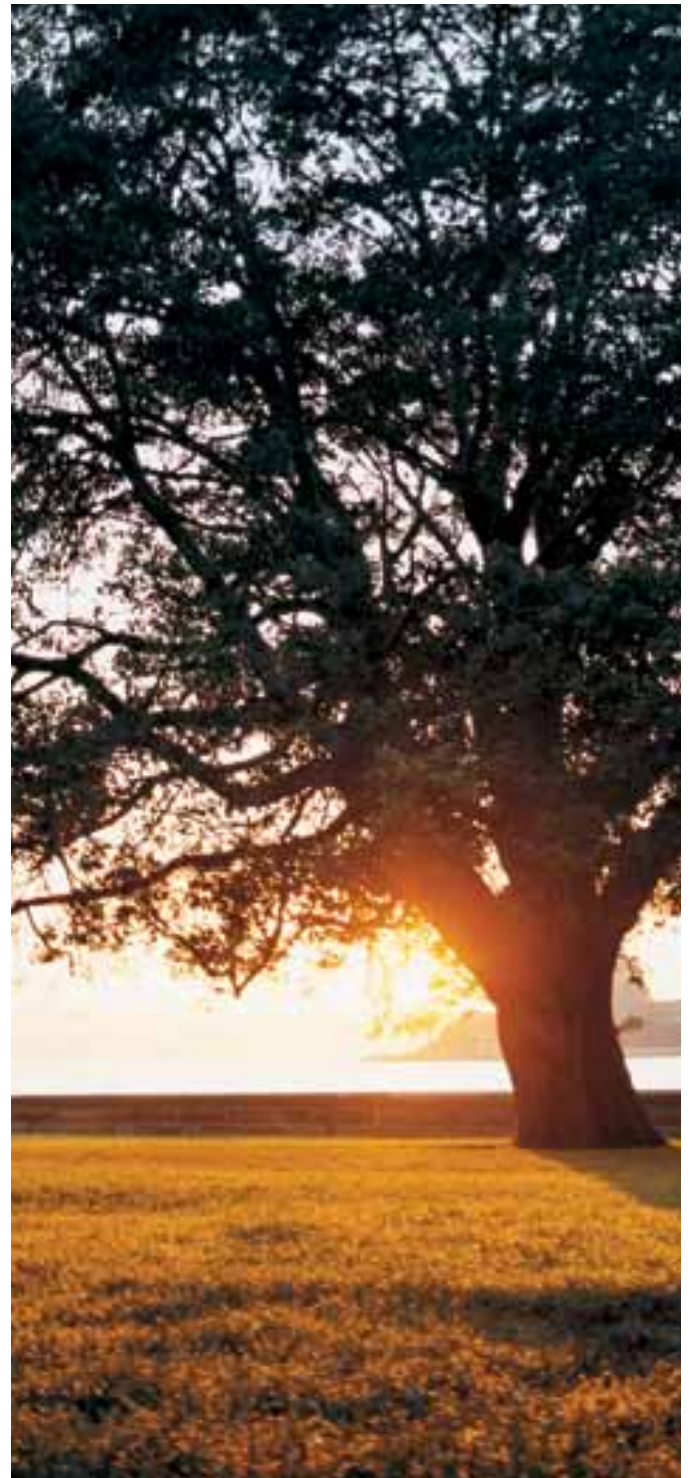


BT Retirement Selection – Personal Super Plan

Annual Report

For the year ended 30 June 2011



Features at a glance

1 24 hour account access

- Make transactions on your account at any time, using BT Online or BT Link, our internet and automated phone services.

2 Roll over your other super accounts

- Consolidate your super using our Easy Rollover Tool at www.bt.com.au/consolidation. Alternatively, you may complete a Request to Transfer form available on our website or by contacting the BT Contact Centre, and send the completed form to your other super fund(s).

3 Free switches

- Switch your superannuation balance between investment options.

4 A range of investment options

- You can choose from a range of 9 investment options, covering a broad risk and return spectrum.

Investment overview

Understanding the risks of investing

No matter which investment option you choose to invest in, there will always be some level of investment risk. The variability of returns is known as investment risk. Generally, the higher level of risk you are prepared to accept, the higher the potential returns, or losses.

Risk can be managed and even minimised, but cannot be eliminated and there is always a chance you may lose money on any investments you make. You should be aware of these risks when investing and understand that not all risks are foreseeable.

Some common types of investment risks are outlined in the table below.

Risk type	Description of risk
Market risk	Markets are subject to a host of factors, including economic conditions, government regulations, market sentiment, local and international political events and environmental and technological issues. Market risk may have different impacts on each investment and investment style in that market at different times.
Security specific risk	An investment in a company may be affected by unexpected changes in that company's operations (such as changes in management or loss of a big customer) and business environment.
International investments risk	Investing internationally in one of the major asset classes will give exposure to different or potentially greater risks that are not associated with investing in Australia. International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in foreign currency and interest rates and more volatile, less liquid markets.
Currency risk	For investments in international assets, a rise in the Australian dollar relative to other currencies, may negatively impact investment values and returns.
Interest rate risk	Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets. Interest rates may affect a company's cost of borrowings as well as the value of fixed interest securities.
Credit risk	Credit risk refers to a risk of loss arising from the failure of a borrower or other party to a contract to meet its obligations. This may arise in securities such as derivatives, fixed interest securities and mortgage securities.
Liquidity risk	This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay because of either inadequate market depth or disruptions in the market place. Securities of small companies in particular may, from time to time, and especially in falling markets, become less liquid.
Derivative risk	The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Potential gains and losses from derivative transactions can be substantial.

Derivatives

These are investments whose value is derived from other assets, such as shares, and may be used as part of the portfolio management process. Futures contracts and options are examples of derivatives.

Derivatives may be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying asset. Derivatives can also be used to gain exposure to assets and markets. While derivatives offer the opportunity for significantly higher gains from a smaller investment (because of the effective exposure obtained) they can also produce significantly higher losses, sometimes in excess of the amount invested.

The Fund does not invest directly in derivative securities and the use of derivatives to gear the investment options is not permitted.

Net earnings

The earnings rate for members in the investment option is reflected in the price of the units, rather than being credited or debited against the accounts of members. A change in the value of the members' unit price includes the net earnings of supporting assets in the investment option.

Unit pricing

We can change the way in which we calculate unit prices, as well as the unit price rounding factor used. Information regarding any such change will be available on our website or by calling the BT Contact Centre. Notice will not ordinarily be provided, however we may provide notice on our website, or in the next regular communication.

Unit price rounding

Unit price rounding is an additional cost to you and is incurred whenever you invest or withdraw funds (including to pay insurance premiums and fees and other costs). As the cost is built into the unit price, the unit price rounding will not be shown as a transaction on any statement we send you.

The unit price is rounded up for entry prices and rounded down for exit prices. The unit price rounding is retained by the investment option (it is not a fee paid to us) and represents a contribution to the transaction costs (such as brokerage) incurred when the investment option is purchasing or selling underlying assets. The purpose of imposing the unit price rounding is to ensure these costs are fairly borne by investors joining and leaving the investment option, and that other investors (ie those not joining or leaving at a particular time), are not disadvantaged.

The ranges of unit price rounding for each investment option (ie the difference between the entry price and the exit price) is available by calling the BT Contact Centre. Unit price rounding is stated as a percentage of the net value of the relevant investment option's assets. Generally, the cost of the unit price rounding is incurred when you invest in the relevant investment option. We may vary the unit price rounding for any investment option from time to time and the updated information will be posted on BT Online. Notice will not ordinarily be provided.

Investment options

The Fund has a range of investment options. Members can choose to invest in any combination of these investment options.

The investment option profile section (beginning on the next page) gives you a snapshot of each investment option together with other information including:

- the full range of investment options available within the Plan;
- the investment objectives and strategy of each investment option; and
- asset allocation information, including strategic range, target position and allocations for 30 June 2010 and 30 June 2011.

The following table will assist you with understanding the investment option profiles.

Investment objective	The investment objective for each investment option represents our current target, which may change over time. These aims may not be achieved and we do not forecast or guarantee the future performance of any investment option.
Strategy	The strategy describes the process used by the investment managers when investing in the relevant asset classes to achieve the investment objective.
Asset allocation Target Position (TP) and strategic ranges	This section provides details on the asset classes, in which each investment option invests and the asset allocation target position and ranges for each investment option. The asset allocation target position is the starting point for all asset allocation decisions. We will actively adjust the exposure within the specified ranges to maximise the investment option's investment returns.

Investment option profiles

BT Future Goals (APIR BTA0067AU)				
Diversified				
Inception	September 1998			
Objective	The investment option aims to provide a total return higher than the return from its benchmark over the long term.			
Strategy	Aims to provide capital growth through investing in a high mix of growth assets.			
Recommended minimum investment timeframe	5 years or more			
Asset mix [^]	The neutral position and the strategic range for each of the investment sectors are shown in the table below. In addition, the table shows the asset mix at 30 June 2011 and 30 June 2010.			
Sector	Asset mix at 30 June 2011 (%)	Asset mix at 30 June 2010 (%)	Neutral Position (%)	Strategic Range (%)
Australian Shares	44.5	42	45	35-55
International Shares	26.5	26	25	17-37
Australian property	5.5	6	5	0-10
International property	3	3	3	0-10
Australian fixed interest	6	8	8	0-20
International fixed interest	3.3	4	4	0-20
Alternative investments	8.1	8	8	0-20
Cash and other	3.1	3	2	0-10

[^] In preparing the investment option investment information, we use the effective exposure, which is the percentage of the gross assets held in each asset class including the impact of derivative positions. Market exposure of the investment options may change significantly each day.

Investment option profiles

BT Balanced Returns (APIR BTA0403AU)				
Diversified				
Inception	April 1991			
Objective	The investment option aims to provide a total return higher than the return from its benchmark over the longer term.			
Strategy	Invests in a balanced mix of growth and income producing assets.			
Recommended minimum investment timeframe	5 years or more			
Asset mix [^]	The neutral position and the strategic range for each of the investment sectors are shown in the table below. In addition, the table shows the asset mix at 30 June 2011 and 30 June 2010.			
Sector	Asset mix at 30 June 2011 (%)	Asset mix at 30 June 2010 (%)	Neutral Position (%)	Strategic Range (%)
Australian Shares	32.9	31	33	23-43
International Shares	19.1	19	18	10-30
Australian property	4.4	5	4	0-10
International property	3.2	3	3	0-10
Australian fixed interest	16.3	18	17	5-32
International fixed interest	7.4	8	7	0-20
Alternative investments	8.2	8	8	0-20
Cash and other	8.5	8	10	0-20

[^] In preparing the investment option investment information, we use the effective exposure, which is the percentage of the gross assets held in each asset class including the impact of derivative positions. Market exposure of the investment options may change significantly each day.

BT Australian Share (APIR BTA0014AU)**Specialist**

Inception	January 1995	
Objective	The investment option aims to provide total returns higher than the S&P/ASX 300 (ex property) Accumulation Index over the long term.	
Strategy	Invests primarily in shares in Australian companies. Enables you to diversify in the domestic market. The investment option's benchmark is the S&P/ASX 300 (ex property) Accumulation Index.	
Recommended minimum investment timeframe	5 years or more	
Asset mix [^]	The table shows the actual asset mix at 30 June 2011 and 30 June 2010.	
Sector	Asset mix at 30 June 2011 (%)	Asset mix at 30 June 2010 (%)
Australian Shares	92.6	94
Australian property	2	2
Cash	5.4	4

[^] In preparing the investment option investment information, we use the effective exposure, which is the percentage of the gross assets held in each asset class including the impact of derivative positions. Market exposure of the investment options may change significantly each day.

Investment option profiles

BT International Share (APIR BTA0016AU)		
Specialist		
Inception	January 1995	
Objective	The investment option aims to provide total returns higher than the MSCI World (ex Australia) Net Dividends Reinvested Accumulation Index over the long term.	
Strategy	The investment option is actively managed and seeks what the investment managers perceive to be the best investment opportunities within a broad portfolio of international investments by investing in the BT International investment option. While the investment option can invest in any international market that offers attractive opportunities, most investments will be located in the United States, Europe and Japan.	
Recommended minimum investment timeframe	5 years or more	
Asset mix [^]	The table shows the actual asset mix at 30 June 2011 and 30 June 2010.	
Sector	Asset mix at 30 June 2011 (%)	Asset mix at 30 June 2010 (%)
US and Canada	53.9	52
United Kingdom	9.6	9
Other Europe	20.3	20
Japan	8.9	11
Other Asia Pacific	2	2
Cash and other	5.3	6

[^] In preparing the investment option investment information, we use the effective exposure, which is the percentage of the gross assets held in each asset class including the impact of derivative positions. Market exposure of the investment options may change significantly each day.

BT Property Securities (APIR BTA0017AU)**Specialist**

Inception	February 1995	
Objective	The investment option aims to provide total returns higher than the S&P/ASX 300 Property Accumulation Index over the long term.	
Strategy	Invests primarily (both directly and indirectly) in listed property-related investments including listed property trusts, developers and infrastructure investments, by investing in the BT Property Securities investment option. The investment option invests primarily in Australia but at times it may have some overseas exposure. Up to 15% of the investment option can be invested in international listed property-related investments outside of Australia. Around 5% of the investment option will generally also be invested in unlisted property investments.	
Recommended minimum investment timeframe	5 years or more	
Asset mix [^]	The table shows the actual asset mix at 30 June 2011 and 30 June 2010.	
Sector	Asset mix at 30 June 2011 (%)	Asset mix at 30 June 2010 (%)
Retail	45.7	50
Diversified	35.5	35
Commercial	8.2	4
Industrial	9.4	10
Cash and other	1.2	1

[^] In preparing the investment option investment information, we use the effective exposure, which is the percentage of the gross assets held in each asset class including the impact of derivative positions. Market exposure of the investment options may change significantly each day.

Investment option profiles

BT Australasian Bond (APIR BTA0013AU)		
Specialist		
Inception	February 1995	
Objective	The investment option aims to provide total returns higher than the UBSA Composite Bond Index over the medium term.	
Strategy	Invests primarily in Australian and New Zealand bonds. The investment option's benchmark is the UBSA Composite Bond Index.	
Recommended minimum investment timeframe	3 years or more	
Asset mix [^]	The table shows the asset mix at 30 June 2011 and 30 June 2010.	
Strategic range	Australian and New Zealand bonds. This fund has no maximum cash exposure.	
Sector	Asset mix at 30 June 2011 (%)	Asset mix at 30 June 2010 (%)
Government bonds	11.2	13
Semi-government bonds	40.7	35
Corporate bonds	48.2	46
Cash and other	0	6

[^] In preparing the investment option investment information, we use the effective exposure, which is the percentage of the gross assets held in each asset class including the impact of derivative positions. Market exposure of the investment options may change significantly each day.

BT Global Bond (APIR BTA0015AU)**Specialist**

Inception	February 1995	
Objective	The investment option aims to provide total returns higher than the SSB World Government Bond Index (unhedged) over the medium term.	
Strategy	Invests mainly in fixed interest and cash investments, with some exposure to shares and property. The investment option's benchmark is the SSB World Government Bond Index	
Recommended minimum investment timeframe	3 years or more	
Asset mix [^]	The table shows the actual asset mix at 30 June 2011 and 30 June 2010.	
Sector	Asset mix at 30 June 2011 (%)	Asset mix at 30 June 2010 (%)
United States and Canada	14.8	27
Japan	30.4	28
Europe	41.2	42
Cash and other	13.6	3

[^] In preparing the investment option investment information, we use the effective exposure, which is the percentage of the gross assets held in each asset class including the impact of derivative positions. Market exposure of the investment options may change significantly each day.

Investment option profiles

BT Cash (APIR BTA0401AU)		
Specialist		
Inception	April 1991	
Objective	The investment option aims to provide a low risk option that generally earns higher interest than a traditional bank account.	
Strategy	Invests primarily in a range of short-term securities, government and bank-backed securities and high quality corporate securities. The investment option's benchmark is the UBS Warburg Australian Bank Bill index.	
Recommended minimum investment timeframe	Up to 1 year	
Asset mix [^]	The table shows the actual asset mix at 30 June 2011 and 30 June 2010.	
Sector	Asset mix at 30 June 2011 (%)	Asset mix at 30 June 2010 (%)
0 – 90 days	100	100

[^] In preparing the investment option investment information, we use the effective exposure, which is the percentage of the gross assets held in each asset class including the impact of derivative positions. Market exposure of the investment options may change significantly each day.

Performance

Performance figures are calculated in accordance with the Financial Services Council (FSC) standards.

Total returns are calculated:

- using withdrawal prices appropriate for the month end
- taking into account management costs of the relevant investment option and
- taking into account earnings tax up to a maximum of 15% plus withholding tax paid on foreign income (if any).

Certain other fees such as contribution fees or withdrawal fees (if any) are not taken into account.

The latest performance information and more about how performance is calculated is available from our website, the BT Contact Centre or your financial adviser.

Investment returns are historical. Investment returns can go up and down and past performance is not a reliable indicator of future performance. Future performance is not guaranteed.

Portfolio	Start date	One year returns to 30 June					Compound average 10 year (% pa) annual returns to 30 June 2011
		2007 %	2008 %	2009 %	2010 %	2011 %	
Diversified							
Future Goals (BTA0067AU)	September 1998	15.0	-13.8	-14.8	9.2	6.92	2.64
Balanced Returns (BTA0403AU)	April 1991	11.79	-9.55	-11.91	8.31	6.78	3.05
Conservative Outlook (BTA0402AU)	April 1991	7.4	-5.0	-5.4	7.9	5.53	3.47
Specialist							
Australian Share (BTA0014AU)	January 1995	23.0	-9.3	-16.3	10.6	9.62	6.48
International Share (BTA0016AU)	January 1995	4.0	-25.2	-13.8	5.8	1.96	-4.63
Property Securities (BTA0017AU)	February 1995	22.1	-32.8	-37.6	19.0	5.25	2.55
Australasian Bond (BTA0013AU)	February 1995	1.4	2.1	6.3	6.7	3.38	3.73
Global Bond (BT0015AU)	February 1995	-11.23	2.24	19.56	-2.0	-14.14	-1.45
Cash (BT0401AU)	April 1991	4.55	5.34	3.82	2.40	3.43	3.73

BT Super investments exceeding 5%

The following investment options have a holding of 5% or more in any one asset and the details of that holding at 30 June 2011. Investment options that do not have holdings exceeding 5% are not shown.

Investment Portfolio	Direct asset	%	Indirect asset	%
BT Australasian Bond	BT Australasian Bond Fund	100.00	Westpac Australian Bond Fund	100.00
BT Australian Share	BT Australian Share Fund	98.33	BHP Billiton Limited	10.09
			BT Institutional Smaller Companies Sector Trust	9.30
			Westpac Banking Corporation	7.12
			National Australia Bank Limited	6.13
			Rio Tinto Limited	5.85
			Commonwealth Bank of Australia Limited	5.00
BT Global Bond	BT Global Bond Fund	99.24		
BT International Share	BT International Fund	98.02		
BT Future Goals	BT Future Goals Fund	99.22	BT Institutional Core Australian Share Sector Trust	44.88
			BT Institutional International Share Interfund	24.84
			BT Total Return Fund	5.86
			BT Institutional Enhanced Property Securities Fund	5.05
BT Balanced Returns	BT Institutional Core Australian Share Sector Trust	32.40		
	BT Institutional International Share Interfund	17.70		
	BT Government Bond Fund	9.92		
	BT Institutional Liquidity Management Trust	9.87		
	BT Wholesale Enhanced Credit Fund	5.84		
	BT Total Return Fund	5.76		
BT Property Securities	BT Property Securities Fund	99.20	Westfield Group	25.76
			Stockland Trust Group	10.74
			Westfield Retail Trust	8.59
			Goodman Group	8.59
			GPT Group	8.55
			Dexus Property Group	7.34
			Mirvac Group	6.60

Fees and other costs

Fees and charges are either charged directly to your account or are reflected in the unit price calculation. The amount and method of allocating fees and expenses may change from time to time. The Trustee will notify you of any significant change. The current fee and cost structures as at 30 June 2011 are:

Contribution fees

You are charged a Contribution fee for the initial and any additional investment(s) made to your Plan. This amount is deducted from your contribution in the investment option(s) at the time of investment. This may include a commission payable to your financial adviser. For the contribution fee applicable to each investment option, please see the table below.

		One off investment (%)	Regular investment (%)
Diversified portfolios	Future Goals	3.0	1.5
	Balanced Returns	3.0	1.5
	Conservative Outlook	3.0	1.5
Specialist portfolios	Australian Share	3.0	1.5
	International Share	3.0	1.5
	Property Securities	3.0	1.5
	Australasian Bond	1.5	1.0
	Global Bond	1.5	1.0
	Cash	Nil	Nil

Management costs

Indirect Cost Ratio

This is the amount you pay for specific investment options which include issuer fees and expense recoveries. It is calculated on the asset value of the investment options daily and generally deducted at the end of each month and reflected in the unit price. The Indirect Cost Ratio may include a commission payable to your financial adviser.

		Indirect Cost Ratio (% pa)*
Diversified portfolios	Future Goals	2.12
	Balanced Returns	2.12
	Conservative Outlook	1.97
Specialist portfolios	Australian Share	1.99
	International Share	2.02
	Property Securities	2.26
	Australasian Bond	1.94
	Global Bond	2.00
	Cash	1.19

* Based on latest available information 30 June 2011

Fees and other costs

Withdrawal fees

There are no withdrawal fees payable when you withdraw from the Plan.

Switching fees

You can make free switches between investment options of the Plan in any 12 month period. The exception to this occurs if you are switching to an investment option with a higher contribution fee, in which case the difference in contribution fees will be deducted from the amount switched. There is no minimum switching amount.

Direct expenses

In administering the Plan, certain expenses will be incurred which are recoverable directly from the Plan, including costs incurred in buying, holding and selling investments and any Goods and Services Tax (GST) incurred in or about offering or operating the Plan. These expenses are deducted from the value of the investment options when incurred and are reflected in the unit price of the investment option. The rounding in the unit price of up to a quarter of a cent on applications and redemptions and any credits received from the Australian Taxation Office (ATO) in respect of the GST paid can be used to help offset these costs.

Dishonour fee

A dishonour fee of \$16.15 for the 2010/2011 Financial Year (indexed to CPI each 1 July) will be charged if there is insufficient money in your bank account to meet a direct debit request. This is charged at the time of dishonour by withdrawing units from your Investment Option(s). For the 2011/2012 Financial Year the dishonour fee is \$16.70.

Bank charges

If money is debited from a bank, building society or credit union account, a fee may be imposed by the financial institution concerned. This will be deducted from the account in addition to the amount withdrawn. In addition, financial institutions may also charge a fee where an employer elects to deposit an amount at a financial institution using an employer deposit book. BT has negotiated free deposits made through any Westpac bank branch.

Insurance Premiums

This is the fee charged to cover the cost of your insurance, available through BT Retirement Selection – Personal Super Plan. Insurance premiums are charged by the insurer for us to supply you with Death or Death and Total & Permanent Disability (TPD) cover. If you have insurance cover through your investment, the relevant premium(s) for your insurance will be deducted from your investment option(s) on a pro-rata basis at the end of each month, or when your cover ceases, via a redemption of units.

We currently receive 35.93% of the insurance premiums as commission from the insurer. From this amount, 17.93% may be paid to your financial adviser as commission.

Insurance fees

An insurance fee of \$4.85 for the 2010/2011 Financial Year (indexed to CPI each 1 July) is payable in addition to the insurance premium and is deducted on the last day of each month by the withdrawal of units from your investment in BT Retirement Selection – Personal Super Plan. For the 2011/2012 Financial Year the insurance fee is \$5.00.

The deduction of units will be pro-rated from your investment option(s). The number of units deducted from your investment option(s) to meet each insurance premium and fee will be calculated by dividing the dollar amount to be withdrawn from the investment option(s) by the relevant withdrawal price on the last day of the month.

Rebates/waivers for interfunding arrangements

The investment options may invest from time to time in other investment options that we, or a related entity manage (related fund). Our current policy is:

- no contribution fee is payable to the related fund;
- issuer fees are either not collected by the related fund, or if they are, they are rebated in full to the investing fund;
- certain expense recoveries are fully rebated to the investing fund but the related fund may incur those expenses up to the related fund's own limit in its constitution (if any).

Other important information

2011/12 superannuation thresholds

The superannuation contributions caps and various other superannuation thresholds that apply for the 2011/12 financial year are as follows:

Low rate cap:	\$165,000
Concessional contributions cap:	
– Age 50 or over	\$50,000
– Under age 50	\$25,000
Non-concessional contributions cap:	\$150,000 ¹
Capital Gains Tax (CGT) Cap (lifetime limit):	\$1,205,000
Government Co-contributions:	
– Maximum co-contribution ²	\$1,000
– Lower threshold	\$31,920
– Upper threshold (cut off)	\$61,920

Flood Levy

The Government has introduced a Temporary Flood and Cyclone Reconstruction Levy (flood levy) applying for the 2011/12 financial year only. The flood levy will apply to Australian and foreign resident individuals who have a taxable income over \$50,000 in the 2011/12 financial year. This means the flood levy applies to certain payments from superannuation that are included in your taxable income.

If you are under age 60 when you receive a lump sum superannuation payment in 2011/12, flood levy of up to 1% may be withheld from the taxable component in addition to the current rates of withholding tax.

Flood levy will not apply to lump sum payments you receive in 2011/12 if:

- you are aged 60 or over
- the taxable component of the payment is \$50,000 or less
- you have not provided your Tax File Number (TFN) (tax will be withheld from the taxable component at the top marginal rate, 46.5% for residents and 45% for non-residents)
- the total payment is less than \$200 and is your entire superannuation benefit
- you receive the payment because you have a terminal medical condition
- the payment is a Departing Australia Superannuation Payment (DASP)

In addition, no flood levy will be payable for a superannuation lump sum payment paid as a result of the death of a member to a beneficiary who is a dependant for tax purposes.

You may be exempt from paying the flood levy if you:

- were eligible for an Australian Government Disaster Recovery Payment for a natural disaster that occurred during 2010/11 and you received the payment before 30 June 2012
- were affected by an event that occurred during 2010/11 declared as a natural disaster under the Natural Disaster Relief and Recovery Arrangements and meet certain other criteria
- received an ex-gratia payment from Centrelink before 30 June 2012 because you are a New Zealand citizen holding a special category visa and were not eligible to receive an Australian Government Disaster Recovery Payment.

Additional conditions apply. Further information is available at www.ato.gov.au.

Consolidating multiple superannuation accounts within the same fund

From the later of a date to be fixed by proclamation and 1 January 2012, a superannuation fund may use a member's TFN to determine whether an individual has multiple accounts within the same superannuation fund. The superannuation fund may, with the individual's consent, consolidate these accounts into a single account.

Centrelink now administers claims for super on compassionate grounds

From 1 November 2011, the Australian Prudential Regulation Authority (APRA) no longer approves requests for early release of superannuation on compassionate grounds. All applications for the early release of superannuation benefits on compassionate grounds should now be made to the Department of Human Services (Centrelink). For further information about how to apply visit www.centrelink.gov.au and search "superannuation early release".

Personal income tax cuts from 1 July 2012

To help offset the impact of the carbon price, the Government is making structural improvements to the tax system including widespread tax cuts. These changes will result in tax cuts for individuals with a taxable income of up to \$80,000 in the 2012/13 financial year.

This means that less tax may be withheld from income payments you receive from your pension from 1 July 2012. In addition, you may no longer need to lodge an income tax return from the 2012/13 financial year onward. Some individuals may,

¹If you were under age 65 on 1 July 2011 you may be able to make up to \$450,000 of non-concessional contributions over three financial years.

²The maximum co-contribution payable is phased out by 3.333 cents for every dollar of total income over the lower threshold, until it reaches zero at the upper threshold.

Other important information

however, need to lodge a tax return for other purposes such as eligibility for the Government co-contribution and Family Tax Benefit and Family Tax Benefit.

The changes that will apply to personal income tax rates and thresholds include:

- an increase in the tax free threshold from \$6,000 to \$18,200 from 1 July 2012 and to \$19,400 from 1 July 2015.
- increasing the marginal tax rates of 15% and 30% to 19% and 32.5% respectively from 1 July 2012. From 1 July 2015, the 32.5% rate will increase to 33%.

The following changes will apply to the Low Income Tax Offset (LITO):

- from 1 July 2012, LITO will reduce from \$1,500 to \$445. However the threshold where LITO starts to taper will be increased to \$37,000 and the taper rate will improve from 4% to 1.5%.
- From 1 July 2015, LITO will reduce to \$300 and the taper rate will improve further to 1%. There will be no change to the threshold where tapering starts.

The table below summarises these tax changes and the new effective tax-free thresholds created.

2011/12		From 2012/13		From 2015/16	
Income Threshold \$	Marginal rate*	Income Threshold \$	Marginal rate*	Income Threshold \$	Marginal rate*
Up to 6,000	Nil	Up to 18,200	Nil	Up to 19,400	Nil
6,001–37,000	15%	18,201–37,000	19%	19,401–37,000	19%
37,001–80,000	30%	37,001–80,000	32.5%	37,001–80,000	33%
80,001–180,000	37%	80,001–180,000	37%	80,001–180,000	37%
180,001+	45%	180,001+	45%	180,001+	45%
Maximum LITO of \$1,500 creates an effective tax-free threshold of \$16,000. LITO starts to taper at 4% from \$30,000.		Maximum LITO of \$445 creates an effective tax-free threshold of \$20,542. LITO starts to taper at 1.5% from \$37,000.		Maximum LITO of \$300 creates an effective tax-free threshold of \$20,979. LITO starts to taper at 1% from \$37,000.	

* excludes Medicare Levy of 1.5%

Upcoming Legislative Change

The following items are Government announcements only and are not yet law. Legislation would need to be passed by parliament to make these proposals law.

1_Refund of excess concessional contributions where breach less than \$10,000

The Government has proposed a one-off opportunity for those who breach their concessional contributions cap by \$10,000 or less to request their excess contributions to be refunded from their superannuation fund. Excess contributions refunded under this measure would be taxed at the individual's marginal tax rate.

If this proposal becomes law, the refund option will only be available for first-time breaches of the concessional contributions cap and only in respect of contributions made in the 2011/12 financial year or later years. It is therefore expected that this measure will not be available to individuals who have breached their concessional contributions cap in a financial year prior to 2011/12. It is not proposed to index the \$10,000 threshold.

2_Concessional contributions cap for members aged 50 or over

Currently there is a transitional concessional contributions cap of \$50,000, for those aged 50 or over, which ends on 30 June 2012.

The Government has proposed, from 1 July 2012, the concessional contributions cap of \$50,000 will continue to apply for individuals aged 50 or over, provided they have a total superannuation balance of less than \$500,000. Unlike the current transitional cap which is fixed at \$50,000, the new cap is proposed to increase over time remaining \$25,000 higher than the standard concessional contributions cap for those under 50 years of age.

Superannuation Contribution Surcharge

If you are liable for superannuation contribution surcharge the amount will be deducted from your account.

Treatment of accounts of temporary residents who have left Australia

The Australian Government requires the BT Retirement Selection – Personal Super Plan Trustee to pay temporary residents' unclaimed superannuation to the ATO after at least 6 months have passed since the later of:

- the date a temporary resident's visa ceased to be in effect; and
- the date a temporary resident permanently left Australia.

The ATO identifies and informs the Trustee of the impacted members on a twice yearly basis. Once the benefit has been transferred to the ATO, investors are required to claim the benefit directly from the ATO (www.ato.gov.au).

The Australian Securities and Investment Commission has issued industry wide relief exempting Trustees of regulated superannuation funds from providing exit statements to temporary residents who cease to hold a superannuation account as a result of the transfer of that account to the Australian Tax Office (ATO) under the super unclaimed money legislation. On this basis, the Trustee of the BT Retirement Selection – Personal Super Plan will not issue exit documentation for temporary residents where an account balance has been paid to the ATO as unclaimed money.

In the event that the benefit has not yet been transferred to the ATO, investors are able to claim it from the BT Retirement Selection – Personal Super Plan under the Departing Australia Superannuation Payments (DASP) regime.

Successor Fund Transfer

Your BT Super account was transferred from the BT Super fund to the Retirement Wrap super fund on 31 March 2011. The information on your Annual Statement relates to your BT Super account for the period both before and after the BT Super fund was transferred to the Retirement Wrap super fund. There were no changes to your investment profile, holdings, member benefits or entitlements or value of your investments as a result of the transfer. Your unit holdings, and the value of those unit holdings, were exactly the same after the transfer, as they were before the transfer. Your account continues to be called BT Super and the Trustee of your fund remains BT Funds Management Limited.

Other important information

Complaints

We have arrangements for dealing with members' questions or complaints about the operation or management of the Plan. If you have a concern or a complaint, please contact the BT Contact Centre on 132 135. Where possible, member concerns received over the telephone are resolved at that time. If your concerns cannot be resolved in this way, you can outline your complaint in writing to:

The Complaints Officer

BT Financial Group
GPO Box 2675
Sydney NSW 2001

The Complaints Officer will endeavour to resolve your complaint within 30 days of receiving your letter and is required by law to deal with your enquiry or complaint within 90 days. However, if you are not satisfied with the response, or have not received a response within 90 days, you may contact the Superannuation Complaints Tribunal (the Tribunal):

- by calling 1300 884 114; or
- writing to:
Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001

The Tribunal is an independent body established by the Government to help members of super funds resolve complaints. The Tribunal will attempt to resolve your complaint through conciliation, helping you and us to reach an agreement. If your dispute cannot be resolved through conciliation, the Tribunal may make a binding determination.

Eligible Rollover Fund

The Eligible Rollover Fund (ERF) currently selected by us is:

SuperTrace Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124

If your investment is transferred to SuperTrace:

- you will cease to be a member in the Plan and any insurance cover provided will also cease
- you will need to contact the SuperTrace Administrator on 1300 788 750 in order to claim your investment back or deal with your investment
- you will not be able to make contributions to the ERF
- you will not have investment choice — the trustee of the ERF will nominate the investment strategy

- the ERF will normally ensure that your benefits will not be eroded by administration fees and charges however other fees may apply. Please refer to the ERF's disclosure document for more details.
- Your investment currently may be transferred to an ERF in the following circumstances:
- If you become a lost member, that is: one piece of written communication has been returned unclaimed, or we have never received your address details unless during the last five years we have verified that your address is correct and have no reason to believe it is not correct (It is important that you inform us of any changes to your address details so that you are not transferred to the ERF. Trustees of regulated super funds report details of lost members to the ATO, which maintains a lost members register. Persons may search the register to ascertain whether they have benefits which are lost).
- If your investment balance falls below the minimum balance (currently \$1,200) you will be requested to make an additional investment to increase your balance over \$1,200. If you do not increase your investment, it may be transferred to the ERF.
- If you request to transfer your benefit to another fund and we cannot process that request due to insufficient information, or the other fund returns the money to us as they have been unable to process the request.
- You have requested a cash payment but you fail to present the cheque and the cheque goes stale.
- In any other circumstances permitted under superannuation law.

Indemnity insurance

The Trustee is indemnified by a policy of insurance in respect of its duties as trustee of the Plan.

Financial information

As permitted by the Corporations Act, certain financial and investment information have not been included in this report on the basis that the Plan invests 100% of its assets through a life policy. Copies of the complete audited financial statements and the auditor's report will be available after October 2010 from BT Funds Management Limited, Level 20, 275 Kent Street, Sydney NSW 2000 or by calling the BT Contact Centre on 132 135, Monday to Friday, 8.00am to 6.30pm (Sydney time).

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Contact BT

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8.00am to 6.30pm (Sydney time)
+ 61 2 8222 7154
(Australia and overseas enquiries)
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