

EmployerNews | SPRING16



Keeping electrical and communication contractors informed about your Fund and what's happening in superannuation.

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Getting ready to switch-off paper Contribution Returns from 1 January 2017

With the vast majority of employers now paying into NESS Super via electronic means in order to meet the Government SuperStream requirements (see article below), the need for the paper-based Contributions Returns being sent out to employers each month or quarter, will no longer be required.

As a result, NESS Super will not be mailing paper Contribution Returns to employers from 1 January 2017, resulting in the final paper Contribution Returns mailed to employers in December 2016.

The removal of the paper Contribution Returns will not only help employers meet the Government SuperStream requirements (by moving to an approved electronic format) but will also reduce printing costs (which benefits NESS Super members) and helps the environment – mailing thousands of paper Contribution Returns uses a lot of paper and fossil fuel!

So, if you are an employer who is using the paper Contribution Returns for your superannuation payments, please contact us on 1800 022 067 to assist you to update to a SuperStream compliant electronic format. This can be either NESS Super "EmployerAccess", (if paying only to NESS Super) or the SCH Online clearing house facility (if paying to multiple superannuation funds).

...and we're also going electronic with EmployerNews, so it's important to update your employer email address today!



This will be the last edition of EmployerNews that will be mailed to employers, with all future quarterly EmployerNews newsletters and Employer eAlerts (as per the last Employer eAlert emailed on 22 June 2016) emailed to your employer email address.

As with the removal of the paper-based Contribution Returns, going electronic with our employer communication further reduces the amount of printed material, which helps to keep printing costs down (which means more money goes to NESS Super members' accounts!), and also helps save the environment.

It is important to ensure that your business email address with NESS Super is up-to-date, so that we can stay in touch and continue to receive our regular communication electronically.

So, if your business email has changed or you haven't updated it recently, please login to EmployerAccess on the NESS Super website www.nesssuper.com.au and update your email address online. Alternatively, please contact us on 1800 022 067 and update your employer email address.

The Government SuperStream deadline for small employers has been extended to 28 October 2016...but that's only just around the corner!

The Australian Taxation Office (ATO) will not be taking any compliance action against small employers who missed the 30 June 2016 SuperStream deadline.

In an ATO Media Release published 22 June 2016, the ATO announced that it is providing small businesses (with 19 or less employees) additional time to complete their SuperStream implementation, with compliance flexibility extended until 28 October 2016.

In announcing the compliance flexibility extension, the ATO is advising small business that it will not be taking compliance action against those who missed the 30 June SuperStream deadline.

The SuperStream requirements will require all employers to make super payments and send the applicable payment data electronically, as opposed to cheques and paper-based contribution returns.

Whilst the Government has extended the deadline, it is important to prepare now to ensure you are able to comply and meet the required timeframe, which is just around the corner!

NESS Super can help participating employers meet the Government SuperStream requirements with the SCH Online clearing house solution, AT NO COST TO EMPLOYERS. Please see the NESS Super website <http://nesssuper.com.au/employers/forms-publications/> and click on the "SCH Online" tab or contact us on 1800 022 067 for more information.



To find out more about how NESS Super can help your business and employees with any of the topics outlined in this newsletter (including how we can help employers meet the Government SuperStream requirements), please contact Mynas Leontios, NESS Super's employer service representative on 0448 432 443 or by email at mynasl@neca.asn.au. At NESS Super, we are here to help.

Investment Commentary – The year was a difficult one for investors*

The year to 30 June 2016 was in many ways an extraordinary year with a range of both positive and negative influences at play. Regrettably for investors, the financial year concluded just as it started with considerable uncertainty and market volatility.



The Australian share market managed to record a small positive return for the year, outperforming many of its global peers. However, there were pronounced differences in industry and sector performances. The sectors delivering the most robust return outcomes tended to be those with superior earnings momentum (Healthcare +21.5%) or higher dividend yields relative to cash, bonds and term deposits (Real Estate Investment Trusts, +24.6%, Utilities +24.5%). By contrast, the major banks underperformed due to substantial capital raisings during the year and investor concerns about the outlook for bank earnings and their ability to maintain dividends if higher bad debt provisioning is required. Resource and Energy company performances were also weak as lower commodity prices (Iron ore -13.3%, Oil -21.3%) negatively impacted profits and dividend payouts.

After three consecutive years of positive financial year returns, global shares recorded a negative return for the year. Japan's share market was one of the weakest performers. Share markets in Germany and France were down 11.6% and 11.5% respectively. Concerns late in the year that the UK's Brexit result could impact European growth while also acting as a catalyst for further political instability which might ultimately threaten European unity, accentuated their losses. Ironically, the UK's FTSE 100 Index fall over the year was only 0.3%. The relative strength of the US economy helped the US S&P500 Index gain 1.7% for the year.

Bonds rallied strongly around the globe over the last year with yields continuing to fall as bond prices rose, resulting in good returns for investors. Falling inflation expectations (helped by the lower oil price), a more cautious approach by the US Federal Reserve with respect to the size and timing of US short term interest rate increases, diminishing global growth expectations and a continued preference by investors for lower risk investments were factors that drove prices higher and yields lower, particularly for government bonds.

Central banks in Japan and Europe have been required to maintain or extend pre-existing stimulus programs (including aggressive buying of government bonds aimed at keeping long term interest rates low) to support their economies and encourage growth. With the support of these massive on-going bond purchases, interest rates have been pushed to extraordinarily low levels. Locally, the Reserve Bank of Australia reduced the Australian cash rate to a record low of 1.75% in May in response to the very low March quarter inflation data. Australia's inflation rate of 1.3% is well below the RBA's 2%-3% target.

*Investment Commentary provided by JANA Investment Advisers.

Our solid performance record continues...

NESS Super Investment Options

The 2016 financial year has seen continued solid performance by NESS Super. All our NESS Super and NESS Pension investment options have again performed at or above industry medians over three years when compared to similar funds, with the exception of Property which was marginally (0.24%) below industry average.**

**Source: JANA Investment Advisers (Super Ratings Survey, 3 years to 30 June 2016)

NESS Super Members

Investment Option	Crediting rates for the 2015/16 financial year
Cash	1.99%
Stable	3.45%
MySuper [^]	3.10%
Property	11.73%
High Growth	2.13%
Australian Shares	2.65%
Overseas Shares	-0.96%

NESS Pension Members

Investment Option	Crediting rates for the 2015/16 financial year
Cash	2.25%
Conservative	2.96%
Cautious	3.33%
Moderate	2.96%
Assertive	2.58%
Aggressive	2.90%

NESS Super continues to invest members' money on a long term basis. The NESS Super Board believes that diversification is essential in the current environment and is investing with this key principle in mind. To this end, NESS Super has diversified its exposure to higher risk assets to include diversifiers to shares such as property, infrastructure and credit securities, which all have the potential to deliver sound long term returns. In addition, we are also keeping a healthy level of cash to maintain the liquidity of the Fund. We believe that over the long term, this strategy will provide members with sound returns.

The performance of the investment options is not guaranteed. The value will vary as it is based on the performance of the assets underlying each investment option. Past performance is not an indicator of future performance.

[^]Formerly known as the Balanced option.



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Contact us if you want to know more about any of the topics in this newsletter

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