

CSR Super

DIVISION ONE

Pensions

PRODUCT DISCLOSURE STATEMENT

Date of preparation 31 October 2007



Harwood Nominees Pty Limited
Australian Company Number (ACN) 001 216 208
AFSL No. 240614 RSE Licence No. L0000987

as Trustee for the Harwood Superannuation Fund R1001730; ABN 46 182 687 345

Disclaimer

The Trustee has taken care to ensure the information contained in this document is correct at the date of preparation, 31 October 2007. Changes to government legislation or the trust deed and rules of the fund may affect its accuracy. The Trustee reserves the right to change your superannuation product, as described in this Product Disclosure Statement (PDS) (including any website updates and/or Supplementary PDSs), in the future, subject to government legislation and the trust deed of the fund. The Trustee will notify you of changes of this kind in accordance with government legislation.

Any change to information that is not materially adverse may be updated (without notifying you individually) on our website www.csrsuper.com.au. A copy of any updated information may be obtained by calling the CSR Super Inquiry Line on (02) 9235 8533 and asking for this information to be mailed to you free of charge.

In the event of a change occurring that causes this PDS to become defective, the Trustee will either withdraw this PDS from circulation or amend it with a Supplementary PDS.

For further information on CSR Super please contact the CSR Super Inquiry Line (02) 9235 8533 or visit the CSR Super website www.csrsuper.com.au

This document can only be used by investors receiving it (electronically or otherwise) in Australia.

Contact details:

Web	www.csrsuper.com.au	Mail	The Inquiries &
Tel	(02) 9235 8533		Complaints Officer
Fax	(02) 9235 8577		CSR Super
Email	info@csrsuper.com.au		PO Box 744
			Chatswood NSW 2057

Getting Advice

The advice in this PDS is of a general nature only. Therefore, this PDS has been prepared without taking into account your particular financial needs, circumstances and objectives. We recommend you assess your own financial situation before making any investment decision based on the information contained in this PDS.

To help you with your decision making you may wish to seek the help of a financial services licensee who is licensed to provide personal financial product advice.

Authorised representatives of Harwood Nominees Pty Limited, the Trustee of the Fund, are only authorised to provide general financial product advice. Therefore, they cannot give you any personal financial product advice (please refer to Harwood Nominees Pty Limited's *Financial Services Guide*).

CONTENTS

About this Product Disclosure Statement	1
Managing CSR Super	1
Structure of Harwood Superannuation Fund	1
Important Information about “Better Super”	2
Pensions from <i>Division One</i> of CSR Super	3
Death while receiving a pension	3
Death while receiving a <i>lifetime</i> pension and survived by a spouse	3
Death while receiving a <i>lifetime</i> pension and not survived by a spouse	4
<i>Division One</i> Benefits in General	5
Normal retirement	5
Pension option	5
Lump sum option	5
Combination pension/lump sum option	6
Early retirement	6
Pension option	6
Lump sum option	6
Withdrawal before age 52	7
Disablement	7
Insurance (after ceasing employment)	7
Deferred benefits	8
Election to defer benefit	8
How are the assets of <i>Division One</i> invested?	8
Who manages the money?	8
Investment objective	9
Investment strategy	9
Investment asset classes	10
Growth assets	10
Defensive assets	10
Derivatives	10
Currency hedging	11
Diversification may help reduce risk	11
Investment performance	11
Deferred benefit earning rates applied to deferred lump sum benefits	11
Election to receive deferred benefit	12
Death during deferral period	12
Disablement during deferral period	12
How secure is my pension?	13
Structure of <i>Division One</i>	13
Can the Plan DBD Account of one Plan be applied to pay benefits in respect of the other Plan?	13
How are the assets of <i>Division One</i> invested?	14
CSR’s obligation to contribute under the trust deed	14

CSR's obligations under letters given in 1990	14
Winding up a Plan	14
Regular actuarial advice	15
The Trustee's role	15
The regulatory framework for superannuation funds	16
Taxation	17
Taxation of pension payments	17
Pension payments received when you are age 60 or over	17
Pension payments received when you are under the age of 60	17
Tax on lump sum amounts withdrawn from your pension (commutations)	17
Death benefits	18
Benefits paid to your spouse	18
Lump sum death benefits (if applicable)	18
Who is a dependant	18
Superannuation contributions surcharge	18
Other important information	19
Trustee liability insurance	19
Retaining all or part of your <i>Division One</i> lump sum benefit in <i>Division Two</i> of CSR Super	19
Applying for a Harwood Superannuation Fund Allocated Pension	19
Family Law and Superannuation	19
Cooling-off period	19
Complaints procedures	19
Information you can request	20
Lost members and unclaimed money	20
AMP Eligible Rollover Fund (AMPERF)	22
Tax File Numbers	23
Privacy Collection Statement	24
Terms explained	25

CSR SUPER – *Division One*

About this Product Disclosure Statement (PDS)

This PDS has been prepared by Harwood Nominees Pty Limited, the Trustee for the Harwood Superannuation Fund. It sets out the key features, costs, benefits and risks of electing to receive a pension from *Division One* of the CSR Plan (CSR Super) of the Harwood Superannuation Fund. Your benefit in *Division One* can also be paid as a lump sum. You may also be able to defer payment of your benefit for a time.

The PDS also contains general information about a lump sum benefit and deferring your benefit in CSR Super. If you choose to receive any or all of your benefit as a pension, then you will need to provide the Trustee with an election to take a lump sum benefit and/or pension.

Harwood Nominees Pty Limited's Australian Financial Services Licence Number: 240614.

Managing CSR Super

CSR Super is a plan of the Harwood Superannuation Fund, ABN 46 182 687 345. The Trustee of the Harwood Superannuation Fund is Harwood Nominees Pty Limited. The Trustee board is governed by the Trustee's constitution and has the following composition:

Five Employer Nominee Directors

- **CSR Limited – 3 Directors** (one must be a Member, Deferred Member, Pensioner or Spouse Pensioner of *Division One*).
- **Rinker Group Limited – 2 Directors**

Nominations for Member Nominee (member elected) directors are drawn from the membership and member elected directors are usually appointed for four-year terms.

A Trust Deed governs the operation of the Harwood Superannuation Fund.

Five Member Nominee Directors

- **CSR – 3 Directors**
 - One must be a Member of either CSR Super *Division One*, CSR Super *Division Two* or MonierPGH Super,
 - One must be a Member of CSR Super *Division Three* from the Sugar Group (Sugar Mills and Sugar Australia), and
 - One must be a Member of CSR Super *Division Three* from the General Group (which is the balance of the CSR Super *Division Three* membership).
- **Rinker – 2 Directors**
 - One must be a Member of either Rinker Super *Division One* or Rinker Super *Division Two*, and
 - One must be a Member of Rinker Super *Division Three*.

The Fund's Trust Deed and Rules and a copy of the procedures for the appointment and removal of member elected directors can be obtained by visiting www.csrsuper.com.au, under the "Trustee" menu item, or by calling the Inquiry Line and asking for the information to be sent to you.

Structure of Harwood Superannuation Fund

- *Division One*-a defined benefit division that is closed to new members.
- *Division Two*-a hybrid accumulation/defined benefit division that only provides accumulation benefits to new members.
- *Division Three*-an accumulation division.
- *Division Four*-an allocated pension division.
- *Division Five*- provides both defined benefits and accumulation benefits to former Monier PGH Superannuation Fund members. This division is closed to new members.

Important Information about “Better Super”

The points below do not constitute a complete summary of the Government’s “Better Super” changes. Further information about “Better Super” relevant for superannuation pensions is provided throughout this PDS, and further general information about “Better Super” is available from <http://www.ato.gov.au/bettersuper>, or by contacting the **Tax Office Superannuation Hotline on 13 10 20** between 9.00am and 6.00pm, Monday to Friday.

Some of the key “Better Super” changes are that, from July 2007:

- all superannuation benefits received at age 60 or over are tax free, whether received as a pension or a lump sum;
- superannuation benefits received after reaching your preservation age (see page 25) for information about preservation ages) but before age 60 continue to be taxable, although the tax treatment has been simplified;
- the taxable component of lump sums for persons aged between preservation age and 60 will nevertheless be tax free up to a low rate cap (\$140,000 for 2007/2008, indexed thereafter);
- pension recipients aged between preservation age and 60 are entitled to a 15% tax rebate for the taxable component;
- superannuation benefits can be retained in the superannuation system, regardless of your age or whether you have ceased work, until death;
- new simplified standards apply to some pensions, although the standards applying to lifetime pensions from *Division One* remain unchanged;
- lump sum superannuation death benefits are tax free if paid to a spouse;
- income stream superannuation death benefits are tax free if paid to a spouse and either the deceased died aged 60 or over or the dependant is 60 or over when the benefit is received;
- reasonable benefit limits have been abolished;
- the pension assets taper rate for social security purposes will be reduced from \$3 to \$1.50 per fortnight for every \$1,000 of assets above the relevant threshold with effect from 20 September 2007; and
- other changes – there are also a number of other significant changes to superannuation, including changes which affect contributions to superannuation funds.

Pensions from *Division One* of CSR Super

The type of pension which is payable from *Division One* of CSR Super is known as a “defined benefit pension” or a “lifetime pension”. This means that you will be paid a pension for the rest of your life irrespective of any investment earnings or the amount of your benefit on retirement. The annual amount is indexed each year (see *Pension indexation* below for more information).

There are no fees or costs associated with a pension payable from *Division One* of CSR Super. All the expenses in providing the pension from CSR Super are met by CSR Limited.

The pension will be a pension that meets certain prescribed standards. Generally, you will not be able to commute your lifetime pension to a lump sum once it has commenced to be paid. There are limited exceptions.

You should take independent financial advice before deciding whether to take your superannuation benefit as a lifetime pension from CSR Super.

Lifetime pensions

A lifetime pension is a pension that satisfies standards prescribed in Commonwealth government regulations. They include:

1. the pension must be payable for life;
2. the pension must be paid at least annually;
3. the size of the payments must be fixed, allowing only for variation as specified such as indexation;
4. there cannot be a residual capital value;
5. the pension or annuity cannot be commuted except:
 - within 6 months of commencement (commutation within six months of commencement only applies from the commencement date of the original pension or annuity), or
 - in certain circumstances by a reversionary beneficiary, or
 - to purchase a new pension or annuity that meets these standards, or
 - to pay a superannuation contributions surcharge; and
6. the value and income cannot be used as security for a borrowing.

Pension indexation

All pensions paid from *Division One* are indexed automatically from 1 April each year by the *lesser* of any increase in the Consumer Price Index (CPI) during the preceding December year, and 10%.

If the CPI increase *exceeds* 10%, the Trustee may, upon the advice of the Fund Actuary, and with the consent of CSR Limited, index pensions up to the CPI increase.

Death while receiving a pension

A death benefit may be payable when a pensioner dies. Different benefits are payable from *Division One* according to whether or not the pensioner is survived by a spouse.

1. Death while receiving a lifetime pension and survived by a spouse

If a pensioner dies while receiving a lifetime pension *and is survived by a spouse*, the death benefit is a pension, payable to the pensioner’s spouse for life, of 75% of the pension paid to the pensioner at the date of death (or the pension which would have been payable at the date of the pensioner’s death but for commutation).

In certain circumstances, the spouse, or on the death of the spouse the spouse’s legal personal representative, may be entitled to an additional benefit, determined by the Trustee and with the advice of the Fund’s Actuary.

2. Death while receiving a lifetime pension and not survived by a spouse

If a pensioner dies while receiving (or after having commuted) a lifetime pension *and is not survived by a spouse*, the death benefit is the lump sum to which the deceased pensioner would have been entitled at retirement (if the pensioner had elected to take the whole of the retirement benefit as a lump sum), reduced by any lump sum or pension already paid to the pensioner. Any lump sum death benefit will be paid to the deceased's legal personal representative.

Division One Benefits in General

Benefits under *Division One* are payable to or in respect of members who cease employment with CSR Limited or an Associated Employer of the Fund because of:

- Normal or early retirement
- Disablement or death
- Resignation, retrenchment or transfer (Withdrawal).

All benefits, except disablement and death in employment benefits, are related to completed years of fund membership and *Final three years' average salary* (FAS3). Disablement benefits and death in employment benefits are related to years of potential membership and final salary (FS).

Benefits are also payable in respect of deceased pensioners who are survived by a spouse. These benefits are related to the deceased pensioner's pension at the date of death.

Surcharge offset accounts

Until 1 July 2005, a superannuation contributions tax surcharge of up to 15% applied to certain contributions to superannuation funds. If this applied to you, you would have been informed by the Trustee and a surcharge offset account would have been maintained in CSR Super. The amount in this surcharge offset account may affect the amount of the benefit (including a pension) you are entitled to receive from CSR Super.

You may at any time, while you are still employed and with the approval of the Trustee, contribute an amount no greater than your surcharge offset account balance, to be subtracted from your surcharge offset account.

Normal retirement

A member who ceases employment on or after reaching age 62 has three benefit options, exercisable at the time of ceasing employment - receiving a pension, receiving a lump sum or receiving a combination of both a pension and a lump sum. These options are described below.

1. Pension option

You may elect to receive all or part of your benefit from CSR Super as a pension. The pension, which is payable for life, is a percentage of FAS3. The pension is based on completed years of fund membership (which includes any additional period of backdated membership).

The pension percentage is 2.125% of FAS3 for each completed year of fund membership. Full months of fund membership not amounting to a complete year will increase the pension multiple of FAS3 on a pro rata basis.

A member retiring at age 62, having completed 35 years of membership, would be entitled to a pension of:

$$35 \times 2.125\% \text{ of FAS3} = 74.375\% \text{ of FAS3}$$

All pensions are automatically indexed annually (see *Pension Indexation* on page 3). All pensions are rounded up to the nearest dollar exactly divisible by twelve, and are payable monthly directly into the pensioner's or spouse pensioner's bank account.

When a member who chooses the pension option, or combination option (see *Combination pension/lump sum option* on page 6), dies following retirement, a death benefit may be payable (see *Death while receiving a pension* on page 3).

If you elect to receive 100% of your benefit as a pension and you have a balance owing in your surcharge offset account at that time, the fund's actuary will calculate your pension benefit, taking into account the effect of your surcharge offset account.

2. Lump sum option

You may elect to receive all or part of your benefit from CSR Super as a lump sum.

The amount of the lump sum is calculated as a multiple of FAS3. The multiple is based on completed years of fund membership (which includes any additional period of backdated membership).

The lump sum multiple is 0.250 times FAS3 for each completed year of fund membership. Full months of fund membership not amounting to a complete year will increase the lump sum multiple on a pro rata basis.

If you elect to receive all of your benefit as a lump sum, you will have no further entitlements from CSR Super (including entitlements to any death or disablement benefits).

If you elect to receive all or part of your benefit as a lump sum and you have a balance owing in your surcharge offset account at that time, the surcharge offset account balance will be deducted from that part of your benefit you elect to receive as a lump sum.

3. Combination pension/lump sum option

You may elect to receive your benefit from CSR Super as a combination of part pension and part lump sum in the proportions you nominate as agreed to by the Trustee.

Early retirement

A member who ceases employment on or after reaching age 52, but before age 62, has the same options as a person who retires on or after age 62. That is to receive a pension benefit, a lump sum benefit, or a combination of part pension and part lump sum. However, the amount of the benefit and the way it is calculated can differ. These differences are explained below.

1. Pension option

The amount of a pension benefit on early retirement is determined in the same way as a pension benefit payable on normal retirement, but is discounted for the number of years short of age 62.

The discount factors for early retirement pensions as a percentage of normal retirement pensions are:

Year short of age 62*	Discount factor %	% normal retirement pension
10	20.0	80.0
9	18.0	82.0
8	16.0	84.0
7	14.0	86.0
6	12.0	88.0
5	10.0	90.0
4	8.0	92.0
3	6.0	94.0
2	4.0	96.0
1	2.0	98.0
Nil	-	100.0

* with completed months being applied on a pro rata basis.

If you elect to receive 100% of your benefit as a pension and you have a balance owing in your surcharge offset account at that time, the Fund's actuary will calculate your pension benefit taking into account the effect of your surcharge offset account.

2. Lump sum option

The amount of a lump sum benefit on early retirement is determined on the same basis as for normal retirement. There is no discounting of lump sum benefits paid on early retirement.

If you elect to receive all or part of your benefit as a lump sum and you have a balance owing in your surcharge offset account at that time, the surcharge offset account balance will be deducted from that part of your benefit you elect to receive as a lump sum.

Withdrawal before age 52

A member who ceases employment before reaching age 52 for any reason other than death or disablement is entitled to a lump sum withdrawal benefit. For example, this may apply if you resign prior to age 52.

The amount of the withdrawal benefit is determined on the same basis as the normal retirement benefit, that is 0.250 times FAS3 for each completed year of fund membership (including any additional period of membership purchased by backdating). Full months of fund membership not amounting to a complete year will increase the lump sum multiple of FAS3 on a pro rata basis. However, the benefit can only be taken in cash as a lump sum if the law permits. Except in special circumstances the law requires your benefit to be preserved in a superannuation fund until you retire on or after age 55.

Disablement

A member who ceases employment on becoming disabled has the option of a pension benefit, a lump sum benefit, or a combination of part pension and part lump sum.

Disablement is decided by the trustee, in its absolute discretion, on medical advice based on the following definition of disablement contained in the Trust Deed.

Disablement means:

(A) *suffering the loss of two limbs or the sight of both eyes or the loss of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot);*

or

(B) *having provided proof to the satisfaction of the Trustee that the Member has become incapacitated to such an extent as to render the Member unlikely ever to engage in or work for reward in any occupation or work for which he or she is reasonably qualified by education, training or experience; and*

“disabled” has an equivalent meaning.

Pension and lump sum benefits payable on disablement are calculated in the same way as the respective normal retirement pension and lump sum benefits are calculated, with two key differences:

1. they are based on the member's *final salary* instead of FAS3; and
2. they are based on a member's *potential* membership to age 62 instead of completed membership.

The Trustee has the right to refuse to allow a member to take all or part of any disablement benefit as a lump sum.

If you elect to receive 100% of your disablement benefit as a pension and you have a balance owing in your surcharge offset account at that time, the Fund's actuary will calculate your pension benefit taking into account the effect of your surcharge offset account.

If you elect to receive all or part of your benefit as a lump sum and you have a balance owing in your surcharge offset account at that time, the surcharge offset account balance will be deducted from that part of your benefit you elect to receive as a lump sum.

Insurance (after ceasing employment)

Under the terms of the current policy with MetLife in respect of *Division One*, if you cease employment with CSR Limited or an Associated Employer of the Fund and are under 62 years of age, you are provided with an option to continue your *insured* lump sum death only cover (if any) if you take it up within 60 days of ceasing your employment and you did not cease to be an employee for reasons of ill-health (this is your *continuation option*). The new relationship will be between you and the fund's insurer, MetLife. If you apply for cover which is no greater than your existing *insured* cover in CSR Super you will not have to undertake a medical, although you will need to provide an AIDS Declaration. If you are interested in this option you should contact CSR Super as the *insured* amount may be less than the total death benefit provided under the rules of *Division One*.

Deferred benefits

Members who on ceasing employment are entitled to an early retirement benefit or a withdrawal benefit may elect to defer receiving their benefit to any time not later than age 62.

Election to defer benefit

The election to defer must be made on or before the date of ceasing employment, and must relate to the whole benefit.

Deferred benefits are calculated at the date the deferring member's employment ceases, and are based on fund membership and FAS3 at that date (see *Early retirement* on page 6). During the deferral period:

- That part of any deferred benefit which the deferred member subsequently elects to receive as a lump sum is increased (or decreased) by an earning rate determined by the Trustee from time to time based on the actual investment return of *Division One*. Please refer to *How are the assets of Division One invested?* below and *How secure is my pension?* on page 13); and
- The part of any deferred benefit which the deferred member subsequently elects to receive as a pension is indexed in the same way as pensions being paid (see *Pension indexation* on page 3).

Note:

If you defer before age 52, you are entitled to elect to receive either a pension, a lump sum or a combination of the two on or after age 52.

If you elect to take 100% of your benefit as a pension and you have a balance owing in your surcharge offset account at that time, the Fund's actuary will calculate your pension benefit taking into account the effect of your surcharge offset account.

If you elect to take all or part of your benefit as a lump sum and you have a balance owing in your surcharge offset account at that time, the surcharge offset account balance will be deducted from that part of your benefit you elect to take as a lump sum.

How are the assets of Division One invested?

If you elect to defer your benefit in *Division One*, the earning rate that you will receive on the deferred benefit is based on the investment return of *Division One*. If you are a pensioner in *Division One*, the amount of your benefit does not depend on the investment return of *Division One* as your pension is a "defined benefit" pension.

The following sections explain how the assets of *Division One* are invested and the factors that go into determining the earning rate and should be considered by anyone who is deciding whether to defer their benefit.

Who manages the money?

The Trustee currently outsources the investment of the assets of *Division One* to Russell Investment Management Ltd (ABN 53 068 338 974, AFS Licence Number 247185) through an implemented consulting agreement. Russell Investment Management Ltd is a member of the Russell Investment Group of companies, which is a multi manager global fund manager.

Under the agreement, Russell Investment Management Ltd currently manages and invests the majority of the assets of the Fund and also provides asset consulting services to the Trustee. The performance of Russell Investment Management Ltd is reviewed regularly by the Trustee. The agreement is terminable by either party on giving 120 business days' notice, or any time by the Trustee giving notice if certain events occur.

Under the implemented consulting agreement, the assets of *Division One* are to be invested in accordance with an agreed investment strategy. However, the Trustee is entitled under the agreement to instruct Russell Investment Management Ltd at any time to change the investment strategy.

The implemented consulting agreement currently contemplates that the investment strategy is to be satisfied by the Trustee investing predominantly in products issued by Russell Investment Management Ltd.

Under the implemented consulting agreement in its current form, the assets of *Division One* are to be invested in the Russell distributing trusts listed below and Charter Hall Opportunity Fund No.4. However, the Trustee reserves the right to change the investment strategy, as well as the means by which the strategy is to be implemented. In particular, the Trustee reserves the right to implement the investment strategy by investing in assets or financial products other than those issued by Russell Investment Management Ltd.

The following information was current at the time of printing. For the latest information please visit www.csrsuper.com.au.

Asset Class	Investment
Australian Equity Active	Russell Australian Shares Fund
Australian Equity Opportunities	Russell Australian Opportunities Fund
International Equity Developed - Unhedged	Russell International Shares Fund
International Equity Developed - Unhedged Opportunities	Russell Global Opportunities Fund
International Equity Developed - \$A Hedged	Russell International Shares Fund - \$A Hedged
International Equity Emerging Markets	Russell Emerging Markets Fund
Listed Property Australian Active	Russell Australian Property Securities Fund
Listed Property International - \$A Hedged	Russell International Property Securities Fund - \$A Hedged
Unlisted Property Opportunistic	Charter Hall Opportunity Fund No.4
Australian Fixed Interest Active	Russell Australian Bond Fund
Global Fixed Interest - \$A Hedged (Core)	Russell International Bond Fund - \$A Hedged
Australian Cash Enhanced	Russell Australian Cash Enhanced Fund

Investment objective

The objective is to maximise expected returns subject to the constraint that there will be a low probability of the market value of the assets falling below the value of total liabilities, as measured by the Fund Actuary from time to time.

Investment strategy

Asset Class	Strategic Asset Allocation (%)	Rebalancing Range (%)
Australian Equity , of which:	23.5	+/-3.0
• Active	17.6	+/-2.4
• Opportunities	5.9	+/-2.4
International Equity , of which:	26.5	+/-3.0
• Developed - Unhedged	5.3	+/-2.7
• Developed – Unhedged Opportunities	5.3	+/-2.7
• Developed - \$A Hedged	13.25	+/-1.4
• Emerging Markets	2.65	+/-1.4
Total Property , of which:	10	+/-3.0
Listed Property:		
• Australian Active	3.5	+/-1.0
• International - \$A Hedged	5.5	+2.5/-2.0
Unlisted Property:		
• Opportunistic	1	+2.0/-1.0
Total Growth Assets (see above)	60	+/-3.0
Australian Fixed Interest	23	+/-3.0
Global Fixed Interest - \$A Hedged (Core)	15	+/-3.0
Australian Cash , of which:	2	+3.0/-2.0
• Enhanced	2	+/-2.0
• at Bank	0	+1.0/0.0
Total Defensive Assets (see above)	40	+/-3.0

Risk profile

Medium

Labour standards and environmental, social and ethical considerations

The Trustee seeks to achieve a specific performance objective. The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.

Investment asset classes

Growth assets

“Growth assets” is a term used to describe shares and property. These assets earn income from dividends or rent and increase in value for capital gains. Capital gain is the rise in market value, which means that the total value of these investments can actually grow in the long-term. However, the total value of these assets can rise and fall significantly in the short-term. For example, you may have noticed how the share price for a company can vary dramatically each day.

Shares

Investing in shares means actually buying part ownership, or equity, in a company. Shares can generally be bought and sold on a stock exchange.

Property

Investment in property means obtaining units in listed property trusts or unlisted property vehicles and/or purchasing properties such as office buildings and shopping centres.

Defensive assets

“Defensive assets” refers to fixed interest and cash. These assets earn returns primarily from interest.

Fixed interest

When an investor lends money to governments, semi-government bodies and corporations, interest is paid at an agreed rate, which is fixed for the term of the loan. These investments are also known as bonds. Fixed interest investments can be held to maturity or traded anytime before maturity. If they are sold before maturity, the price will depend on the market interest rate at the time. Returns from fixed interest investments occur from regular interest payments and any change in value caused by movements in interest rates.

Cash

Investments in cash include money invested in short-term deposits or bank bills and interest is earned on the cash invested.

Derivatives

The fund’s investment managers may use derivatives such as futures and options. Derivatives are financial instruments that derive their value from primary assets, such as equities and fixed interest securities. Derivatives have much lower transaction costs than the equivalent primary assets. The fund’s investment managers are authorised to manage cash flows, to convert cash balances into the exposure of the underlying asset class (e.g. shares) being managed by the investment manager, and to change the interest rate exposure with fixed interest, and cash and short term securities portfolios.

Currency hedging

When an investment involves international assets, there can be an exposure to foreign currencies. When an investment has a currency hedge in place it is reducing its exposure to foreign currencies in favour of Australian dollars. The amount hedged back to Australian dollars will increase returns if the Australian dollar rises and at the same time the amount unhedged will decrease returns when translated back to Australian dollars, and vice versa.

Diversification may help reduce risk

Diversification limits the risk taken by spreading money across a number of different investments. It means not having to rely on the performance of any one investment – so if one falls in value, another may perform well to make up for the decline in value. The *Division One* investment option utilises diversification by investing in a range of financial products, being predominantly Russell distributing trusts which are in turn invested in diversified assets.

Investment performance

The investment performance of *Division One* for the past five years available at the date of preparation of this PDS is set out in the table below:

For the year ended	30 June 2007 % p.a.	30 June 2006 % p.a.	30 June 2005 % p.a.	30 June 2004 % p.a.	30 June 2003 % p.a.	5 year compound average to 30 June 2007 % p.a.
Rate	14.00	16.2	13.59	13.95	- 1.9	11.0

The earning rates in this table do not take into account income tax and management costs.

Deferred benefit earning rates applied to deferred lump sum benefits

A lump sum part of a deferred benefit is calculated as at the date when the member ceases employment and increases (or decreases) from that date by an earning rate determined by the Trustee having regard to:

- the net earnings of the fund;
- the extent to which the net earnings of the fund are attributable to the Defined Benefit Division; and
- any other matters which the trustee considers appropriate.

The *Division One* deferred benefit earning rates for the past five years available at the date of preparation of this PDS are set out in the table below:

For the year ended	30 June 2007 % p.a.	30 June 2006 % p.a.	30 June 2005 % p.a.	30 June 2004 % p.a.	30 June 2003 % p.a.	5 year compound average to 30 June 2007 % p.a.
Rate	12.90	13.37	11.79	12.46	- 2.48	9.43
Inflation rates (CPI)	2.1	4.00	2.49	2.48	2.69	2.75

The deferred benefit earning rates above take into account income tax payable by the Fund and costs and expenses including any management costs and investment costs payable in respect of the administration and investment management of the fund. These costs are taken into account and are reflected in the deferred benefit earning rate by the Trustee and therefore are an indirect cost to members who elect to take all or part of their deferred benefit as a lump sum.

Election to receive deferred benefit

The election to receive a deferred benefit must be made by age 62. Where an election is made to receive all or part of a deferred benefit as a pension which commences before age 62, it is discounted for the number of years from age 62 to the date the election to receive the deferred benefit is made, using the discount factor table on page 6.

Where an election to receive a deferred benefit is made prior to age 52, the benefit may only be taken as a lump sum. However, the benefit can only be taken in cash as a lump sum if the law permits. Except in special circumstances the law requires your benefit to be preserved in a superannuation fund until you retire after preservation age (see page 25).

Death during deferral period

If a deferred member dies *and is not survived by a spouse*, the death benefit payable is a lump sum calculated as if the deferred member had elected to receive the whole benefit as a lump sum on the date of death.

If a deferred member dies *and is survived by a spouse*, the benefit may be either:

- A lump sum calculated as if the deferred member had elected to receive the whole benefit as a lump on the date of death; or
- At the election of the spouse, a spouse pension, payable for life, of 75% of the pension payable as if the deferred member had elected to receive the whole benefit as a pension on the date of death **and** a lump sum calculated as if the deferred member had elected to receive the whole benefit as a lump sum on the date of death reduced by five times the spouse pension about to be paid.

Disablement during deferral period

No special benefit applies if a deferred member becomes disabled during the deferral period. The deferred member could either continue to defer receipt of the benefit (until not later than age 62) or elect to receive it immediately.

How secure is my pension?

The obligation to pay pensions under the rules of *Division One* is long term. As pensions are payable for the life of the relevant pensioner (some of whom have not commenced receiving their pension) and then for the life of any surviving spouse of the pensioner, it is possible that pensions may be payable out of *Division One* for approximately 50 years or more, based on current expectations.

As a result, the strategy for ensuring that the Fund has sufficient assets to pay pension benefits as they fall due is complex and involves a range of matters, including:

- the structure of *Division One*, particularly the separate “Plan DBD Accounts” for the CSR Plan (“CSR Super”) and the RGL Plan (“Rinker Super”);
- the extent, if any, to which the Plan DBD Account for one Plan can be applied to pay benefits in respect of the other Plan;
- setting an investment strategy from time to time in respect of assets referable to a Plan DBD Account to support the payment of benefits (including pensions) from that account in the short, medium and long terms;
- the performance of the investments attributable to *Division One*;
- the obligations of CSR Limited (“CSR”) and Rinker Group Limited (“Rinker”) under the trust deed to contribute to the Fund in respect of *Division One*;
- the obligations of CSR under letters given by it in 1990 to members, pensioners and spouse pensioners of *Division One*;
- the circumstances in which a Plan or the Fund may be wound up and the consequences of this happening;
- regular actuarial advice and review;
- the Trustee’s role;
- the regulatory framework for superannuation funds.

Each of these items is covered under the headings that follow.

Structure of *Division One*

In connection with the demerger of Rinker from CSR in the first half of 2003, the trust deed was amended to provide for, among other things, the maintenance of two accounts called “Plan DBD Accounts” (the reference to “DBD” being an abbreviation for “Defined Benefit Division”). One Plan DBD Account is for the CSR Plan in respect of *Division One* and one is for the RGL Plan in respect of *Division One*.

With effect from 31 March 2003 the Trustee:

- (a) allocated members of *Division One* to either the CSR Plan or RGL Plan (as determined by CSR);
- (b) allocated all pensioners, spouse pensioners and deferred members of *Division One* at that time to the CSR Plan;
- (c) identified the sponsoring employers for each Plan;
- (d) determined the opening balances for each Plan DBD Account; and
- (e) set and implemented an investment strategy by identifying the investment portfolios attributed to the Plan DBD Accounts.

Can the Plan DBD Account of one Plan be applied to pay benefits in respect of the other Plan?

No. The trust deed expressly prohibits this.

This is important. It means that if either Plan DBD Account cannot meet its benefit payments as they fall due, the other Plan DBD Account cannot be applied to meet those obligations, even if the other Plan DBD Account has a surplus over its actuarially calculated benefit liabilities.

Of course, all the measures described in this section of this disclosure statement are designed to minimise the risk that a Plan DBD Account would not be able to pay benefits.

How are the assets of *Division One* invested?

Please refer to the information under the heading *How are the assets of Division One invested?* on page 8.

CSR's obligation to contribute under the trust deed

Under the rules for *Division One*, CSR must contribute amounts determined by the Trustee from time to time, acting upon the advice of the Fund Actuary, necessary to ensure that the value of the Plan DBD Account for the CSR Plan is at least 120% of the amount required to meet the actuarial liabilities of the CSR Plan. The Fund's actuary determines those liabilities as the accrued liabilities as at each valuation date.

The reference to liabilities in this respect primarily includes the benefit obligations in respect of defined benefit members and their dependants.

The ability to maintain this level of assets fundamentally depends on the Fund's investment performance and the ability of CSR to make the required contributions as and when they fall due. Prospective CSR Plan *Division One* pensioners will need to make their own judgement about this, noting that for so long as CSR is listed on the Australian Securities Exchange financial information about the company is publicly available.

CSR's obligations under letters given in 1990

The Trustee understands that, in April 1990, CSR wrote to members, pensioners and spouse pensioners, setting out a commitment by CSR to fund the defined benefits for those beneficiaries.

The Trustee is not a party to any arrangement arising out of that letter. If you are unsure as to its effect, you should consider obtaining legal advice in respect of it.

Winding up a Plan

Under the trust deed, a Plan can be wound up if:

- (a) the Plan Employer (currently CSR Limited in the case of the CSR Plan and Rinker Group Limited in the case of the RGL Plan) goes into liquidation other than as part of a reconstruction or amalgamation; or
- (b) the Plan Employer and the Trustee consider the continuation of the Plan is not practicable or expedient or not desirable or that the Plan has failed or will fail to achieve the objects of the Fund so far as the Plan is concerned.

All beneficiaries must be notified if a winding up is to occur.

On a winding up, no further contributions can be made other than arrears of contributions. Those arrears could include contributions necessary to achieve the 120% level of assets in the Plan DBD Account as described above under the heading "*CSR's obligation to contribute under the trust deed*".

On a winding up, the Trustee must make provision to cover the following in the order stated:

- (a) expenses of the Fund attributable to the Plan;
- (b) benefits for accumulation beneficiaries in Divisions Two and Three out of the respective accounts for those beneficiaries;
- (c) distribution of reserves, if any, held in respect of Divisions Two and Three for the accumulation beneficiaries;

- (d) benefits for the allocated pensioners based on the value of their allocated pensioner accounts (but only if the Plan is the last remaining Plan so that the Fund would be closing). The Allocated Pension Division is not part of the Plan and so would only necessarily be wound up if the Fund is winding up;
- (e) benefits for the members in the MonierPGH Division of the Fund based on the value of their accounts determined by the Trustee (but only if the Plan is the last remaining Plan so that the Fund would be closing). The MonierPGH Division is not part of the Plan and so would only necessarily be wound up if the Fund is winding up;
- (f) out of the Plan DBD Account:
 - (i) payment of all pensions for life and lump sum benefits (including death benefits) which have become payable at the closure date;
 - (ii) payment of all pensions and lump sum benefits in respect of certain beneficiaries as if their employment ceased on the closure date (those beneficiaries being persons who have become entitled to disablement benefits);
 - (iii) benefits for all other members or deferred members as and when they cease to be employees as the Trustee determines to be fair and equitable;
- (g) if after providing for all of the above, there is a balance remaining in the Plan DBD Account, the Trustee may apply that balance in a manner consistent with the objects of the Fund but only to or in respect of persons identified with the Plan who were beneficiaries as at 30 April 1998.

Regular actuarial advice

Under the trust deed, the Trustee must arrange for an actuarial review of the Fund and Plan to be conducted at least as often as required by the law. As a general rule, the law requires an actuarial investigation to be made in respect of the Fund at least once every 3 years.

In practice, the Trustee arranges for:

- (a) a full actuarial investigation (which includes a valuation of assets and actuarial liabilities and an actuarial certificate in relation to those items) every 3 years; and
- (b) regular periodic reports from the Fund Actuary (currently annually) covering the financial position of the CSR Plan DBD and the RGL Plan DBD as well as a recommendation as to the monthly employer contributions.

The Trustee's role

It may be observed from the above that the Trustee has extensive powers in relation to endeavouring to ensure that benefits are adequately funded. For example, they cover:

- (a) setting and implementing the investment strategy;
- (b) determining the timing and amounts of contributions; and
- (c) obtaining actuarial advice.

In exercising those powers, the Trustee has a range of duties imposed upon it under the general law and various statutes (including the Superannuation Industry (Supervision) legislation ("SIS")).

In essence, the Trustee owes fiduciary duties to beneficiaries of the Fund to act in their best interests.

Further, under the general law and the SIS legislation, the Trustee must:

- (a) act honestly;
- (b) exercise care, skill and diligence; and
- (c) not do anything that would prevent it, or hinder it, from properly performing or exercising its functions or powers.

The directors of the Trustee must exercise a reasonable degree of care and diligence in ensuring that the Trustee discharges its duties.

The regulatory framework for superannuation funds

The Commonwealth Government's *Superannuation Safety Amendment Act 2004* introduced "a range of reforms that are designed to modernise and strengthen the prudential regulation of superannuation" (per the Explanatory Memorandum for the law). The law has provided for funds to be registered and the trustee to be licensed by the Australian Prudential Regulation Authority (APRA) and for trustees to implement elaborate systems for managing risk. The law includes the following operating standards which licensed trustees of non public offer funds must satisfy and continue to comply with:

- fit and proper standard for the trustee;
- outsourcing standard;
- adequate resources standard;
- risk management standard.

The Australian Securities Investment Commission (ASIC) regulates the general advice which Harwood Nominees Pty Limited provides under its Australian Financial Services Licence. ASIC also regulates the superannuation fund disclosure requirements pursuant to Chapter 7 of the *Corporations Act 2001*.

Taxation

Taxation information provided in this PDS is of a general nature only and does not take into account your personal circumstances. The information in this PDS is correct at the date of preparation, however, changes to legislation can occur.

How tax affects you will depend on your personal circumstances. You should seek professional taxation advice regarding your own circumstances.

General

Taxation of pension payments

The taxation of pension payments will depend upon factors including your age at the time you receive the pension payment and, in particular, whether you are 60 years of age or older, as no tax is payable on pensions paid to persons aged 60 or over.

If your pension is taxable (eg you receive payments whilst you are under age 60) your pension (being your interest in the fund) is divided into two components, a taxable component and a tax exempt component. Each pension payment you receive will be proportionately split between the taxable and tax exempt component of your interest in the fund.

Pension payments received when you are age 60 or over

If you are age 60 or over, no tax is payable in relation to the pension payments you receive. In addition, you do not need to include your pension income in your tax return, as this does not count toward your assessable income for tax purposes.

Pension payments received when you are under the age of 60

If you are under the age of 60, any tax exempt component is paid to you tax free, regardless of your age.

If you are over your preservation age (see page 25) and under 60, the taxable component of each pension payment will be taxed at your individual income tax rate plus the Medicare Levy (currently 1.5%), less a 15% tax offset.

If you are under your preservation age, the taxable component of each pension payment will be taxed at your individual income tax rate plus the Medicare Levy (currently 1.5%). However, no tax offset is available until you reach your preservation age (unless your pension is a disability superannuation pension).

Tax on lump sum amounts withdrawn from your pension (commutations)

There are only limited circumstances in which you can commute your pension to a lump sum (see page 3).

Any lump sum withdrawal (called a “commutation”) from your pension, if permitted, will be taxed as a lump sum superannuation benefit and will be split into the taxable and tax exempt components.

The tax exempt component is always received tax free.

The tax in relation to the taxable component depends upon your age.

- If you are age 60 or over, you pay no tax in relation to lump sum commutations. In addition, you do not need to include the lump sum amount in your tax return.
- If you are over your preservation age and under 60 and have not previously received an amount from a superannuation fund, the first \$140,000 of the taxable component you withdraw from any superannuation interest will be tax free. Any amount withdrawn above \$140,000 will be taxed at 15% plus the Medicare Levy. The \$140,000 cap applies to the 2007/08 year and is inflation indexed each year.
- If you are under your preservation age, the entire taxable component will be taxed at 20%, plus the Medicare Levy.

Death benefits

Your death benefit can only be paid to your spouse or, possibly, to your legal personal representative. If a death benefit is paid to your legal personal representative, it can only be paid as a lump sum.

Pension death benefits paid to your spouse

If your spouse receives a death benefit as a pension, the tax paid depends upon your age at death and your spouse's age as follows:

- Where you were age 60 or over at the time of death, the pension payments will be received by your spouse tax-free. The pension payments do not need to be included in your spouse's tax return.
- Where you were under age 60 at the time of death and your spouse is under age 60, the pension payments will be taxed as follows: the tax exempt component is paid tax free, and the taxable component will be taxed at your spouse's individual income tax rate plus the Medicare Levy (currently 1.5%), less a 15% tax offset. When your spouse turns 60, the payments will become entirely tax free.
- Where you were under age 60 at the time of death but your spouse was age 60 or more, the pension payments will be tax free.

Lump sum death benefits (if applicable)

If a lump sum death benefit is payable to your spouse or your legal personal representative:

- (a) the lump benefit to your spouse will be tax free, regardless of your age or the age of your spouse;
- (b) the lump benefit to your legal representative will be taxed in the hands of your legal personal representative and depends on the extent to which dependants benefit out of the estate.

In the case of a lump sum benefit to your legal personal representative, no tax is payable to the extent that dependants will benefit from the lump sum. To the extent that non-dependants will benefit from the lump sum, any taxable component will be taxed at 15% (plus 1.5% Medicare levy) to the extent the benefit represents past service, and 30% (plus 1.5% Medicare Levy) to the extent that the benefit represents future service. The tax exempt component will not be taxed.

Who is a dependant?

A dependant for the purposes of concessional tax treatment includes a spouse (including a de-facto spouse), a child under the age of 18 (including adopted, ex-nuptial, posthumous and step-child) and any person with whom you had an "interdependency relationship". A child aged 18 or more is not considered a dependant for tax purposes unless they are financially dependent on you or are disabled. A dependant may also include any other person who is financially dependent on you.

An interdependency relationship is defined as two individuals who:

- (i) have a close personal relationship; and
- (ii) live together; and
- (iii) one or each of the individuals provides the other with financial support; and
- (iv) one or each of the individuals provides the other with domestic support and personal care.

An interdependency relationship also exists where there is a close personal relationship but the other criteria are not satisfied due to physical, intellectual or psychiatric disability.

Superannuation contributions surcharge

Prior to 1 July 2005, a superannuation contributions surcharge tax applied to certain contributions by high income earners. The Government abolished this tax from 1 July 2005. However, it is possible that you could have a liability to surcharge on contributions made prior to that date.

If the fund receives a surcharge assessment from the ATO, the Trustee will pay it and it will be added to a surcharge offset account maintained for you. When your benefit becomes payable, the balance of your surcharge offset account will be subtracted from the value of your benefit.

If you wish, you may make a contribution up to the value of the balance of your surcharge offset account so that your benefit is not reduced. That contribution would be a "non-concessional contribution".

Other important information

Trustee liability insurance

The Trustee, Harwood Nominees Pty Limited, has a current trustee liability insurance policy.

Retaining all or part of your *Division One* lump sum benefit in *Division Two* of CSR Super

Division One members on ceasing employment are able to request a transfer of all or part of their lump sum *Division One* benefit to a *Division Two* member account. *Division Two* provides an accumulation benefit and information on retained membership of CSR Super *Division Two* is available in the CSR Super Product Disclosure Statement (PDS). You should consider the PDS in deciding whether to transfer a benefit to *Division Two*. The CSR Super PDS can be obtained by telephoning CSR Super or visiting www.csrsuper.com.au.

Applying for a Harwood Superannuation Fund Allocated Pension

An exiting *Division One* member with \$50,000 or more may wish to consider the Fund's allocated pension issued by the Trustee, Harwood Nominees Pty Limited. The Product Disclosure Statement for the allocated pension is available by contacting CSR Super or by visiting www.csrsuper.com.au. If you are considering whether to acquire an allocated pension from the Trustee, you should consider the relevant PDS.

Family Law and Superannuation

The Family Law Legislation Amendment (Superannuation) Act 2001 amended the Family Law Act 1975 to enable the division of superannuation on marriage breakdown. If you need more information on this please call the Fund Secretary on (02) 9235 8575. Fees will apply for exercising your rights under the Family Law Act.

Cooling-off period

If you change your mind about electing to take a pension under this PDS, you may cancel your pension within a cooling-off period. To do so, you must give written notice to the Trustee that you wish to cancel your pension. The notice must be given within 14 days starting on the earlier of:

- your receipt of confirmation of your election; or
- the end of the fifth day after the day your pension commenced.

Your pension will be redeemed at its current value. The amount you receive may be adjusted for any pension amounts paid to you and for any taxes and reasonable management and transaction costs of your cancellation.

Complaints procedures

Members who have an inquiry or complaint may:

- call the Inquiries and Complaints Officer on the CSR Super Inquiry Line on (02) 9235 8533 on any weekday between 8.30am and 5.30pm (Sydney time). Inquiries outside these hours may be left on voicemail.
- Email: info@csrsuper.com.au
- Fax: (02) 9235 8577
- Write to:
Inquiries and Complaints Officer
Harwood Superannuation Fund (CSR Super)
PO Pox 744
CHATSWOOD NSW 2057

In the event that the Inquiries and Complaints Officer is unable to resolve any inquiry or complaint it will then be considered by a committee comprising senior fund management and, failing resolution by that committee, by the full Trustee Board. A copy of Harwood Nominees Pty Limited's Inquiries and Complaints procedure is available on the website www.csrsuper.com.au or by phoning the CSR Super Inquiry Line on (02) 9235 8533.

All inquiries and complaints will be dealt with within 90 days of the date they were received. If a complaint is not resolved to a member's satisfaction by these arrangements, it may be referred to the Superannuation Complaints Tribunal (SCT) in certain circumstances.

The SCT was established by the Commonwealth Government to provide a simple and inexpensive review mechanism for complaints about the decisions of superannuation fund trustees affecting individual members. It has the primary function of inquiring into complaints and trying to resolve them by conciliation. Where a complaint cannot be resolved by conciliation, the SCT can review the decision of the Trustee. It has other functions, including helping a complainant to make a complaint or to put it in writing.

Members can contact the SCT by phoning 1300 780 808 for the cost of a local call.

Information you can request

The Trustee must provide members with the following information within one month of receipt of a request. No fees will be charged for providing this information:

- Copy of Harwood Nominees Pty Limited's Australian Financial Services Licence.
- Details of Harwood Nominees Pty Limited's authorised representatives.
- APRA annual returns and notices (if any).
- ASIC notices re compliance (if any).
- Auditor's report required under superannuation law.
- Latest audited fund financial statements.
- Governing rules of Harwood Superannuation Fund (trust deed).
- Latest actuarial valuation.
- Risk Management Statement (Investments).
- Latest annual report.
- Harwood Superannuation Fund Risk Management Plan.

Lost members and unclaimed money

It is a requirement of the Commonwealth Government that information about a member's benefit be reported to the Australian Taxation Office (ATO) if a member becomes lost.

CSR Super allows members who have ceased employment with the participating employers to remain in the fund as retained members if they have a member account balance of at least \$1,200.

A retained member is permanently excluded from being a lost member if, having received written notice that they have become a retained member on ceasing employment and can therefore withdraw from the fund, they have continued their membership. If the notice sent to a member upon becoming retained is returned undelivered, then this member is not considered a permanently excluded member.

Lost members include members for whom CSR Super has never had an address or in respect of whom two items of written correspondence that CSR Super sends to the last known address are returned as unclaimed.

CSR Super is a corporate superannuation fund and carries out regular follow-ups with the participating employers to confirm that all employed members receive their required contributions on a regular basis.

Lost members including retained members who have not been permanently excluded from being considered lost are reported to the ATO.

CSR Super endeavours to locate lost members by contacting the lost member's former employer. If a lost member's benefit is still in CSR Super when the member reaches the Commonwealth Government's pension age, the benefit will be transferred to the Australian Taxation Office under the unclaimed benefits legislation.

A member or a member's dependants can recover their benefit by contacting:

Australian Taxation Office
GPO Box 9999, in your capital city.

Telephone: 13 10 20

Monies transferred to the Australian Taxation Office will not earn interest.

AMP Eligible Rollover Fund (AMPERF)

CSR Super will transfer your superannuation benefit to AMPERF in the following circumstances:

- you have ceased employment and CSR Super notifies you in writing that you have become a retained member of the fund; and
- your benefit is less than \$1,200 (you cannot remain in CSR Super); and
- you do not advise us where you wish to rollover your benefit within 4 weeks of the date of our letter.

Subject to the conditions above, transfers to AMPERF occur on a quarterly basis. No fee is charged for transferring your benefit to the ERF.

Details of the AMPERF are:

AMP Life Limited AMP Eligible Rollover Fund (AMPERF) Locked Bag 5400 PARRAMATTA NSW 1741	Phone: 1300 300 288 Email: polinfo@amp.com.au Internet: www.amp.com.au/erf
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Being transferred to AMPERF may affect your benefits because:-

- you will cease to be a member of CSR Super,
- you will become a member of AMPERF and be subject to its governing rules. If CSR Super can provide AMPERF with current contact details, AMPERF will provide you with their current Product Disclosure Statement (PDS), which outlines the operational details of AMPERF. You can contact AMPERF to ask for a copy of their PDS,
- AMPERF credits interest to accounts at a rate determined by the AMPERF trustee,
- AMPERF will apply a different fee structure than CSR Super. AMPERF does not deduct expenses such as administration and investment fees directly from your account. As a result, AMPERF automatically satisfies the SIS requirements to protect the value of members' accounts with balances below \$1,000 from fees. AMPERF crediting rates represent a distribution of profit to participating policy holders in the AMP No 1 Statutory Fund. The profit distribution reflected in AMPERF crediting rates is determined after accounting for various expenses associated with holding and managing assets. These expenses include administration and investment fees, as well as taxes (including earnings tax). You should refer to the AMPERF Product Disclosure Statement for circumstances in which fees may apply or be changed,
- AMPERF invests in a capital guaranteed life insurance policy issued to the AMPERF trustee by AMP Life Limited (AMP). The policy is a participating policy in the AMP No 1 Fund. The investment strategy for the assets in the AMP No 1 Fund that are backing the ERF policy is currently centered on cash and fixed interest investments, supplemented by investments in shares to provide long-term growth. AMP guarantees the full value of members' benefits. The assets underlying the ERF policy are held in the AMP No 1 Fund and are managed by AMP Capital Investors Limited. You should evaluate whether this strategy is appropriate to your specific circumstances, and
- AMPERF does not provide insurance cover.

Shortly before the preparation date of this CSR Super *Division One* Pensions PDS, AMP Superannuation Limited (ABN 31 008 414 104, AFSL No. 233060), the trustee of the AMPERF consented to the statements in the above bullet-points (other than the first bullet-point) being included in the PDS. AMP Superannuation Limited takes no responsibility for the contents of this PDS other than the statements that have been included in this PDS with its consent. AMP Superannuation Limited has not authorised or caused the issue of this PDS. If your benefits are transferred to AMPERF you are strongly encouraged to read the latest version of the AMPERF Product Disclosure Statement.

To claim your benefit or to arrange a rollover or transfer you can contact AMPERF directly.

Tax File Numbers

If you wish, you may provide your Tax File Number (TFN) to the Trustee (Harwood Nominees Pty Limited).

As the Trustee of the Fund, we are required to inform you, before you decide whether to provide your TFN to us, of the following:

- We can collect your TFN under the Superannuation Industry (Supervision) Act 1993.
- If you do provide your TFN to us, we will use it only for lawful purposes. This includes finding or identifying your superannuation benefits where other information is insufficient, calculating tax on any eligible termination payment you may be entitled to, and providing information to the Commissioner of Taxation (amongst other things to enable the Commissioner of Taxation to assess any surcharge payable on superannuation contributions made by or for you and to identify any Government co-contribution payable). These and any other lawful purposes may change in the future as a result of legislative change.
- It is not an offence if you choose not to quote your TFN. However, if you do not provide your TFN, either now or later, you may pay more tax on your benefits than you would otherwise have had to and a surcharge (which may not have been payable if you had provided your TFN) may be payable on contributions made by or for you. In some circumstances, the surcharge may be reclaimed through the Australian Taxation Office. It may also be more difficult to locate or amalgamate your superannuation benefits in the future or to pay you any benefits you are entitled to. These consequences may change in the future. Giving your TFN may also have the following advantages, which may not otherwise apply:
 - the fund may be able to accept all types of contributions (if applicable, and subject to the trust deed);
 - any tax on contributions will not increase;
 - other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
 - it will make it easier to trace different superannuation accounts in your name, so that you receive all your superannuation benefits when you retire.
- If you provide your TFN to us, we may provide it to the trustee of another superannuation fund or to a Retirement Savings Account (RSA) provider where that RSA provider or trustee is to receive your transferred benefits in the future. However, we will not pass on your TFN to such a trustee or RSA provider if you tell us in writing not to do so. We may also give it to the Commissioner of Taxation. Otherwise, your TFN will be treated as confidential.

Privacy Collection Statement

The Trustee of Harwood Superannuation Fund collects personal information from you when you join the fund. It also collects additional personal information from you by other means from time to time (such as changes to your investment choice selection).

Where practicable, the Trustee obtains personal information from your employer, such as salary or wage information. Health and related information for the purpose of the fund's death and disablement benefit arrangement is collected directly from you and, where relevant, from your employer, medical practitioners, hospitals, health institutions, vocational assessors, rehabilitation professionals and employment agencies.

If you have any questions about the personal information that is being collected, please contact the fund's Privacy Officer at:

- Level 2, 9 Help Street
Chatswood, NSW 2067
- PO Box 744
Chatswood, NSW 2057
- Tel: (02) 9235 8533
- Fax: (02) 9235 8577

By writing to the fund's Privacy Officer, you can request to access your personal information that is being held by us. The Trustee will deal with your request in accordance with the National Privacy Principles. More detail on the Fund's access arrangements is set out in Harwood Superannuation Fund's Privacy Policy Statement (available directly from the Privacy Officer or on the CSR Super website).

You are also encouraged to update your personal information, at any time, by contacting the Fund.

The personal information you supply to the Trustee is used for the purposes of establishing your individual account in the Fund, processing contributions, and providing you with Fund benefits. If applicable, the personal information will also be used for the purposes of administering your investment choice selection managing the assets with a view to implementing your investment choice, processing the payment of your benefits and complying with applicable laws and regulations.

The types of organisations to which the Trustee usually discloses personal and health information when necessary include:

- The Australian Taxation Office and other government authorities when and to the extent required by law.
- Your employer from time to time (except in the case of health or other sensitive information where your consent would be sought).
- The Fund's professional advisers (including legal and accounting firms, auditors, actuaries, consultants and other advisers).
- Any superannuation fund or arrangement to which your benefit is to be transferred or rolled over (including the administrator of that fund or arrangement).
- Any third party service provider the fund may engage to provide administration, technology, auditing, mailing, printing services or group life insurance.
- Your spouse or former spouse where required by law.
- Medical practitioners, rehabilitation advisers, vocational assessors and other professionals, if you apply for a disablement benefit.
- In the event of your death, your legal personal representative, any person who may be entitled to receive the death benefit, any person contacted in relation to the processing of the death benefit and their advisers.

The Australian superannuation, taxation and family laws that apply to your Fund membership and its administration require the collection of the information sought from you. Your consent is required before the Trustee can seek medical information to provide you with insured death and total and permanent disablement cover or to process a total and permanent disablement claim.

Terms explained

Throughout this PDS we have tried to use simple English to explain your CSR Super *Division One* benefits. However, there are some super terms that had to be used. In this section we explain their meaning to provide you with a better understanding of your super.

AWOTE or Average Weekly Ordinary Time Earnings is a measure of wage or salary levels of employees in Australia as measured by the Australian Bureau of Statistics.

Backdating contributions means contributions payable to obtain additional fund membership.

Consumer Price Index (CPI) is the rate (usually shown as a percentage) at which the price of goods and services rise or fall (inflation).

Contributing salary means the annual salary advised by CSR Limited to the trustee on which benefits are based.

Deferred member means a person who has ceased to be a member by reason of ceasing employment and who has elected to defer his or her benefit.

Dependant generally means a spouse, child or any other person financially dependent on, or in an interdependency relationship with, a member, deferred member or pensioner. However, it has a specific, more limited meaning for tax purposes (see page 18).

Final salary (FS) means the annual contributing salary at the date of death or disablement of a member.

Final three years' average salary (FAS3) means the average contributing salary of a member during the three years immediately before a benefit becomes payable.

Inflation rate is the rate at which the price of goods and services rise or fall. This is usually shown as a percentage and is measured by the Consumer Price Index (CPI).

Investments - The assets of *Division One* are invested by the trustee in accordance with the investment objective as determined by the trustee (see page 9).

Investment objectives are the investment goals that the trustee aims to achieve.

Investment risk is the degree to which returns fluctuate, that is, go up and down in value over time relative to a long-term average.

Investment strategy is the way assets are invested to target the investment objectives.

Member means a person employed by CSR Limited or an Associated Employer of the Fund who has been admitted as a fund member.

Membership means the period from a member's date of admission to the fund (including any additional period

purchased by backdating) to the date the member ceases employment.

Pensioner means a former member who has retired from employment and who is receiving a pension from CSR Super *Division One*.

Potential membership means the period from a member's date of admission to the fund (including any additional period purchased by backdating) to the member's 62nd birthday.

Preservation age

The age at which a member may be able to gain access to preserved benefits that have built up in a super fund, approved deposit fund or retirement savings account.

Preservation age for persons:

Born before 1/7/1960	55
Born from 1/7/1960 to 30/6/1961	56
Born from 1/7/1961 to 30/6/1962	57
Born from 1/7/1962 to 30/6/1963	58
Born from 1/7/1963 to 30/6/1964	59
Born on or after 1/7/1964	60

Spouse means the husband or wife, widow or widower of a member, deferred member or pensioner, including a person in a de facto marital relationship on a permanent domestic basis.

Strategic Asset Allocation is a term used to describe the way the fund's investments are structured to achieve its investment objectives. The actual amount invested in each asset class is allowed to vary within ranges set by the Trustee (see page 9).

Trust Deed is a document that sets out the rules for the establishment and operation of a superannuation fund.

Valuation date for the actuarial review is 30 June each year but may be more frequent.