



Product Disclosure Statement

This PDS is dated 14 December 2022

It is issued by:

The Welfare Fund Limited trading as Fair Wealth Australia

ABN 25 155 698 105 AFS Licence No 434065

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Product Disclosure Statement (PDS)

Becoming a member of The Welfare Fund Limited (The Welfare Fund) trading as Fair Wealth Australia provides access to numerous levels of member benefits:

1. discretionary benefits issued by Fair Wealth Australia;
2. financial products such as insurances arranged exclusively for Welfare Fund members. These products are issued by third parties, not Fair Wealth Australia;
3. Miscellaneous other benefits. These are typically arranged by Fair Wealth Australia for your benefit through third parties.

The membership of The Welfare Fund has a Standard Plan which can be Extended with the addition benefits chosen by the applicant. It is important for you to know that only financial products issued by Fair Wealth Australia need to be included in this PDS. As the issuer of those financial products Fair Wealth Australia is responsible for meeting all relevant legal obligations for those products. However, the issuers of other financial products with which Fair Wealth Australia has made arrangements for your benefit remain responsible for meeting any obligations they have in relation to benefits under those financial products. Fair Wealth Australia has included a brief description of the benefits for those products under the heading of Benefits available however for full information you should refer to the Membership Brochure and the respective PDS for Journey Cover and Life Insurance. Fair Wealth Australia will provide the necessary documents to you for those benefits.

This Product Disclosure Statement (PDS) is an important legal document. It provides you with information about the financial products and services available to members of Fair Wealth Australia. It is designed to assist you in making an informed choice about whether or not to join Fair Wealth Australia and apply for the discretionary mutual risk protection benefits (discretionary benefits) available to members.

'The Miscellaneous Financial Facility – financial risk product' is a discretionary mutual risk protection offered by Fair Wealth Australia (discretionary benefits), not an insurance product. Fair Wealth Australia is not an insurer and neither it nor the discretionary benefits it offers are authorised by or subject to or regulated by the Australian Prudential Regulatory Authority, the Insurance Act 1973, the Life Insurance Act 1995 or the Insurance Contracts Act 1984. As such, neither Fair Wealth Australia nor its discretionary benefits are subject to the provisions of those Acts, which establish the system of financial supervision for life and general insurers in Australia. Membership and discretionary benefits are available on successful application to the issuer, Fair Wealth Australia.

If you decide to apply for membership of Fair Wealth Australia or have any questions on the member benefits that are available, please contact us. If your application is accepted and you apply for any of the member benefits, the cost of the relevant benefit we provide to you will be set out in your membership certificate. Payment is made by direct deduction from your salary fortnightly or by direct debit from your nominated bank account. The types of costs, fees and charges that apply to the benefits are all explained in this PDS.

Information in the PDS may be subject to change from time to time. Where the change is not materially adverse, you will be able to find out the new information by phoning our office or by visiting Fair Wealth Australia website at www.fairwealthaustralia.com.au. A paper copy of any updated information will be given to you on request. If it becomes necessary, we will issue a supplementary or replacement PDS.

PLEASE NOTE THESE POTENTIAL IMPLICATIONS

THERE IS A RISK TO YOU THAT A DISCRETIONARY BENEFIT MAY NOT BE PAID WHEN REQUESTED AS A RESULT OF THE DISCRETION EXERCISED BY THE DIRECTORS OF FAIR WEALTH AUSTRALIA. THIS DISCRETIONARY BENEFIT PRODUCT IS NOT AN INVESTMENT PRODUCT SO THERE IS NO INTEREST OR INCOME PAYABLE TO YOU FROM THE CONTRIBUTIONS THAT YOU MAKE TO FAIR WEALTH AUSTRALIA FOR DISCRETIONARY BENEFITS. IF YOU CEASE CONTRIBUTIONS THE COVER PROVIDED ALSO CEASES. THE AMOUNT OF CONTRIBUTION AND THE BENEFITS AVAILABLE CAN BE VARIED BY FAIR WEALTH AUSTRALIA. THE RESULT COULD BE AN INCREASE IN THE AMOUNT OF YOUR CONTRIBUTION OR A DECREASE IN THE AVAILABLE BENEFITS OR AMOUNT OF BENEFITS.

COOLING OFF PERIOD

If you decide within 14 days of purchasing the benefits available in this PDS that you do not require those benefits you may notify the Secretary and receive a refund of any contributions made for these benefits.

BACKGROUND

Fair Wealth Australia commenced operation in 1945 as a welfare fund to members of the transport industry. It has changed structure and names over the years but has always aimed to provide assistance to members in times of financial and emotional need.

We had been operating as an association under State legislation but due to size and the nature of our service we needed to become a registered Mutual Company. Fair Wealth Australia also needed to obtain an Australian Financial Services Licence as some of the member benefits are financial products.

We are always looking to expand membership which in turn we believe will enable us to offer more comprehensive services and benefits.

WHAT IS A MUTUAL COMPANY?

Fair Wealth Australia is a company limited by guarantee. This means that every Member undertakes to contribute \$1 to the assets of the company if it is wound up while the person is a member or within one year afterwards.

Furthermore, Fair Wealth Australia is a mutual. The pooled resources of members are used to meet certain financial risks of each of the members. Each member is entitled to one vote but must be at least 18 years of age and all money due and payable by the Member to Fair Wealth Australia must have been paid.

Fair Wealth Australia operates as a discretionary mutual. A mutual provides its services for the benefit of its members. Entry to membership and the payment of member benefits are at the sole discretion of the Board or their delegated authority. The Board is appointed by the members of the mutual in accordance with the Constitution. The Board must consist of 50% of Directors who are employees or former employees of New South Wales Railway, RailCorp or any successor in title of these NSW rail transport industry entities.

CONSTITUTION

Fair Wealth Australia's Constitution sets out the objectives of Fair Wealth Australia, its rules of operation as a company limited by guarantee (including in the event of winding up), eligibility of members, election of Directors and conduct of general and extraordinary meetings of members. Under the Constitution provisions the Board is empowered to publish rules governing the day-to-day management and operation of Fair Wealth Australia.

A copy of the Constitution Fair Wealth Australia is available on our website, Fair Wealth Australia www.fairwealthaustralia.com or by contacting, Fair Wealth Australia to those applying for membership. You should read and consider the Constitution before applying for membership of Fair Wealth Australia.

REGULATION AND SUPERVISION

Fair Wealth Australia holds an Australian Financial Services Licence (AFSL) issued under the Corporations Act (Cth). It must comply with the conditions of the AFSL and the obligations under the Corporations Act. Entities providing financial services come under the supervision of the Australian Securities and Investments Commission (ASIC).

Fair Wealth Australia has policies and procedures in place that assist it to comply with its obligations. It must have a financial audit completed each year and submit the audited accounts to ASIC.

RULES

The Board may make rules from time to time and amend those rules as and when it deems necessary. The rules may include:

1. The form of application for membership
2. The nature and extent of assistance that Fair Wealth Australia will consider providing to Members at the discretion of the Directors or their delegate(s)
3. The basis upon which assistance will be considered
4. The amounts of contributions
5. Such other matters incidental to Fair Wealth Australia's activities as the Directors think fit (for example, this could include but is not limited to Investment of contributions, reserving of contributions (basically putting aside money to smooth returns and fluctuations in receipt of contributions, handling of disputes)).

To access these rules you can contact Fair Wealth Australia by telephone or email and they will make them available to you.

MEMBERSHIP

You must be a Member of Fair Wealth Australia to be eligible to apply for assistance from it, i.e. you must be a Member of the mutual and be financial, be paid up to date or contributing on a regular basis by salary deduction or other regular direct debit.

Acceptance of an application for Membership is at the discretion of the Board of Fair Wealth Australia. The Board will consider the Rules that it has prescribed when considering an application.

There is no obligation on the Board to inform an applicant of the reason for rejection of the application.

APPLYING FOR MEMBERSHIP

The process for applying for Membership is:

1. Obtain a copy of the Constitution and read it
2. Read this PDS
3. Ask questions of Fair Wealth Australia for anything that you need clarified
4. Complete the application for Membership of the Company that is attached to this PDS, including indicating the benefits (and levels of benefits) you are applying for.
5. Upon acknowledgement of acceptance as a Member contribute \$1 to the Company (this is in addition to any of the member benefits you select) and ensure the instalment arrangements for contributions to the benefit plan commence within 30 days.

MAINTAINING MEMBERSHIP

To maintain Membership, you must pay an annual contribution or instalments for the annual contribution on time.

You must also keep Fair Wealth Australia informed of your present contact details at all times so that we can issue notifications, newsletters and information about your Membership to you.

CESSATION OF MEMBERSHIP

You may notify us in writing of your resignation giving one month's notice. The notice must be addressed to the Secretary of Fair Wealth Australia.

The discretionary benefits will be effective until the expiry of the notification period or the date requested for cessation if later than the notice period. If an annual contribution has been paid the balance of the annual contribution will be refunded. If your contribution is paid by salary deduction or through a direct debit of your nominated bank account, then Fair Wealth Australia will notify your payroll department to cease the deduction, or it will immediately cancel your authorisation with the bank.

If you fail to pay your contribution when due your Membership will terminate. Membership may be reinstated by Fair Wealth Australia on request from the Member and receipt of all arrears of contributions.

A person's Membership may be terminated by Fair Wealth Australia at the discretion of the Board of Directors. In these circumstances two months written notice will be provided to the Member and the Directors will consider any written representations made by the Member in response to the notice. There is no obligation on the Directors to provide a reason for termination.

BENEFITS AVAILABLE - CONTRIBUTIONS, FEES AND COSTS

Members have the choice of our Standard Plan or to extend that plan with optional add-on benefits or increases in level of cover. These are both detailed below for you along with a description of the benefit and the relevant cost.

STANDARD PLAN

Benefit	Issuer	Description and level
Sickness and Accident for an individual	Fair Wealth Australia	Discretionary up to \$5,000 per annum after a qualifying period of 90 days
Funeral Cover	MLC ¹	Guaranteed up to \$5000 after completion of the qualifying period of 12 months unless death occurs by accident but expiring at age 80 towards the cost of the Funeral on death
Journey Cover	AIG ²	Provides cover for injury incurred on travel to and from work for up to 85% of your wage but capped at a maximum of \$1,200 per week for up to 104 weeks. It also includes a sum of \$50,000 if death occurred by accident in the journey to or from work.
Grants	Not a financial product	A request to receive a grant of an amount at the discretion of the board after 90 days of membership.
Counselling sessions	Not a financial product	10 sessions per annum for no fee
Credit Health Check	Not a financial product	Two credit health checks per annum through a credit representative under Fair Wealth Australia Credit Licence

¹ You need to consider the Product Disclosure Statement prepared and issued by MLC in respect of this Funeral Cover.

² You need to consider the Product Disclosure Statement prepared and issued by AIG in respect of this Journey Cover.

The Member's right is to lodge a claim or request for payment of a Sickness and Accident benefit and Grant, not to receive a benefit, i.e., it is at the total discretion of Fair Wealth Australia.

The Board's discretion will be exercised cautiously and only in circumstances and in a manner in which the Board believes that members would expect it exercise its discretion.

The discretionary benefits of Fair Wealth Australia are payable to provide financial assistance to Members suffering from financial distress resulting from accident or sickness. The Funeral Benefit is through a Group Life Policy held by Fair Wealth Australia which is issued by MLC and the amount you nominate is guaranteed up to age 80 as long as the contribution is made.

Benefits available, the circumstances considered, and contributions are reviewed annually by Fair Wealth Australia. This means that the contribution you have been paying may increase or the benefits available may be altered (which may result in a reduction of the number or amount of benefit) from time to time. The primary concern of the Directors is to ensure the longevity of Fair Wealth Australia for its present and future members.

The weekly contribution for the Standard Plan outlined above is \$11.00.

The maximum amount per annum refers to the maximum benefit amount payable in a claim year for each benefit chosen. Note that a "claim year" is the 12-month period immediately following payment of a claim for a benefit. Some examples, which relate to the basic sickness and accident benefit, are shown below.

1. A request for a discretionary benefit is submitted and payment is made of \$5,000 on 1 December 2021. The member has reached the limit so no further requests for benefits will be considered until 2 December of the following year.
2. A request for a discretionary benefit is approved and payment is made of \$3,000 on 1 December 2021. A further request is made for a discretionary benefit of \$2,000 on 1 July 2021. The member has reached the maximum. The member would be eligible to make another request for a discretionary benefit on 2 December 2022 of \$3,000. If the member did not make that request the full amount of \$5,000 would be available from 2 July 2022.

It must be remembered that any request for receipt of a discretionary benefit is at the sole discretion of the Board of Directors. Requests for consideration of a benefit must be set out in writing to the Chief Executive Officer explaining the circumstances.

[If you suffer financial distress due to some other issue such as damage to property which was not a result of your actions, then you may apply in writing to Fair Wealth Australia for consideration of a grant.](#)

ADDITIONAL BENEFITS WHICH CAN BE CHOSEN TO EXTEND YOUR COVER

Benefit	Issuer	Level	Additional Cost per week
Sickness and Accident Individual	Fair Wealth Australia	\$10,000 after 90 days qualifying period	\$7.00
Sickness and Accident Family	Fair Wealth Australia	\$5,000 after 90 days qualifying period	\$8.00
		\$10,000 after 90 days qualifying period	\$14.00
Funeral Cover primary member	MLC	\$7,500 after 12 months qualifying period unless death is by accident	\$2.50

Benefit	Issuer	Level	Additional Cost per week
		\$10,000 after 12 months qualifying period unless death is by accident	\$5.00
		\$12,500 after 24 months qualifying period unless death is by accident	\$7.50
		\$15,000 after 24 months qualifying period unless death is by accident	\$10.00
Funeral Cover secondary member	MLC	\$5,000 after 12 months qualifying period unless death is by accident	\$2.50
		\$7,500 after 12 months qualifying period unless death is by accident	\$5.00
		\$10,000 after 12 months qualifying period unless death is by accident	\$7.50
		\$12,500 after 24 months qualifying period unless death is by accident	\$10.00
		\$15,000 after 24 months qualifying period unless death is by accident	\$12.50
Funeral Contribution Fund	Fair Wealth Australia	Savings plus 5% per annum compound interest payable on death towards the funeral costs or to purchase products for a funeral.	Minimum of \$2.00 with no maximum
Counselling sessions	Not a financial product	Additional 20 sessions per annum	\$3.00
Credit Health Check	Not a financial Product	Additional 4 credit checks per annum	\$2.00

Remember that the Funeral Cover is provided under a Group Life Insurance Contract issued by MLC to Fair Wealth Australia and the amount is guaranteed after the qualifying periods specific to the level of benefit unless death is by accident, however you **must** continue contributions for a benefit to be paid on death.

While the benefit provided by MLC under the group policy expires at age 80 you can apply for **lifetime funeral benefit** however that will require an **additional contribution based on age** and if this is of interest to you, please **contact us** so that the **amount** of extra contribution can be **calculated** for you.

If you cease contributions the benefits will lapse after 90 days, and no payment would be forthcoming. Also, for the Funeral Cover benefit the cover expires at age 80, i.e., no benefit is payable once the member covered turns 80.

TAXATION

We understand GST is not payable on contributions for the miscellaneous discretionary risk products. Also, we understand:

- contributions for miscellaneous discretionary risk product are not tax deductible; and

- any benefit paid to a member for miscellaneous discretionary risk product is not taxable.

However, we encourage members to seek their own professional tax advice.

Where GST is payable on any other benefit mentioned, any price quoted in this PDS is inclusive of any GST amount. See the PDS for the relevant product for further information, i.e., MLC or AIG.

ESTIMATING FUTURE LIABILITIES OR FUTURE PAYMENTS TO MEMBERS AND RESERVING FUNDS

Fair Wealth Australia maintains and updates a set of financial projections detailing the likely income from contributions, claims costs, operational expenses and investments that may impact on our ability to provide our discretionary benefits. Fair Wealth Australia has developed a structured financial model which it uses to calculate:

1. income to be received by Fair Wealth Australia from:
 - (a) contributions;
 - (b) commission or fees earned for arranging other financial products; and
 - (c) interest on investments.
2. the outgoings to be paid by Fair Wealth Australia for: (a) fixed management costs;
 - (b) other operational and administrative costs;
 - (c) the number of claims lodged each year;
 - (d) the types of claims lodged for specific risks; (e) the delay in lodging claims; and (f) the cost of an average claim.
3. the amount of loans outstanding to Fair Wealth Australia and bad debt provisions from those loans.

The calculations are performed every three months with projections for the following year. The accounts are audited annually by a registered auditor and are available to members for inspection.

Fair Wealth Australia uses its past income, expenses and claims data to inform its future expectations. This structured financial model is based on Fair Wealth Australia being a fully funded mutual which sets aside funds each financial year to be used to pay anticipated future claims that may be made by members. Note that even if Fair Wealth Australia is fully funded this does not affect the discretion the Directors have to provide a discretionary benefit to Members or not.

Over the 3-financial-year period from July 2018 to July 2021 we received a total of 351 requests for benefits due to accident or sickness and paid to members a total \$245,851 in respect of those requests.

INTERNAL DISPUTES RESOLUTION (IDR)

If you have a concern or complaint about our services or the financial products we issue (i.e. discretionary benefits), you should contact us by telephoning 1300 327 747 or 02 96331724 or in writing to the postal address set out in this PDS, or by email to [Frank Fontana](mailto:Frank.Fontana@fairwealth.com.au) .

Your concern will be dealt with promptly and fairly. If the matter is not resolved to your satisfaction within two working days, it will be referred to our Complaints Manager who will review your complaint and respond within five working days.

If you are not satisfied with the Complaints Manager's decision, you can request that the complaint be referred to the board of directors. The board will assess the complaint and instruct the Complaints Manager to implement any decision it makes to resolve the complaint satisfactorily. In any case, we will always strive to fully consider your complaint and provide our final response well within our regulatory requirement of 30 days. The board's assessment will be guided by the financial services laws and other legal requirements and it will do all things necessary to ensure that the services are provided efficiently, honestly and fairly. More detail is included in our Public Complaint Handling Policy on our website.

If you are still dissatisfied with our decision, you can undertake to have the matter resolved externally.

EXTERNAL DISPUTES RESOLUTION (EDR)

You can raise complaints about our services or the financial products we issue (i.e. discretionary benefits) directly with Australian Financial Complaints Authority (AFCA). The AFCA is approved by ASIC as an external dispute service. Fair Wealth Australia is a member of AFCA.

There is no cost to you to take any dispute to the AFCA. The decision of the AFCA is not binding on you. You may decide not to accept the decision and take your own action against Fair Wealth Australia.

You can contact the AFCA and speak to one of its officers by telephoning 1800 931 678. Alternatively, you can:

- download information about complaints from the AFCA's website at [AFCA](#) or
- complete an online complaint form at [Online complaint form](#) or
- write and post the written complaint form to the
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne, VIC 3001 or
- by email to info@afca.org.au .

Privacy

We collect your personal information from you directly wherever we can, but in some cases, we may collect it from third parties such as your adviser, or employer. We do this to determine your eligibility and to administer the product. If personal information is not provided, we may not be able to provide you the product or a service or administer it appropriately. Government regulations require some information to be collected, including company; anti-money laundering; superannuation and tax laws.

We may from time to time be required to provide your personal information that we hold to entities external to Fair Wealth Australia; for example, external insurers and auditors or entities to which we refer you. We will ensure that those entities have the relevant policies in place to protect your personal information.

Your personal information may from time to time be used for marketing products or service to you. If you do not wish to receive the marketing materials, you can ask us to cease sending you the information.

More information about how we collect, use, share and handle your personal information and how to make a complaint about a privacy issue is in our Privacy Policy. You can access this at www.fairwealthaustralia.com or by contacting us and requesting a paper copy.

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