pension qualifying age and are eligible for payment of a benefit, but we cannot find you, then your investment becomes unclaimed money and must be paid to the relevant state authority. HOSTPLUS is required to pay all unclaimed money to the Victorian Department of Treasury and Finance every six months.

You can enquire about unclaimed benefits by contacting:

Registrar of Unclaimed Moneys  
Department of Treasury and Finance  
1 Treasury Place  
Melbourne VIC 3002  
Phone: (03) 9667 6444  
Website: [www.statetrustees.com.au](http://www.statetrustees.com.au)

## Lost members

The Australian Taxation Office (ATO) has established a "lost member register". This register contains details of the super accounts for members that funds cannot locate and certain members for whom contributions have ceased. All superannuation funds report and transfer the accounts of "lost members" to the ATO twice a year.

You are classified as "lost" if no contributions or rollovers have been received for you during the past two years and we have lost contact with you.

If you think a fund may have lost contact with you, you can check with the ATO to see if you are registered as a "lost member".

If you have inactive accounts in any other super fund or eligible rollover fund, you may consolidate them into your HOSTPLUS account. You can make enquiries at the ATO if you have lost contact with a fund and think you may be entitled to a benefit. Simply phone **13 10 20** or visit the ATO website at [www.ato.gov.au](http://www.ato.gov.au) and use "Super Seeker", the ATO's new online tool to search for lost super.

## Trustee insurance

Chubb insurance provided trustee insurance cover from 1 July 2003 until 30 September 2003. From 30 September 2003 until 30 September 2004, the cover is being provided by Vero Insurance Limited and American Home Assurance Company.

## Audit

The annual audit has been completed and the auditor has issued an unqualified opinion on the HOSTPLUS financial statements. The audited financial statements and auditor's report are available upon request.

## Fund documentation

If you would like to view a copy of the HOSTPLUS Trust Deed or any other fund documentation, please call **1300 363 895**.

## Confirmation of transactions on your HOSTPLUS account

Some transactions, like rollovers and transfers, are confirmed in writing with you directly when they occur. Other transactions, such as contributions, can be verified by checking your Record of Contributions and annual statement. You can also confirm transactions by accessing your account via our website [www.hostplus.com.au](http://www.hostplus.com.au) (Please see page 3 for details on how to register for online access to your account.)

## Interest credited to your account

HOSTPLUS calculates interest daily and allocates it annually to your account (at 30 June). We may also calculate and allocate interest in other situations, such as at the point you leave the Fund by retiring, transferring to another fund or claiming a death benefit.

## Reserve accounts

The Fund maintains reserves to cover the day-to-day operations of HOSTPLUS. The total value of all reserve amounts at 30 June 2004 is as follows:

Year ending 30 June	Reserves	% of members' funds
2004	\$16,987,314	0.6%
2003	\$4,873,409	0.2%
2002	\$4,563,769	0.3%

### Notional investment reserve account

HOSTPLUS credits interest to members at 30 June each year, or at the date of exit, or when an amount is switched to another investment option. During the year, Fund earnings are accumulated in a notional investment reserve, pending this allocation process. After year-end, all interest is credited to members' accounts. The balance of this notional reserve at 30 June for the last three years was:

2004:	\$2,233,642
2003:	\$126,656
2002:	\$2,125,313

### Administration reserve account

The fees deducted from members' accounts are deposited into the administration reserve account and the accumulated funds are utilised to pay for the operations of the Fund. Over the last three years, the administration reserve balance at 30 June has been:

2004:	\$11,208,650
2003:	\$1,523,882
2002:	\$116,650

### Insurance reserve account

The Fund maintains an insurance reserve account. Insurance premiums are deducted from members' accounts at the rate of \$1 per unit per week per member for those members with insurance and credited to the reserve account. All amounts payable to the insurer are deducted from this account. The insurance reserve is maintained to fund the cost of insurance tenders, meet any shortfalls in Insurer payments, and to fund future additional benefits to members. Over the last three years, the balance of the reserve account at 30 June was:

2004:	\$3,545,022
2003:	\$3,222,871
2002:	\$2,321,806



## Derivatives

The Fund permits the use of derivatives to manage risk and enhance returns.

Derivatives are financial instruments linked to the future purchase or sale of securities such as shares, and other assets. They are known as derivatives because they “derive” their value from that of the underlying security.

Derivatives will only be utilised where such use is consistent with:

- the investment strategy adopted for that portion of the Fund managed by the relevant manager,
- the investment powers of the Fund, and
- the strategy as agreed between the Fund and the respective investment managers.

HOSTPLUS’ investment managers utilise derivatives to achieve their investment objectives and manage risk, whilst always complying with the asset sector investment guidelines. Derivatives may be used in the management of the Fund’s investment portfolio, but may not be used to gear the portfolio or create net short positions.

The Australian Prudential Regulation Authority (APRA), sets standards for the prudent management of super funds and requires super funds to develop a policy to ensure proper use of derivatives. HOSTPLUS has the Risk Management Statements Part A and Part B as required by APRA. These summarise the policies, amongst other details, that HOSTPLUS has in place covering the use of derivatives.

## Interest on accounts

The Trustee is entitled to retain any interest earned on any monies paid to the Fund that are later required to be returned, e.g. refunds due to overpayments or those payments made in error to the Trustee.

## Payment of surcharge

If applicable, the superannuation contributions surcharge is deducted from members’ accounts. This amount is determined by the Australian Taxation Office and is payable to them.

## Our professional partners

HOSTPLUS works closely with the following professional organisations to achieve our investment and administration objectives effectively and cost-efficiently:

Administrator: Superpartners Pty Ltd  
 Investment adviser: JANA Investment Advisers  
 Auditor: PricewaterhouseCoopers  
 Insurer: ING Australia  
 Legal adviser: Deacons, IFS Legal  
 Tax advisers: KPMG  
 Master custodian: JP Morgan Chase Bank

## Board changes

On 23 April 2004 the Chairman Michael Keogh resigned. As at 30 June 2004, a new Chairman (independent director) is yet to be appointed.

On 13 August 2004 John Thorpe resigned and was replaced by Bevan Douglas.

## HOSTPLUS Directors

### Independent Directors

Michael Keogh – Chairperson (resigned 23/04/04)  
 John Burge  
 Barry Watchorn

### Employee representative Directors

Brian Daley – Deputy Chairperson  
 Robyn Buckler  
 Tim Ferrari

### Employer representative Directors

John Nicholson – Acting Chairperson from 24/04/04  
 Mark Robertson  
 John Thorpe (resigned 13 August 2004)  
 Bevan Douglas (appointed 13 August 2004)

## Your privacy is important to us

HOSTPLUS operates under stringent privacy guidelines and takes every step possible to protect your privacy. There are instances when we need to give information about you to third parties (such as the Australian Taxation Office) however there are strict controls on how they can use this information. Our complete privacy guidelines can be viewed on our website at [www.hostplus.com.au](http://www.hostplus.com.au) or you can obtain a copy by calling us on 1300 363 895.

## Enquiries and complaints

If you have an enquiry or complaint, call HOSTPLUS on 1300 363 895. We’ll do everything in our power to deal with your query promptly and courteously.

If you’re not happy with how your query is handled then we want to know. Please call us or write to:

Complaints Officer  
 HOSTPLUS  
 Locked Bag 999  
 Carlton South VIC 3053

The HOSTPLUS Trustee aims to resolve all complaints within 90 days of receipt. However, if you are not satisfied with either the way HOSTPLUS handles your complaint or its resolution, you may contact the Superannuation Complaints Tribunal (SCT).

The SCT is an independent body set up by the Commonwealth Government to assist in resolving certain types of complaints. You can contact the Tribunal by phoning 13 14 34 for the cost of a local call.

## Important changes to super

There have been many significant legislative changes over the past 12 months affecting superannuation. It's important to be aware of them, so you can make the most of any benefits that are relevant to you.

### Government Co-contributions

From 1 July 2004, the Government increased the maximum Co-contribution to \$1,500 p.a. from \$1,000 p.a. if an individual's total income is less than \$28,000 p.a. and extend the initiative to individuals with total income of less than \$58,000 p.a.

The Government Co-contribution is not subject to tax when paid into the superannuation fund or when it's paid out as an end benefit, however it is subject to normal preservation rules, i.e. it is not able to be accessed until retirement or another condition of release is met.

The Government amended the eligibility criteria to include people who earn less than \$450 a month and are not eligible for employer superannuation support.

An individual will qualify for the Co-contribution provided that at least 10% of the person's total income (assessable income and reportable fringe benefits) is attributable to eligible employment. This change applies for the 2003–2004 and future financial years.

In order to qualify for a Government Co-contribution in respect of the 2003–2004 financial year, eligible individuals must have made personal un-deducted contributions by 30 June 2004.

### Interdependent relationships and nomination of beneficiaries

The Government has legislated to allow "interdependent" couples to nominate each other as beneficiaries for superannuation purposes. This enables same sex couples to use super in the same way as heterosexual couples do now. It also enables, for example, an adult caring for their parent to receive the parent's superannuation death benefit tax-free.

An interdependent relationship is defined as "one of continuing mutual commitment to financial and emotional support between

two people who reside together." The legislation provides greater certainty over the payment of superannuation death benefits in these situations. Further examples of such relationships could include:

- children over 18, who are dependent and remain at home,
- a person with disability who may live in an institution but is nevertheless interdependent on the deceased,
- two elderly sisters who reside together and are interdependent, and
- same sex couples.

As always, the Trustee of HOSTPLUS will be required to exercise discretion when determining the person(s) to whom death benefits should be paid.

You may wish to review your nomination of beneficiaries in view of the above mentioned changes.

### Employer Eligible Termination Payments

From 1 July 2004, all employer Eligible Termination Payments (ETPs) rolled into a superannuation fund are now preserved until a condition of the fund's release is met, such as retiring permanently from the workforce, for example.

Any employer ETP rolled over prior to 1 July 2004 is unaffected and will still preserve its status as unrestricted non-preserved money.

### New laws about who can contribute to super

Anyone under the age of 65 can contribute to super at any time on their own behalf. Individuals between 65 and 69 who worked at least 40 hours in 30 consecutive days in that financial year, can make personal contributions, and receive employer contributions and spouse contributions into their super fund. Contributions for individuals who are between the ages of 69 and 74 and who have worked at least 40 hours in 30 consecutive days in that financial year, can be accepted if they are personal contributions or if they are employer contributions made in accordance with an obligation under an industrial award or agreement.

### Compulsory cashing in of superannuation benefits

Member benefits (other than a member's post-65 employer financed benefits) must be cashed as soon as practicable if the member is subject to any of the following events:

- has reached age 65, but not 75, and is not gainfully employed to at least a part time equivalent level,
- had on 30 June 2004 reached aged 75 and has not, since 1 July 2004, continued to be gainfully employed for at least 30 hours a week,
- has reached age 75, and is not a person to whom the condition immediately above applies, or
- has passed away.

Where post-65 employer financed benefits apply, a member's benefits must be cashed if the member is subject to any of the following events:

- has reached age 65, but not 75, and is not gainfully employed to at least a part time equivalent level,
- mandated employer contributions have ceased to be made (and not liable to be made),
- has reached age 75, and mandated employer contributions have ceased to be made (and not liable to be made), or
- has passed away.

"Gainfully employed on a part time equivalent level" refers to a person who is gainfully employed for at least 240 hours during the financial year that ended on the last occurring 30 June, i.e. the most recent financial year.

"Post-65 employer financed benefits" are mandated contributions made in respect of an individual over age 65 with investment earnings on such amounts.



## Financials

Asset class	Managers	Investment
Australian shares	452 Capital	\$60 M
	Balanced Equity Management	\$141 M
	Colonial First State	\$127 M
	Industry Fund Services	\$214 M
	Macquarie Investment Management Limited	\$215 M
	Paradise Cooper Investors	\$45 M
	Perpetual Investments	\$147 M
	UBS Asset Management	\$145 M
International shares	Alliance Bernstein	\$173 M
	Marathon	\$173 M
	Marvin & Palmer	\$166 M
	Vanguard	\$115 M
Australian private shares	Develop Australia Fund II	\$13 M
	Develop Australia Fund III	\$1 M
	Industry Funds Administration Trust	\$2 M
	Industry Fund Services	\$1 M
International private shares	Develop Australia Fund Global	\$19 M
	Wilshire	\$12 M
Infrastructure	Develop Australia Fund	\$77 M
	Utilities Trust of Australia	\$44 M
Property	AMP	\$4 M
	Australian Prime Property Fund – Commercial Unit	\$186 M
	Colonial First State	\$3 M
	Hotel Leisure Tourism Trust	\$8 M
	Industry Superannuation Property Trust 1 & 2	\$108 M
	Alternative	\$42 M
	Bridgewater	\$204 M
Diversified fixed interest	IFBT	\$19 M
	Macquarie Investment Management Limited (Domestic)	\$133 M
	Macquarie Investment Management Limited (Overseas)	\$43 M
	Members Equity SBL & SMHL	\$83 M
	Vanguard	\$29 M
	AMP	\$24 M
	ING Enhanced Cash	\$71 M
	Bridgewater	\$2 M
Cash & capital guaranteed	JPMorgan	\$71 M

Statement of financial position at 30 June 2004		
	2004	2003
<b>INVESTMENTS</b>	<b>\$2,916,377,415</b>	<b>\$2,134,946,779</b>
<b>Other assets</b>		
Cash at bank	\$8,715,422	\$11,361,767
Contributions receivable	\$44,553,552	\$39,325,036
Other receivables	\$9,693,320	\$9,556,740
Operating assets	\$544,998	\$704,135
<b>Total other assets</b>	<b>\$63,507,292</b>	<b>\$60,947,678</b>
<b>TOTAL ASSETS</b>	<b>\$2,979,884,707</b>	<b>\$2,195,894,457</b>
<b>LIABILITIES</b>		
Income tax payable	\$7,603,832	\$14,382,980
Provision for deferred income tax	\$23,013,078	\$2,875,713
Accounts payable	\$17,190,650	\$16,791,273
Benefits payable	\$4,705,148	\$3,184,491
<b>Total liabilities</b>	<b>\$52,512,708</b>	<b>\$37,234,457</b>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>	<b>\$2,927,371,999</b>	<b>\$2,158,660,000</b>
<b>Represented by:</b>		
<b>LIABILITY FOR ACCRUED BENEFITS</b>		
Balanced	\$2,849,102,621	\$2,109,431,753
Shares Plus	\$37,641,571	\$28,245,508
Capital Stable	\$8,717,153	\$6,551,004
Super Select		
Australian shares	\$4,912,538	\$2,044,904
International shares	\$2,936,713	\$1,577,760
Property	\$2,360,396	\$1,707,847
Diversified fixed interest	\$2,196,941	\$2,350,775
Cash	\$2,516,752	\$1,877,040
Reserves	\$16,987,314	\$4,873,409
<b>TOTAL LIABILITY FOR ACCRUED BENEFITS</b>	<b>\$2,927,371,999</b>	<b>\$2,158,660,000</b>



### Operating statement for the year ended 30 June 2004

	2004	2003
<b>REVENUE FROM ORDINARY ACTIVITIES</b>		
<b>Net investment revenue</b>		
Interest	\$7,585,450	\$8,417,957
Dividends	\$120,989,155	\$86,608,833
Other income	\$168,183	\$62,165
Changes in net market value	\$230,311,292	(\$5,028,142)
Direct investment expenses	(\$5,813,675)	(\$4,062,585)
<b>Total net revenue – investments</b>	<b>\$352,720,405</b>	<b>\$85,998,228</b>
<b>Contribution revenue</b>		
Employer	\$471,772,002	\$409,177,254
Member	\$15,347,637	\$10,090,573
Transfers from other superannuation funds	\$201,066,440	\$90,722,077
<b>Total revenue – contributions</b>	<b>\$688,186,079</b>	<b>\$509,989,904</b>
<b>Other revenue</b>		
Interest on cash at bank	\$570,160	\$425,118
Sundry	\$1,248,606	\$100,416
Proceeds from reinsurance	\$9,555,893	\$6,760,450
<b>Total revenue – other</b>	<b>\$11,374,659</b>	<b>\$7,285,984</b>
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>	<b>\$1,052,281,143</b>	<b>\$603,274,116</b>
Less:		
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>		
Superannuation		
Contributions Surcharge	\$687,770	\$604,638
Insurance	\$16,811,898	\$11,405,576
Administration	\$23,998,619	\$27,739,166
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>	<b>\$41,498,287</b>	<b>\$36,749,380</b>
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX</b>	<b>\$1,010,782,856</b>	<b>\$566,524,736</b>
Less:		
Income tax expense	\$88,070,688	\$60,895,772
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS</b>	<b>\$922,712,168</b>	<b>\$505,628,964</b>



## Terms and conditions for Super Quiz competition

1. Information on how to enter and prize details form part of these conditions.
2. The promoter is **HOSTPLUS** Pty Ltd (“**HOSTPLUS**”), (ABN 79 008 634 704), Level 9, 114 William St, Melbourne, Victoria, 3000.
3. Entry is free and is open to all members of **HOSTPLUS**, but excludes directors, employees and immediate family members of **HOSTPLUS** and its associated agencies.
4. The competition commences on 20 September 2004. Entries close at 5pm on 26 November 2004 (the “closing date”).
5. The draw will take place at Level 9, 114 William St, Melbourne, Victoria on 1 December 2004 at 11am. Winners will be notified in writing and the results will be advertised in ‘The Australian’ public notices section on 3 December 2004. The unclaimed prize draw (if required) will be at the same location on 2 March 2005 and advertised in ‘The Australian’ public notices section on 4 March 2005. The judge’s decision is final and no correspondence will be entered into.
6. To be eligible to enter the draw a member must answer the competition questions on the entry form and send it by mail to **HOSTPLUS**, Reply Paid 63933, Carlton South VIC 3053 by the closing date. A member can only enter once. No responsibility is accepted for late, lost or misdirected mail.
7. The first entry drawn with the competition questions answered correctly will win a trip for two to Asia (options are: Sydney-Singapore, Sydney-Bangkok or Melbourne-Singapore), valued at \$2,370. The trip includes return economy airfares for two adults to the selected destination flying British Airways. Transfers, taxes, insurance, land arrangements (accommodation and meals) and spending money are not included. Departure and return travel must be completed by 28 June 2005. Flights are subject to availability (less availability on weekends and flights cannot be taken during Australian school holiday periods).
8. The prize is not transferable or redeemable for cash.
9. **HOSTPLUS** shall not be liable for any loss or damage whatsoever (including but not limited to direct or consequential loss) howsoever arising in connection with the competition or the prizes except for any liability that cannot be excluded by law.
10. All entries become the property of **HOSTPLUS**.
11. A condition of winning is that the winner consents to **HOSTPLUS** publishing their name and address in ‘The Australian’ and to having their name and photograph used for **HOSTPLUS**’ promotional purposes.
12. Information provided by members on their competition entry form will not be used or disclosed for purposes other than those outlined in the **HOSTPLUS** Privacy Policy.
13. Authorised under NSW Permit No. TPL04/06990; ACT Permit No. TP04/2769; SA Permit No. T04/2706; NT Permit No. NT04/9997.

# **Application forms**



# Member's Authorisation to Roll Over Superannuation to HOSTPLUS



This form must be completed in full. Please use BLOCK letters.

## Step 1 Provide your personal details

Fund membership number

SPIN PIC CODE

OFFICE USE ONLY

Given name/s

Family name

Date of birth

Address

## Step 2 Provide the details of your old fund

Name of old fund

Old fund membership number

Address of old fund (if known)

Phone number of old fund (if known)

The approximate value of my benefit with this old fund is:

**Cheque to be made payable to "HOSTPLUS"**

## Step 3 Sign the declaration

I authorise the rollover of my benefits from my old fund to HOSTPLUS. I hereby declare that, to the best of my knowledge, the information I have provided above is true and correct in every particular, and that I understand the information given on this form. I have read the privacy information on page 39 and hereby consent to the collection, use, storage and disclosure of my personal information as described therein.

In giving my authorisation to roll over my benefits, I understand that:

- the trustee of my previous fund is discharged from any further liability in respect of any amount once benefits have been rolled over and a final statement has been issued by the old fund,
- both superannuation funds are regulated funds under Commonwealth Government legislation,
- in certain cases my new fund may be required under law to deduct tax from the untaxed portion, if any, of the Eligible Termination Payment,
- rollovers between funds are done on at least a quarterly basis provided there is no further waiting period set down by the old fund,
- subject to legislative restrictions, I am aware of and approve the deduction of transfer fees (if any) from the benefits rolled over, and
- any insurance benefits under my old fund may be cancelled.

**Signature of member**

**Date**

The information requested on this form is required in order for us to carry out your instructions to roll over your superannuation to us. We will provide this information to our Administrator and to your old fund. If you do not provide us with this information we may not be able to effect your rollover instructions. Your personal information will not be used or disclosed for any other purpose without your consent, except where required by law. You are able to gain access to this information.

To the Trustee of the old fund,

**Statement of Compliance – Superannuation Industry (Supervision) Act 1993**

The Trustee of the HOSTPLUS superannuation fund, HOSTPLUS Pty Ltd, certifies that:

- the Fund is a Resident Superannuation Fund under the Act,
- we have no reason to believe the Fund will not comply with the above Act and regulations, and
- the Fund is not subject to a direction from the Australian Prudential Regulation Authority which prohibits the Trustee from accepting employer contributions.

**Payment instructions**

Please make the cheque payable to “HOSTPLUS”

Send the cheque, this form, the rollover payment details and any surcharge information to:

**HOSTPLUS**

Locked Bag 999

Carlton South VIC 3053



# Direct Debit Authority



**This form must be completed in full. Please use BLOCK letters.**

Please refer to page 18 for details on who can make personal contributions to their super account.

OFFICE USE ONLY

STAT0704Website

## Step 1 Provide request and authority to debit

Surname

Given name/s

Address

  
 State  Postcode

I request and authorise HOSTPLUS Administration (Superpartners Pty Ltd ABN 57 078 907 883, *the user, user ID number 116299*) to arrange for any amount HOSTPLUS Administration may debit or charge me through Bulk Electronic Clearing System from an account held at the financial institution identified below subject to the terms and conditions of the Direct Debit Request Service Agreement (and any further instructions provided below).

## Step 2 Provide your account details

Financial institution's name

Address

  
 State  Postcode

Name of account (eg. John Smith)

BSB number

 - 

Account number

## Step 3 Nominate the debit amount

Frequency of deduction:  bi-monthly  monthly  quarterly  yearly

Amount to be deducted \$  .

Amount in words

## Step 4 Sign the declaration

By signing this Direct Debit Authority you acknowledge that you've read and understood the terms and conditions governing the debit arrangements between you and HOSTPLUS Administration (Superpartners Pty Ltd ABN 57 078 907 883) as set out in this Request and in the Direct Debit Request Service Agreement overleaf.

I acknowledge that I have read and understood the Direct Debit Service Agreement on the reverse of this form.

Signature

Date

DD / MM / YY



# Direct Debit Request Service Agreement

## DEFINITIONS

**account** means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

**agreement** means this Direct Debit Request Service Agreement between you and us.

**business day** means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

**debit day** means the day that payment by you to us is due.

**debit payment** means a particular transaction where a debit is made.

**direct debit request** means the direct debit request between us and you (and includes any Form PD-C approved for use in the transitional period).

**us or we** means HOSTPLUS Administration (Superpartners Pty Ltd ABN 57 078 907 883) you have authorised by signing a direct debit request.

**you** means the customer who signed the direct debit request.

**your financial institution** is the financial institution where you hold the account that you have authorised us to arrange to debit.

## 1 Debiting your account

- 1.1 By signing a direct debit request, you have authorised us to arrange for funds to be debited from your account. You should refer to the direct debit request and this agreement for the terms of the arrangement between us and you.
- 1.2 We will only arrange for funds to be debited from your account as authorised in the direct debit request.
- 1.3 If the debit day falls on a day that is not a business day, we may direct your financial institution to debit your account on the following business day.  
If you are unsure about which day your account has or will be debited you should ask your financial institution.

## 2 Changes by us

- 2.1 We may vary any details of this agreement or a direct debit request at any time by giving you at least 14 days' written notice.

## 3 Changes by you

- 3.1 Subject to 3.2 and 3.3, you may change the arrangements under a direct debit request by contacting us on 1300 363 895.
- 3.2 If you wish to stop or defer a debit payment you must notify us in writing at least 14 days before the next debit day. This notice should be given to us in the first instance.
- 3.3 You may also cancel your authority for us to debit your account at any time by giving us 14 days notice in writing before the next debit day. This notice should be given to us in the first instance.

## 4 Your obligations

- 4.1 It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the direct debit request.
- 4.2 If there are insufficient clear funds in your account to meet a debit payment:
  - (a) you may be charged a fee and/or interest by your financial institution;
  - (b) you may also incur fees or charges imposed or incurred by us; and
  - (c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
- 4.3 You should check your account statement to verify that the amounts debited from your account are correct.
- 4.4 If National Australia Bank Limited ABN 12 004 044 937 ("National") is liable to pay goods and services tax ("GST") on a supply made by the National in connection with this agreement, then you agree to pay the National on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## 5 Dispute

- 5.1 If you believe that there has been an error in debiting your account, you should notify us directly on 1300 363 895 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly.
- 5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- 5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding.
- 5.4 Any queries you may have about an error made in debiting your account should be directed to us in the first instance so that we can attempt to resolve the matter between us and you. If we cannot resolve the matter you can still refer it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

## 6 Accounts

- 6.1 You should check:
  - (a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions;
  - (b) your account details which you have provided to us are correct by checking them against a recent account statement; and
  - (c) with your financial institution before completing the direct debit request if you have any queries about how to complete this direct debit authority.

## 7 Confidentiality

- 7.1 We will keep any information (including your account details) in your direct debit request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that we have about you:
  - (a) to the extent specifically required by law; or
  - (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

## 8 Notice

- 8.1 If you wish to notify us in writing about anything relating to this agreement, you should write to HOSTPLUS, Locked Bag 999, Carlton South VIC 3053.
- 8.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the direct debit request.
- 8.3 Any notice will be deemed to have been received two business days after it is posted.

**Postal address**

Locked Bag 999  
Carlton South VIC 3053

**VIC**

Level 2, Casselden Place  
2 Lonsdale St  
Melbourne VIC 3000

**SA/NT**

Level 2, 104 Frome Street  
Adelaide SA 5000

**QLD**

Level 11, 120 Edward Street  
Brisbane QLD 4000

**WA**

Level 2, 88 Colin Street  
West Perth WA 6005

**ACT**

Unit 6, Ground Floor  
33 Allara Street  
Canberra ACT 2601

**NSW**

Level 3, 220 George Street  
Sydney NSW 2000

**TAS**

Level 2, 119 Macquarie Street  
Hobart TAS 7000

**Phone**

1300 363 895

**Fax**

1300 364 227

**E-mail**

[info@mail.hostplus.com.au](mailto:info@mail.hostplus.com.au)

**Website**

[www.hostplus.com.au](http://www.hostplus.com.au)

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The information contained in this document is general information only. This document does not and is not intended to contain any recommendations, statements of opinion or advice. In any event, the information in this document is general in nature and does not consider any one or more of your objectives, financial situation or needs. Before acting on this information, you should consider obtaining advice from a licensed, financial product adviser and consider the appropriateness of this information, having regard to your particular investment needs, objectives and financial situation.

You should obtain a copy of the HOSTPLUS Product Disclosure Statement and consider the information contained in the Statement before making any decision about whether to acquire an interest in HOSTPLUS.

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