

SMART Trustee Report 2007/08

INSIDE

a history of SMART
the year in review




SUGAR
MANUFACTURERS
OF AUSTRALIA
RETIREMENT
TRUST

SMART Super...
SMART Choice

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“ SMART continues its commitment to keeping costs low and returning profits to members. ”

IMPORTANT NOTE

This Annual Report is issued by the Trustee of the Sugar Manufacturers of Australia Retirement Trust (S.M.A.R.T. Pty Ltd) for the financial year ended 30 June 2008. The information contained within this report is of a general nature only and is based on information available at September 2008. It has been prepared without taking your individual objectives, financial situation or needs into account. It is recommended that you seek professional financial advice before making any investment or insurance decisions. SMART is administered by Australian Administration Services (AAS). Please note that AAS is an authorised representative of Pacific Custodians Pty Ltd who holds Australian Financial Services Licence (AFSL) 295142 and is authorised to provide general financial product advice on superannuation products. S.M.A.R.T. Pty Ltd RSE number is L0001175 and S.M.A.R.T. Pty Ltd RSE Registration number is R1004229. S.M.A.R.T. Pty Ltd ABN is 71 010 747 574.

Welcome from your Trustee Chairman



The Trustee has pleasure in presenting the Annual Report for the Sugar Manufacturers of Australia Retirement Trust (SMART) for the financial year ended 30 June 2008. This Annual Report has been issued to keep you informed about your membership in SMART and the changes that have occurred within SMART during the past financial year. We trust that you will find the information in this report helpful and practical when making decisions that will help fund the lifestyle that you are aiming for in retirement. General knowledge and interest about superannuation is growing. Thanks to Government campaigning and greater individual financial awareness, members are becoming more educated about the importance of superannuation and how they can contribute to increase their retirement savings. It is encouraged that you as a member of SMART take the time to read through this Annual Report as it contains very important information about your superannuation fund and the changes that have occurred in the superannuation industry. As you are aware, on 1 July 2008, SMART merged with AustSafe Super to provide members with improved access to superannuation and related services. The increasing complexity and costs involved in operating a super fund have propelled the Trustee of SMART to investigate options to allow the Fund to continue to provide members with strong investment performance and a broader range of services without the need to increase fees and charges. After carefully considering a variety of options and seeking legal advice, the Trustee of SMART is confident that AustSafe Super is ideally placed to meet the needs of SMART members into the future. The merger also provides for a representative of SMART to join the AustSafe Super Board, ensuring that the interests of the Sugar Manufacturing Industry continue to be represented. Finally, I would like to take this opportunity to thank the Directors for their hard work throughout the year. The past 20 years has seen SMART grow as an integral part of the sugar industry and we would like to thank all members and employers for their continued support.

Rod Young, Chairman

For and on behalf of the Trustee for Sugar Manufacturers of Australia Retirement Trust (SMART)

Year in brief

Earning rates for 2007/08:

Cash
5.3%

Growth
-10.7%

Balanced
-9.5%

Capital Stable
-1.7%

Shares
-15.3%



Fees And Charges

SMART has a straight forward fee structure and we deduct the appropriate fees from your account on a monthly basis. All amounts debited from your account in the year to 30 June 2008 are shown on your annual statement. GST payable on costs and charges is an expense of the Fund and is deducted from earnings before the Fund earning rates are calculated.

Fees

Active and inactive Members	\$1.50 per week (deducted monthly)
Benefit payment fee (This is to cover the cost of paperwork and statutory reporting) and is payable on full or partial payouts	\$40
Family law request for information regarding a SMART account on behalf of a non-member spouse.	\$100 plus \$10 GST. This fee is payable by cheque if this service is used.
Family law benefit "splitting fee" (deducted from payment).	\$100 (\$50 per spouse)
Investment option switching fees	1st switch per year is FREE. Any additional switches cost \$25.
Asset Based Fee	0.1% of account balance at end of each month.

Other Charges

Contributions tax

Employer contributions (net of administration charges and insurance premiums) and voluntary contributions for which you claim a tax deduction are taxed at 15 percent. The Trustee deducts the tax from your account balance at the end of each relevant month. Higher tax rates may apply if you do not provide SMART with your Tax File Number (TFN).

Insurance premiums

The charge deducted for insurance premiums depends on your level of insurance cover (see page 5). Premiums are deducted from your membership account and paid to the fund's insurer.

Member benefit protection

In accordance with the Australian Government's member protection legislation, the administration fee charged in any one year for account balances of \$1,000 or less cannot exceed the crediting rate in the same year. The only exception would be if SMART's total administration expense for the year were greater than the total investment earnings. Contributions tax and insurance premiums (where appropriate) are still deducted from account balances of less than \$1,000.

SMART Insurance Cover

On 1 July 2007, SMART moved from contribution based insurance cover to account based insurance cover. This means that instead of only being insured while you are receiving contributions, you will be insured for up to 12 months after your last day of work, provided there is enough money in your account to cover insurance premiums. This is an important change, especially for Seasonal workers, as it provides you with more security and continuous insurance cover. Our death and disability cover is competitively priced, and premiums are deducted from your superannuation account, so you can have insurance cover without impacting your take-home pay. Please refer to the insurance cover table across. SMART has also commenced the offer of Salary Continuance cover to our members. Salary Continuance cover can provide you with income during periods of temporary disablement. Cover is optional and acceptance is subject to the insurer's approval. Eligibility conditions apply.

Why consider insurance cover?

Death and disabilities are things that we don't like to think about, but these are often unexpected. If you haven't planned for it, your loved ones could face an enormous financial burden, especially when dealing with mortgage repayments and other expenses. SMART provides insured members up the age of 65 with insurance cover 24 hours a day 7 days a week.

What is the cost for insurance cover?

The price for each unit of cover is \$1.50 per unit per week (with new members joining from 1 July 2007, automatically being given 1 unit of cover for Death and Total and Permanent Disablement, at a cost of \$1.50 per week). This amount may vary depending on your level of existing level of insurance, if you have applied for increased cover previously. This will be deducted from your membership account whilst you are employed, or once you become unemployed, for up to 12 months following your last employer contribution, as long as your account

balance remains above \$1000. You may take any number of units at \$1.50 per unit per week for death cover and a maximum total and permanent disability cover up to \$2.5 million.

No premiums will be deducted from your account if you elect not to have cover. If you do apply for extra insurance cover above one unit, you will have to provide health evidence to the Fund's insurer. If the insurer rejects your application, your cover will be restricted to one unit. The level of benefit payable depends on your age next birthday at the date the claim arises according to the table below:

Age next birthday at date of claim	1 Unit of Cover	3 Units of Cover	5 Units of Cover	10 Units of Cover
15-30	55,000	165,000	275,000	550,000
31	54,000	162,000	270,000	540,000
32	53,000	159,000	265,000	530,000
33	52,000	156,000	260,000	520,000
34	51,000	153,000	255,000	510,000
35	50,000	150,000	250,000	500,000
36	47,000	141,000	235,000	470,000
37	44,000	132,000	220,000	440,000
38	41,500	124,500	207,500	415,000
39	38,000	114,000	190,000	380,000
40	35,000	105,000	175,000	350,000
41	31,000	93,000	155,000	310,000
42	28,000	84,000	140,000	280,000
43	25,500	76,500	127,500	255,000
44	22,500	67,500	112,500	225,000
45	20,500	61,500	102,500	205,000
46	18,000	54,000	90,000	180,000
47	17,000	51,000	85,000	170,000
48	16,000	48,000	80,000	160,000
49	15,000	45,000	75,000	150,000
50	14,000	42,000	70,000	140,000
51	11,000	33,000	55,000	110,000
52	9,500	28,500	47,500	95,000
53	8,500	25,500	42,500	85,000
54	8,000	24,000	40,000	80,000
55	7,500	22,500	37,500	75,000
56	7,000	21,000	35,000	70,000
57	5,500	16,500	27,500	55,000
58	4,500	13,500	22,500	45,000
59	4,000	12,000	20,000	40,000
60	3,500	10,500	17,500	35,000
61	3,000	9,000	15,000	30,000
62	2,500	7,500	12,500	25,000
63	2,500	7,500	12,500	25,000
64	2,000	6,000	10,000	20,000
65	2,000	6,000	10,000	20,000

Death cover is unlimited and the Maximum Total and Permanent Disablement cover is \$2.5 million.

Please note that only one benefit is payable under SMART's insurance cover.

For example, if an insurance benefit is paid for a total and permanent disablement claim and the member subsequently dies, a death benefit will not be payable.

When does cover cease?

Your insurance cover will cease on the earlier of the following:

- 12 months following the last employer contribution if you become unemployed; or
- if your account balance falls below \$1000; or
- when you reach age 65; or
- if you request in writing to opt out of insurance cover; or
- upon cessation of the Fund.

Who will receive your benefit in the event of your death?

In the event of your death, the Trustee is obliged to pay your benefit to a dependant. This may include your spouse, children or any other person who is financially dependent on you (including an inter-dependant person such as a disabled parent or a same-sex partner). Alternatively, the Trustee may pay your benefit to your estate. In making its decision, the Trustee will always take your wishes into account. By completing a 'Change of Member Details' form, you may nominate preferred beneficiaries to receive your benefit in the event of your death. Your current preferred beneficiaries are listed on the front page of your member statement. You can update your nomination at any time.

Continuation option

As a once only option, if you are under age 65 and you leave SMART other than as a result of disablement, you may apply to the insurer within 60 days of the date you leave employment for a personal life insurance policy. This can be done without the need to provide medical evidence (subject to certain conditions). The insurance policy provided under this option is provided on the insurer's standard premium rates. The rates, terms and conditions for a policy of this type, may not be the same rates, terms and conditions that apply to members of SMART. It is important to note that if you wish to take up this option, you must apply within 60 days of ceasing employment.

Voluntary Income Protection cover/Salary Continuance

Any member who is eligible to join SMART and is a permanent employee can apply for Income Protection cover, however as it is on a voluntary basis, all cover is subject to underwriting and acceptance by the Insurer and may be subject to an exclusion or special conditions. Member's cover will commence on the date you receive notification of acceptance from SMART. Members will also be able to vary the level of cover necessary to suit their specific needs. You are considered to be disabled if, because of injury or sickness, you are:

- not capable of doing the important duties of your regular occupation, and
- not working in any occupation (whether paid or unpaid), and
- under medical care.

The benefit is payable monthly in arrears from the end of the waiting period until one of the following happens:

- a) you are no longer disabled;
- b) the benefit payment period (2 years) ends;
- c) you die; or
- d) you reach age 65

The amount of benefit payable each month will be the lesser of:

- a) 75% of the first \$320,000 of your pre-disability income divided by 12, plus 50% of the next \$120,000 divided by 12; or
- b) \$25,000 per month

Government co-contributions including the self-employed

If you are under 65, earn less than \$58,980 and make a personal contribution, you may be eligible to receive a Government co-contribution. From 1 July 2007, this includes self-employed people, and the amount of \$58,980 is indexed. This amount will increase to \$60,342 from 1 July 2008.

How do I track down lost super?

If you lose track of your superannuation entitlement from a former superannuation fund, you shouldn't give up on it; after all, it's money that belongs to you. The first step is to get in touch with your former employer's superannuation fund. If they no longer hold your superannuation benefit, they may have transferred it to an Eligible Rollover Fund (ERF) and should be able to provide you with details. If your former fund or employer cannot help, you can either call the Lost Member Register on 13 10 20 (the register is a free service, which is run by the Australian Taxation Office (ATO) and specialises in tracking down lost superannuation monies) or log onto www.ato.gov.au (you will need to provide your tax file number for this service). The ATO may write to you to let you know they have found some of your lost super. If you receive one of these letters, simply call the fund where the monies are still held and ask for your details such as membership number and account balance. To ensure you don't lose touch with SMART, please keep us informed if you change address.

When can I claim my benefit?

Your superannuation will assist you in providing for your retirement. That's why the Australian Government places restrictions on when you can access your superannuation benefit.

Your preserved benefits can be claimed when you:

- Reach preservation age and retire permanently from the workforce (see table on page 7);
- Reach age 60 and cease your current employment;
- Reach age 65;
- Die;
- Become totally and permanently disabled;
- Have a terminal medical condition;

Investment Performance

- Qualify for severe financial hardship, or on compassionate grounds as set out in the Australian;
- Government regulations (limits apply); or
- Are a temporary resident with an eligible temporary resident visa, who has permanently departed Australia.

Date of Birth	Preservation Age
Before 1 July 1960	55
From 1 July 1960 to 30 June 1961	56
From 1 July 1961 to 30 June 1962	57
From 1 July 1962 to 30 June 1963	58
From 1 July 1963 to 30 June 1964	59
After 30 June 1964	60

If you leave your SMART participating employer, you can apply to withdraw any unrestricted non-preserved amount. Non-preserved amounts will generally include personal contributions made before 1 July 1999 and any non-preserved amounts transferred from other funds. However, investment returns on these amounts after 1 July 1999 will be subject to preservation. Your annual statement will tell you whether you have any non-preserved amounts.

What happens in cases of severe financial hardship?

If you have been out of work and receiving Centrelink benefits for more than 26 continuous weeks (or for a cumulative period of 39 weeks if you have reached preservation age plus 39 weeks), you may be able to access some of your SMART superannuation on the grounds of severe financial hardship. To be eligible to claim on these grounds, SMART requires a Q230 letter from Centrelink (proof that you have been on a Centrelink benefit), copies of outstanding debts that you have owing and a completed SMART claim form. Please note that members under the age of 55 years and 39 weeks can only make one claim of not more than \$10,000 as a financial hardship benefit in any 12-month period. There is no maximum once over this age.

When can I claim my super on compassionate grounds?

If the Australian Prudential Regulation Authority (APRA) and the Trustee agree, a benefit may be paid to offset expenses you have incurred (on behalf of either yourself or a dependant) due to severe ill health, palliative care, death or burial. A benefit may also be paid to enable you to make loan repayments on your principal place of residence where failure to make the payments would result in foreclosure of the loan. You will need to contact APRA on 1300 13 10 60 if you fit into one or more of the above criteria and wish to make a compassionate grounds claim.

SMART Investment Environment for 2007/08:

The Australian share market investors suffered their first negative return since 2004 after four strong years of double-digit growth. Over the past year, the Consumer Discretionary sector suffered the most, retreating 40% due to weakening local and global economies. However, it was not all bad news. The Energy sector and Material sector were both up by 40% and 20%, respectively. Sharp increases in oil price towards the end of the year and strong Chinese demand for commodities helped these two sectors continue their strong performance. During the year, the credit crunch resulted in highly leveraged stocks selling off heavily, especially in the Listed Property and Financial sectors.

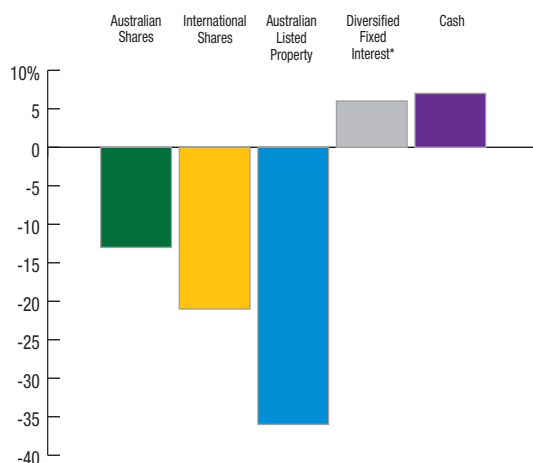
International Shares returned -21% for the year ending June 2008, in Australian dollar terms. Sources around the world suffered from the US credit market turmoil, high oil prices and slowing growth.

Global fixed interest markets were volatile during the year, beginning with the eruption of sub-prime loans problem in U.S and the subsequent global credit crunch. Increasing inflation and weaker economic growth led investors and lenders to demand higher yields to compensate for credit risk. Towards the end of the year, credit markets improved substantially, but market sentiment remained cautious given the possibility of further corporate write-offs.

Cash outperformed domestic fixed interest returns. Strong commodity prices and the Reserve Bank of Australia's decision to lift the official cash rate to 7.25% supported the Australian dollar.

Asset class returns for the year to June 2008

After several years of positive returns, most superannuation investors suffered their first loss with the median superannuation funds balanced option returning -6.4% (SuperRatings Surveys). Most growth assets such as Australian Shares, International Shares and Listed Property posted double-digit negative returns for the year to June 2008. Notwithstanding this unfavourable short-term performance, longer-term performance over three and five years and superannuation is a long-term investment. Superannuation members with should focus on the longer-term performance and investment strategy appropriate for their retirement horizon.



*50% Australian & 50% International Fixed Interest

Investment Performance

What are your investment options with SMART?

If you have at least \$1,000 in your superannuation account with SMART, you can make an investment choice. You can choose to invest your existing balance and future contributions in one or more of our 5 investment options. If you do not make a choice, SMART will automatically invest your funds in the Balanced Option.

Your member statement outlines your current investment selection. It is important that you understand the differences between SMART's five investment options before you make an investment choice. If you are not sure what type of investor you are or what is the best option for you, some professional financial advice may help. If you wish to switch to another investment option with SMART or you require further information on Member Investment Choice, please contact SMART Administration on 1800 802 800 for a Member Investment Choice brochure. The Trustee of SMART strongly recommends that you seek independent financial advice before making any investment decision.

The objectives of the Trustee are:

- to ensure members have an appropriate choice of strategies for investment; and
- to achieve investment returns in line with the member's chosen strategies to allow members to strike a balance between risks and potential for investment growth, each investment option has a different strategy, which specifies the types of asset and the proportions in which each option may invest.

How did these investment options perform this year?

SMART's net investment earnings (after tax and investment expenses) for the year ended 30 June 2008 were:

SMART Shares	-15.30%	per annum
SMART Growth	-10.70%	per annum
SMART Balanced	-9.50%	per annum
SMART Capital Stable	-1.70%	per annum
SMART Cash	5.30%	per annum

How are investment earnings allocated to your account?

The investment earnings achieved by your chosen investment option(s) determine the annual earning rates declared by the Trustee. The Fund's earning rates (after tax and investment expenses) for the last five years, including 30 June 2008, are shown in the tables to the right. These rates are applied to member's accounts as at 30 June each year.

Balanced Option earning rates

Year to 30 June	Actual net earning and crediting rate
2008	-9.50%
2007	13.00%
2006	12.00%
2005	10.60%
2004	13.70%
Five year compound average net effective rate	7.60% p.a.
Ten year compound average net effective rate	5.90% p.a.

The table below shows net earning rates for the Capital Stable, Shares, Growth and Cash options over the past five years:

Shares, Growth, Capital Stable and Cash Options earning rates

Year to 30 June	SMART Shares	SMART Growth	SMART Capital Stable	SMART Cash
2008	-15.30%	-10.70%	-1.70%	5.30%
2007	15.70%	14.30%	9.50%	7.30%
2006	17.50%	13.40%	7.80%	4.50%
2005	11.20%	11.00%	8.70%	7.60%
2004	17.60%	16.10%	5.00%	3.90%
Five Year Compound net average effective rate	8.50% p.a.	8.30% p.a.	5.80% p.a.	5.70% p.a.
Ten Year Compound net average effective rate	N/A	N/A	N/A	N/A

FEATURE ARTICLE - A History of SMART

A Quick Look at SMART's 20-year history...

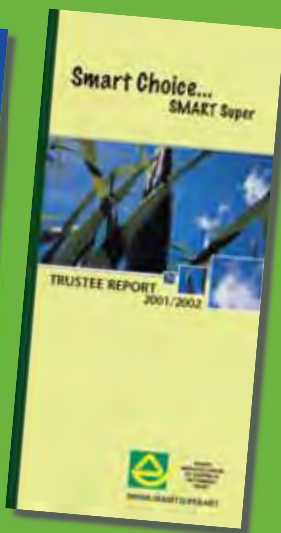
SMART was established on the 1st of September 1987 for employees in the Sugar Manufacturing Industry. Since 1987 SMART has grown in membership to over 5500 members and over 150 employers with assets in excess of \$95 million.

SMART has been running for over 20 years, delivering a history of strong investment returns, competitive insurance arrangements, paying timely claims to members and their dependants.

On the 1st of July 2008 SMART merged with AustSafe Super. This will be the last Annual Report you will receive from SMART. Below is a quick look back on some past SMART Annual Report covers.



2000/2001



2001/2002



2002/2003



2003/2004



2004/2005



2005/2006



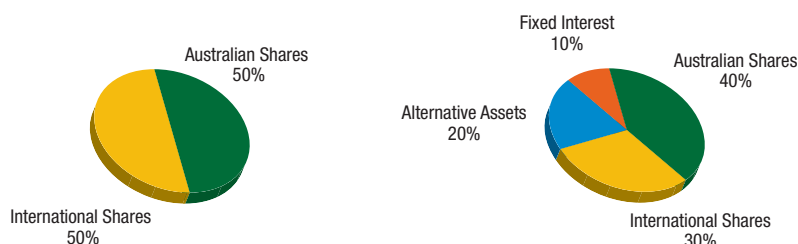
2006/2007

SMART's Investment Portfolio

	SMART Shares	SMART Growth
Objective	To earn a return in excess of a benchmark portfolio over three-year periods consisting of a fixed asset allocation and relevant market indices and to earn a return 3 per cent p.a. in excess of an Australian cash index over five year periods.	To earn a return in excess of the relevant benchmark portfolio over three year periods and to earn a return of 2.5 per cent in excess of an Australian cash index over five-year periods.
Risk Profile	May be considered a higher risk option.	May be considered a medium to high risk option.
Strategy	This option invests fully in Australian and International Shares.	This option has growth exposure with approximately 65% of the assets invested in equities. It also invests in alternative assets to provide diversification and enhance returns.

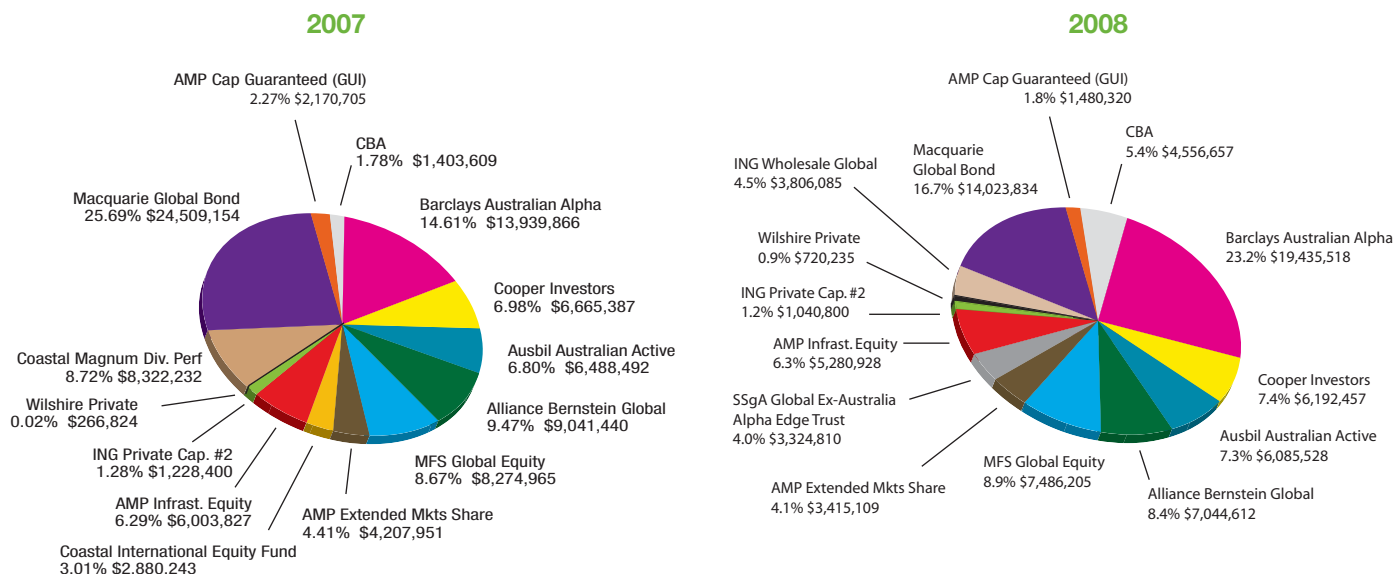
Benchmark Asset Allocation

A listing of investment managers can be found below and on page 14.

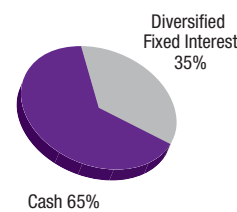
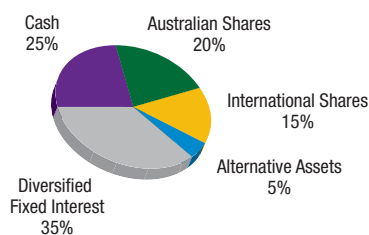
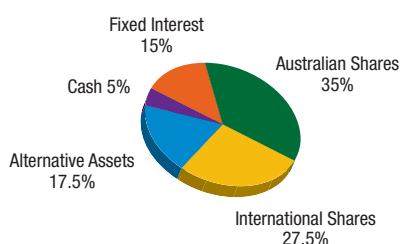


SMART investment managers

At 30 June 2007 and 30 June 2008, the assets of SMART were allocated to the investment managers and asset classes as follows:



SMART Balanced	SMART Capital Stable	SMART Cash*
To earn a return in excess of a benchmark portfolio over three-year periods consisting of a fixed asset allocation and relevant market indices and to earn a return of 2 per cent p.a. in excess of an Australian cash index over five-year periods.	To earn a return in excess of a benchmark portfolio over three-year periods consisting of a fixed asset allocation and relevant market indices and to earn a return of 1 per cent p.a. in excess of an Australian cash index over five-year periods.	To earn a return in excess of the relevant benchmark portfolio over three year periods and to earn a return in excess of an Australian cash index over rolling three-year periods.
May be considered a medium risk investment option.	May be considered a medium to low risk option.	May be considered a low risk option.
This option has a balanced exposure with approximately 60% of the assets invested in equities. It also invests in alternative assets to provide diversification and enhance returns	This option has a defensive exposure with approximately 60% of the assets invested in fixed interest and cash. It also invests in alternative assets to provide diversification and enhance returns.	This option is invested in defensive assets.



Interim earning rate

If you leave the Fund partway through the financial year, or switch investment options before the annual earning rates have been declared, you will receive an interim-earning rate for each option in which you invest. The Trustee reviews these rates during the year to ensure that they properly reflect the performance of the investment options. The interim earning rate can be changed at any time during the year.

Derivatives

The Trustee has not directly invested in derivatives (e.g. futures and options). However, SMART's investment managers have the discretion to invest in derivatives under the existing investment arrangements with SMART. The Trustee is satisfied that each investment manager's risk management statement is consistent with the requirements of SMART's investment policy.

Reserves

Apart from a small operational reserve all net investment income is applied to members' accounts in the year in which it is earned. The purpose of the operational reserve is to fund contingency expenses such as taxation adjustments, administration fees and fund expenses.

The following table summarises the movement in reserves over the past three years. GST payable on costs and charges is an expense of SMART and is deducted from earnings before earning rates are calculated.

Balance at 30 June:

	Balance at 30 June
2008	\$103,608
2007	\$309,406
2006	\$52,198

* 2008 figures for Reserves are unaudited.

SMART'S Financial Position

William Buck Chartered Accountants will audit SMART's financial accounts. Audited accounts will be available late October 2008 on request.

Sugar Manufacturers of Australia Retirement Trust

Statement of financial position	30 June 2008 \$	30 June 2007 \$	Statement of changes in financial position	30 June 2008 \$	30 June 2007 \$
Investments			Investment Revenue		
Australian equities	30,484,505	23,734,373	Distributions	4,325,328	7,964,999
International equities	35,254,010	48,217,004	Interest	234,417	209,522
Pooled superannuation trusts	-	-	Movement in net market value	(13,854,305)	3,165,676
Other interest bearing securities	-	-	Direct investment expenses/ rebates	17,749	30,310
Capital guaranteed	1,480,321	2,170,705	Other investment income	16,820	-
Other managed investment schemes	10,127,813	15,241,774	NET INVESTMENT REVENUE	(9,259,991)	11,370,507
TOTAL	77,346,649	89,363,856	Contributions revenue		
Other assets			Employer	7,868,906	7,735,621
Cash	4,255,703	1,240,508	Member	773,846	1,498,274
Receivables	2,303,023	5,315,149	Rollovers	966,894	1,150,464
Tax assets			TOTAL CONTRIBUTIONS REVENUE	9,609,646	10,384,359
Deferred tax assets	8,410	16,750	Other revenue		
TOTAL ASSETS	83,913,785	95,936,263	Group life insurance proceeds	27,500	42,500
Liabilities			Other income	710	4,173
Payables	113,753	305,530	TOTAL REVENUE	377,865	21,801,539
Income tax payable	352,633	1,308,477	Expenditure		
Deferred tax liabilities	-	906,356	Administration fees	373,194	399,001
TOTAL LIABILITIES	466,386	2,520,363	Audit fees	20,728	14,335
NET ASSETS			Group life insurance premiums	167,989	85,550
	83,447,399	93,415,900	Operating expenses	202,628	163,097
Represented by			Anti-detriment payments	-	-
Liability for accrued benefits			Superannuation contributions surcharge	(280)	2,095
Vested benefits			TOTAL EXPENDITURE	765,377	664,078
Allocated to members' accounts	83,343,791	92,804,449	Operating surplus for the period before tax	(387,512)	21,137,461
Not yet allocated	-	302,045	Less income tax expense	(267,274)	(1,489,875)
Reserves	103,608	309,406	BENEFITS ACCRUED AS A RESULT OF OPERATIONS	(654,786)	19,647,586
TOTAL	83,447,399	93,415,900			

SMART Board



Left Back:

David Said, Keith Ballin, Wayne Massey

Left Front:

Ross La Fauci, Rod Young, Wal Threlfall

SMART provides benefits for employees in the sugar industry. SMART is managed by a Trustee company, S.M.A.R.T. Pty Ltd, ABN 71 010 747 574. The directors of the Trustee Company (known as the Trustee directors) are responsible for managing SMART in the best interests of all members.

They must also ensure that it is run in accordance with its trust deed and the law. For the financial year ending 30 June 2008, the Trustee directors were:

Member representatives

Wal Threlfall - (Secretary)

Keith Ballin

Ross La Fauci

Employer representatives

Rod Young - (Chairman) -

Southern Mills

David Said - Central Mills

Wayne Massey - Northern Mills

There were no changes of Directors during the financial year.

Indemnity insurance

The Trustee has taken out indemnity insurance to protect the Trustee directors and SMART against the financial effects of any errors, inaccuracies or oversights that might occur in the management of SMART.

Compliance

To receive concessional taxation treatment, SMART must operate in accordance with superannuation law. The Trustee lodges a return each year with the Australian Prudential Regulation Authority (APRA) indicating SMART's compliance with the law. The Trustee is not aware of any matter that would cause SMART to lose its complying status.

How are Member Directors elected to the Board of S.M.A.R.T. Pty Ltd?

There are specific rules for the nomination and election of Member Directors to the Board of SMART. These rules are: All Members are eligible to become Member Directors; Member Directors must at all times be a member of the Fund. A fresh nomination and election of a Member Director shall take place upon the earlier of one of the following events: He or she has resigned; He or she ceases to be a Member of the Fund; He or she is no longer eligible to be a Member Director; He or she has held the office of Member Director for a period of three (3) consecutive years since last being appointed to the position of Member Director; He or she is ineligible to be a director of a Company or a Trustee under relevant law. All members are requested to nominate suitable

candidates for the election.

If the number of nominations is less than or equal to the number of vacancies, the nominated candidates will be declared elected unopposed. If more nominations are received than positions available then a ballot will be held among all members of the Fund. The candidate that receives the most votes shall be declared the Member Director.

How are Employer Directors elected to the Board of SMART?

The Australian Sugar Milling Council elects an Employer Director as a representative for employers.

Should you require any further information on these rules of election, please contact SMART.

Advisors And Service Providers

Who advises us?

The Trustee appoints independent specialists to advise on particular aspects of SMART's management. The Trustee's current advisers are:

Administration services

Australian Administration Services Pty Ltd (AAS) ABN 62 003 429 114, as an Authorised Representative of Pacific Custodians Pty Limited ABN 66 009 682 866, AFSL No 295142.

AAS is authorised to provide general financial advice in respect of superannuation products.

When you contact SMART Administration you are dealing with a representative of AAS and any advice provided to you is being provided as an authorised representative of Pacific Custodians Pty Limited, under their AFS licence. Should you require a copy of their Financial Services Guide, please call 1800 802 800.

Auditors

Price Waterhouse Coopers / WHK Horwath

Eligible rollover fund

National Preservation Trust (NPT)

Insurer

AXA Australia (National Mutual Life Association of Australasia Limited)
ABN 72 004 020 437
AFSL 234649

Investment consultant

AON Consulting Pty Ltd
ABN 48 002 288 646
AFSL 236667

Legal adviser

McCullough Robertson
Corrs Chambers Westgarth

Investment managers

Wilshire Private Markets Australia
Barclays Global Investors
Cooper Investors
Ausbil
AMP
Alliance Bernstein
ING
Macquarie Investment Management Limited
Massachusetts Financial Services
CBA

Lost members

'Lost members' are members for whom SMART has no current address. Under Australian Government regulations, we can classify you as a lost member if our mail to you is returned, or if we have not received a contribution or transfer from another Fund on your behalf in the last five years, and we have not verified your address is correct within the last two years. Lost members may have their account balance transferred to SMART's appointed Eligible Rollover Fund, the National Preservation Trust (NPT) (see above right for contact details).

Eligible rollover fund

If you are a 'Lost Member' or if your account is less than \$1,000, 12 months after leaving employment with a SMART participating employer, your SMART superannuation balance may be transferred to our nominated Eligible Rollover Fund (ERF), the National Preservation Trust (NPT).

With the NPT, administration fees cannot exceed investment earnings, and they will release benefits under the same conditions as other superannuation funds. Administration fees include the Benefit Payment fee, which is usually deducted when a benefit is paid out. The total investment earnings of the Fund will absorb the cost of protecting the ERF's small account balances. The NPT can be contacted on 1800 331 210 or at PO Box 6003, Wollongong NSW 2500.

Unclaimed monies

If you have reached age 65 and SMART has been unable to contact you for two years, and no contributions or transfers have been received in the last five years, your benefit may be transferred to the Australian Taxation Office (ATO). You may contact the ATO to claim your benefit on 13 10 20. A Payment of Unclaimed Super Form is available on the ATO website at www.ato.gov.au for claiming back unclaimed monies. Send your completed form to PO Box 3578, Albury NSW 2640.

Other Things You Need To Know

Privacy statement

SMART is committed to ensuring the privacy of the personal information of its members. Information will only be shared with other organisations as reasonably necessary to administer your superannuation account or as otherwise authorised by law or you, the member. A copy of the Fund's Privacy Policy is available on request.

Direct communication

From time to time, SMART may send you member communication material about the Fund and its benefits, special offers and promotions that are available to SMART members only, and would be of interest to you. If you do not want SMART to use your personal information to send you marketing

information please advise SMART in writing. If you have a complaint about a possible breach of privacy, please contact SMART on Freecall 1800 802 800. If you are not satisfied with the resolution of any issue, you can refer the matter to the Privacy Commissioner by calling 1300 363 992.

Additional Information and Contacts

Keeping you informed

The Trustee may change the fees, conditions, and benefits of your superannuation at any time. We will inform you of any changes in each year's annual report, or at least 30 days prior notice will be given to you for any increase to fees or charges, before the changes are made. The annual report is not a legal document. It sets out the main features of SMART as at the end of the relevant year. The Trust Deed is the legal document governing the Fund.

What happens if your employer has not paid contributions?

The Trustee's primary responsibility is to act in the best interests of members. SMART follows up any employer that falls behind in payment of employee superannuation contributions with a series of phone calls and letters. Where an employer's contributions remain outstanding for 60 days, SMART will phone them. If the employer's contributions remain outstanding for 90 days, a formal letter will be issued. If the contributions remain outstanding for 120 days, the Trustee will consider further steps necessary to ensure they are paid.

What to do if you have any questions or complaints

SMART can help if you have a question about your super. If your question cannot be answered over the phone, you might be asked to put it in writing. You should receive an answer within 90 days. If you are not satisfied with the answer you receive, or wish to make a complaint, you should write to SMART Administration, which will refer the matter to the Trustee. You can expect a response from the Trustee within 90 days. If the matter is not resolved to your satisfaction or you do not receive a response within 90 days, you may appeal to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Australian Government to help members or their beneficiaries resolve superannuation complaints. Before you contact them however, you must first try to resolve the issue through SMART and the Trustee. The SCT will only handle certain types of complaints and time limits apply for lodging complaints. If the SCT accepts your complaint, it will try to help you and the Trustee reach a mutual agreement through conciliation. If this is not successful, the SCT will make a decision. For more information on this process, you can contact the SCT on 1300 780 808 or visit the SCT website at www.sct.gov.au.

You can obtain information about SMART from:

- The Fund's website www.smartsuper.net;
 - Your annual member statement;
 - The Fund's Product Disclosure Statement;
 - The Fund's Trust Deed;
 - The latest audited SMART accounts and auditor's report.
- If you or your beneficiaries would like a copy of any of the above, or if you need more information about your benefits, SMART would be pleased to help.

Just contact:

SMART Administration
Phone: (07) 3013 8801 (local callers)
1800 802 800 (freecall)
Fax: (07) 3013 8898

GPO Box 1424
Brisbane Qld 4001
Level 8, IBM Building
348 Edward Street
Brisbane Qld 4000

www.smartsuper.net

smart@aas.com.au

This report has been prepared by Australian Administration Services and issued by S.M.A.R.T. Pty Ltd ABN 71 010 747 574 as Trustee for the Sugar Manufacturers of Australia Retirement Trust (SMART).

"Australian Administration Services Pty Limited ("AAS") has prepared this report ("Trustee Report") on the basis of information received to AAS by S.M.A.R.T. Pty Ltd ("Trustee"), the custodian of the assets of the Sugar Manufacturers of Australia Retirement Trust ("Fund"), the investment manager of the Fund and any other person directed by the Trustee to provide information to AAS for the purposes of the Trustee Report ("Report Information"). The Trustee Report also contains such other information that AAS is required to provide to the Trustee in accordance with the administration agreement between the Trustee and AAS ("AAS Information").

"AAS provides the AAS Information on the same terms as the administration agreement. AAS makes no representations or warranties as to the accuracy of the Report Information. AAS does not adopt or endorse the Report Information and recommends that the Trustee make its own enquiries to confirm the accuracy of the Report Information.

"AAS have prepared this report for the information and benefit of the Trustee and specifically disclaim any liability arising from loss, damage or costs sustained by any third party to whom the Trustee provides the Trustee Report. The Trustee shall indemnify AAS in respect of any loss, damage or costs arising out of any third party claim against AAS in relation to the Trustee Report."

How to contact SMART

(07) 3013 8801 (local callers) 1800 802 800 (freecall)

fax: (07) 3013 8898

GPO Box 1424 Brisbane Qld 4001

Level 8, IBM Building 348 Edward Street
Brisbane Qld 4001

www.smartsuper.net smart@aas.com.au

SMART Super...
SMART choice