

# ANNUAL REPORT

For the year ended 30 June 2015



Mechanical and Electrical Redundancy Trust  
ABN 98 521 053 102

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With this annual report you will receive a statement detailing your employer contributions during the past twelve months. However, in-between statements members can easily access their account details and contribution history from the MERT website. The MERT website featuring member access is available at [www.mert.com.au](http://www.mert.com.au). There is also information in the annual report about using this website.

## DIRECTORS message

Despite the woes for the Australian Budget and lack of consumer confidence given the falling Australian dollar the building and construction industry has been steady. However, it is expected that construction activity will fall to \$213 billion this year (2014-15) from \$231 billion the previous year.

The biggest change is a reduction in engineering construction, now projected to amount to \$100 billion in 2014-15, a decline of 18 per cent on spending in 2013-14. The mining development boom is very definitely over. The slide in activity in this sector will continue over the next few years, reducing spending to \$86 billion by 2017-18.

The slowdown in mining construction will lead to declines in spending on supporting activities such as construction of bridges, railways and harbours, and electricity and pipelines. A key bright spot in the outlook for engineering construction is in roads, which is expected to see steady strong growth in spending over the projection period.

Whilst not encouraging signs, MERT members would be aware that their membership of the fund means that their redundancy benefits are safe, with the Directors well aware of how important these funds are to our members.

After another year of consistent returns on the back of MERT's risk adverse investment strategy the Directors expect to distribute approximately \$1.5 million to members. These distributions will be made in December 2015.

Recently MERT implemented two new tools for members, On-Line Claims and a new MERT mobile site using MERT Member Access.

The mobile site offers the convenience of accessing MERT Member Access, a fully functioning transactional site that is optimised for a smart phone. You can access your account from any mobile device, anywhere, as long as you are connected to the internet. By using this a member can check at any time to see whether their contributions have been made in accordance with their employment agreement with their employer.

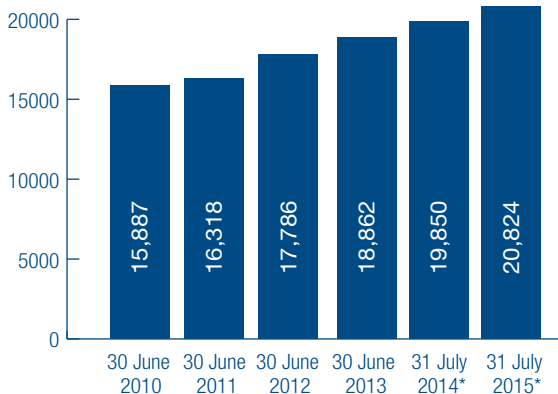
The On-Line Claim facility allows you to upload documents, complete forms, specify where you want the funds directed etc.

To access these tools you will need to be registered. Registration is easy, simply got to the MERT site and enter your details to gain anytime access.

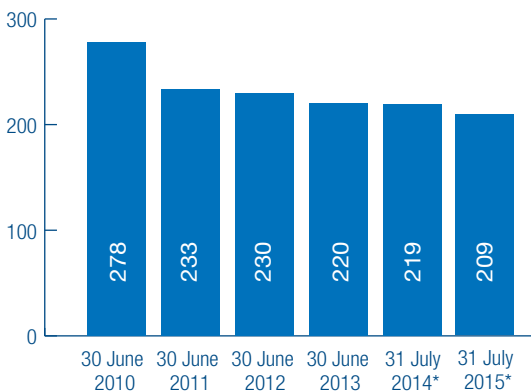
# Trust performance

## Investment Details

### Membership

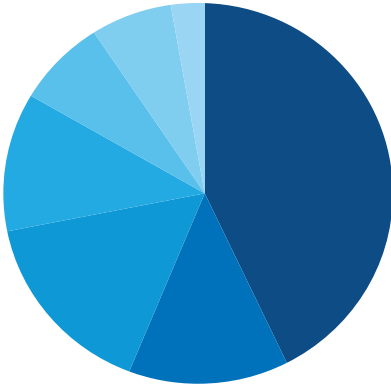


### Employers



\* Due to substituted Accounting Period.

## Investments



● JANA Cash Trust	42.8%
● JANA All Maturity Diversified	13.6%
● JANA Short Maturity Diversified	15.4%
● JANA Low Correlation Strategy Trust Class B	11.1%
● JANA Diversified Australian Share	7.3%
● JANA Diversified Global Share	6.8%
● JANA Global Property Trust	2.9%

Asset Class	Asset Allocation %
Australian Shares	7.0
Global Shares	6.0
Property Securities	2.5
Absolute Return Strategies	12.5
<b>Total Growth Assets</b>	<b>28.0</b>
Short Maturity Debt	18.5
All Maturity Debt	14.0
Enhanced Debt	39.5
<b>Total Defensive Assets</b>	<b>72.0</b>
<b>TOTAL</b>	<b>100.0</b>



## MERT members' accounts

When you join MERT, an account is opened, providing you with an individual membership number. The following transactions are recorded into your account:

### **Credits to your account (+)**

#### **Contributions**

You the employee are not required to pay anything. Your employer will pay on your behalf an amount as provided for within an enterprise agreement or other industrial instrument. This amount offsets the award redundancy entitlement.

#### **Transfers in (rollovers)**

Any amount you transfer or rollover into the trust from other redundancy plans.

### **Debits to your account (-)**

#### **Charges**

No charges are deducted from your account. The cost of operating the trust is deducted from investment income, which includes all fees, administration charges, directors costs, custodian, legal, accounting and audit fees.

# Website news

## Member Access

The MERT website ([www.mert.com.au](http://www.mert.com.au)) allows extensive access to your account information. Many members have registered to access their accounts on-line.

Did you know that by accessing the web you can;

- Make a claim online using a PC or a smartphone
- Download forms and brochures
- View your account balance
- View contribution history
- View claims history
- Change your address details
- Access informative links.

Why not register online today, there are NO fees, and NO hidden costs. MERT is a non profit fund and is here to benefit its members and industry.

To register or obtain further information, call the MERT fund administrator on (free call) 1800 023 692.





## How to obtain your benefit

You can claim a MERT benefit online (by PC or smartphone) or by completing a member benefit claim form, which can be downloaded from our website, [www.mert.com.au](http://www.mert.com.au), or from MERT Administration, by phoning 1800 023 692. Completed claim forms can be returned to MERT administration by email, post, fax or in person.

### How to claim your benefit?

If you are made redundant or you terminate your employment you can claim your account balance by completing a member benefit claim form and having your last employer complete Section A and provide a copy of a third party termination advice, e.g, separation certificate. You can also choose whether to receive your benefit by the way of cheque, electronic funds transfer or rollover to a redundancy fund of your choice. (subject to the condition outlined below)

### When benefits are payable to you?

The new requirement is for you to claim your redundancy payment within 12 months of termination of your last employer to qualify for concessional tax treatment.

Generally if you claim your benefit outside the above criteria, your payment will be taxed as ordinary income at your marginal tax rates rather than at concessional tax rates. There are limited circumstances in which the 12 month rule does not apply. Please refer to [www.ato.gov.au](http://www.ato.gov.au) for more information.

**Please note:** The concessional tax rate new limit for 2015/16 is \$195,000 and is indexed each year. If you are entitled to significant redundancy benefits you should consider seeking financial advice before payment.





## Death

In the event of your death, your account balance will be paid to your nominated beneficiary or legal representatives. Documentation required to make a claim will include, as relevant:

- ❑ a completed deceased member claim form,
- ❑ copy of your birth certificate or drivers licence,
- ❑ death certificate,
- ❑ marriage certificate or proof of dependency,
- ❑ along with a copy of your Will or letters of administration.



# Understanding your statement

Twice a year you will receive a personal statement of your account. The statement for the period ended 30 June provides a listing of transactions for the previous 12 months, and the one ended 31 December provides details of transactions for the previous six months. The following information should assist you to understand your benefits and the contents of your statement.

## 1 Reporting period

The information on your annual statement covers the 12 month period from 1 July 2014 to 30 June 2015. Anything that affected your account after 30 June 2015 will be shown on next years statement.

## 2 Enquiries telephone number

This is the number to use between 8.30 am and 5.00pm (EST) to make enquiries.

## 3 Membership number

This is your fund membership number, which you should quote whenever you phone or write to MERT Administration. This will assist the administrator to quickly trace your details in the computer.

## 4 Tax File Number

If you advise MERT of your Tax File Number it will show provided. If you haven't, it will show Not Advised.

## 5 Beneficiary(ies)

These are your preferred dependent beneficiary(ies) whom you wish to receive your benefits in the event of your death. The final decision as to who receives your benefit rests with the Trustee.

If you have no dependants (as defined), you should nominate your estate and ensure you have an up to date Will. You can update your nomination of beneficiary(ies) in writing to MERT Administration at any time.

**Note:** *Where you have dependants and have made a Will you may wish to have the nominated beneficiary(ies) recorded with MERT consistent with those stated in your Will.*



## 6 Withdrawal benefit your account balance

Your withdrawal benefit is the balance of your account. This is the amount that you would be paid (less tax) if you were to claim your benefit. It is made up of contributions received and amounts rolled into the fund.

## 7 Employer contributions

Your member statement will show the contributions MERT has received for you during the last 12 months. If you believe any contributions are not shown on your member statement you should first communicate with your employer. You should note that contributions received for the month of June 2015 are not due to MERT until July 2015 and therefore will appear on your next statement.

## 8 Transfers/Rollovers received

This is the money (if any) that you have rolled over into MERT from another redundancy fund.

## 9 Benefit payments

If you were paid any benefits during the reporting period, they will be shown here together with the payment details.

# Abridged financial statement 2015

## Abridged financial statement (Unaudited)

MERT financial statement shows the financial position of the trust at 31 July 2015.



The directors are satisfied the unaudited abridged financial statement represents a true and accurate record of the trust's financial position.

Fully audited accounts can be obtained by contacting MERT Administration.

<b>Opening balances</b>	<b>2015(\$)</b>
Workers' Accounts	109,670,537
Trust Reserves	4,711,893
<b><i>Trust funds and reserves at the beginning of the year</i></b>	<b>114,382,430</b>
 <b><i>To which was added</i></b>	
Contributions by employers	17,965,340
Earnings (including changes in net market value of assets)	6,793,441
Interest	106,929
 <b><i>From which was paid</i></b>	
Administration and other trustee costs	-1,110,674
Withdrawals	-13,022,875
Distributions to beneficiaries	-
<b><i>Trust funds and reserves at the end of the year</i></b>	<b><u>125,114,591</u></b>
 <b>Net assets</b>	
<b>Investments</b>	
JANA Cash Trust	53,507,408
JANA All Maturity Diversified	16,961,838
JANA Short Maturity Diversified	19,232,288
JANA Low Correlation Strategy Trust Class B	13,896,466
JANA Diversified Australian Share	9,169,181
JANA Diversified Global Share	8,480,504
JANA Global Property Trust	3,666,379
	<b>124,914,064</b>
Receivables	17,360
Cash at bank	122,307
Prepayment of Tax	330,281
<b><i>Total Assets</i></b>	<b>125,384,012</b>
 <b>Less</b>	
Creditors	269,421
<b>Net assets at the end of the year</b>	<b><u>125,114,591</u></b>

# The people looking after MERT



## The trustee directors

MERT is managed by a trustee company, MERT Pty Limited (ABN 25 003 743 244), and comprises a board of directors of employer and employee representatives.

All Board decisions must be passed by a two-thirds majority vote. At all board meetings, employer directors are entitled to exercise one-half of the votes and the employee directors are entitled to exercise the other half of the votes.

## Employee directors

Steve Butler Director - ETU NSW  
David McKinley Alternate Director - ETU NSW  
Steven Murphy Director - AMWU  
Timothy Ayres Alternate Director - AMWU  
Steve Bali - AWU

## Employer directors

Chris Madson Director - NECA  
Oliver Judd Alternate Director - NECA

## Fund Secretary

James Tinslay



The directors have a duty to the members of MERT to run the trust in terms of the trust deed to ensure that the trusts assets are wisely invested, workers benefits are paid correctly, and workers are kept fully informed of their benefits.

## The administrator

MERT has appointed Australian Administration Services Pty Limited (AAS) (ABN 62 003 429 114) as the administrator of the trust.

AAS is a company that specialises in administering industry superannuation and redundancy trusts.

## The investment manager

MERT'S investment manager responsible for investing your money in MERT is JANA Investment Advisers Pty Ltd (ABN 97 006 717 568).

## The auditor

Independent auditors, Ernst & Young, audit your trust and trustee company every year to ensure compliance with Corporations law and that the financial statements reflect a true and fair view of the trust.

## Our sponsors



Australian Manufacturing Workers Union  
ABN 59 459 725 116



Electrical Trades Union of Australia NSW  
Branch ABN 24 379 005 569



National Electrical and Communications  
Association NSW Chapter  
ABN 27 056 174 413



The Australian Workers Union  
ABN 28 853 022 982

## How we protect your privacy

The Privacy Amendment Act 2012 regulates the way in which MERT and its service providers must handle your personal information. The Privacy Amendment Act 2012 contains 13 Australian Privacy Principles, which detail the requirements in relation to the collection, use, disclosure, quality and security of personal and sensitive information.

These necessary policies, documentation and administration procedures to ensure compliance with the requirements of the Act have been completed.

If you would like a copy of MERT'S Privacy Statement, please contact the MERT administrator on freecall 1800 023 692 or visit our new website [www.mert.com.au](http://www.mert.com.au)





# MERT administration and customer service contact details

Information about your account is available upon request.

Feel free to contact us if you wish to:

- change your name or address;
- change your preferred dependant;
- claim a benefit; or
- obtain further information about the fund or its benefits.



## By visiting us at

MERT Administration  
Ground Floor  
1A Homebush Bay Drive  
Rhodes NSW 2138



## Or writing to us

MERT Administration  
Locked Bag 20  
PARRAMATTA NSW 2124



## Or email us

[mertadmin@aas.com.au](mailto:mertadmin@aas.com.au)

Or phone the MERT administrator any weekday  
between 8:30am and 5:00pm (EST) on freecall



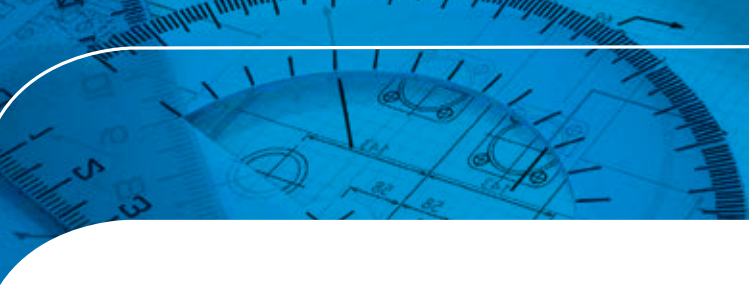
**1800 023 692**



International +61 2 8571 5458



Or fax 1300 793 529



### **Disclaimer**

*While every effort has been made to provide members with accurate information, it should be noted that no statements made in this annual report to members purports to be investment advice, taxation advice, or legal advice by the administrator or directors.*

*"Australian Administration Services Pty Limited ("AAS") has prepared this report ("Annual Report") on the basis of information received to AAS by Mechanical and Electrical Redundancy Trust Pty Limited ("Trustee"), the custodian of the assets of MERT ("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 Annual 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 has prepared the Annual Report for the information and benefit of the Trustee and specifically disclaims any liability arising from loss, damage or costs sustained by any third party to whom the Trustee provides the Annual 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 Annual Report."*



