

quietly outperforming.

equisuper,

Corporate

Annual Report

For accumulation members



Accumulation Benefit Statement Part 2
For the year ended
30 June 2004

Building on growth

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Issued 10 September 2004
Issued by Equipsuper Pty Ltd
(A.B.N. 64 006 964 049)
Australian Financial Services Licence No. 246585

Level 12, 114 William Street
Melbourne, VIC, 3000

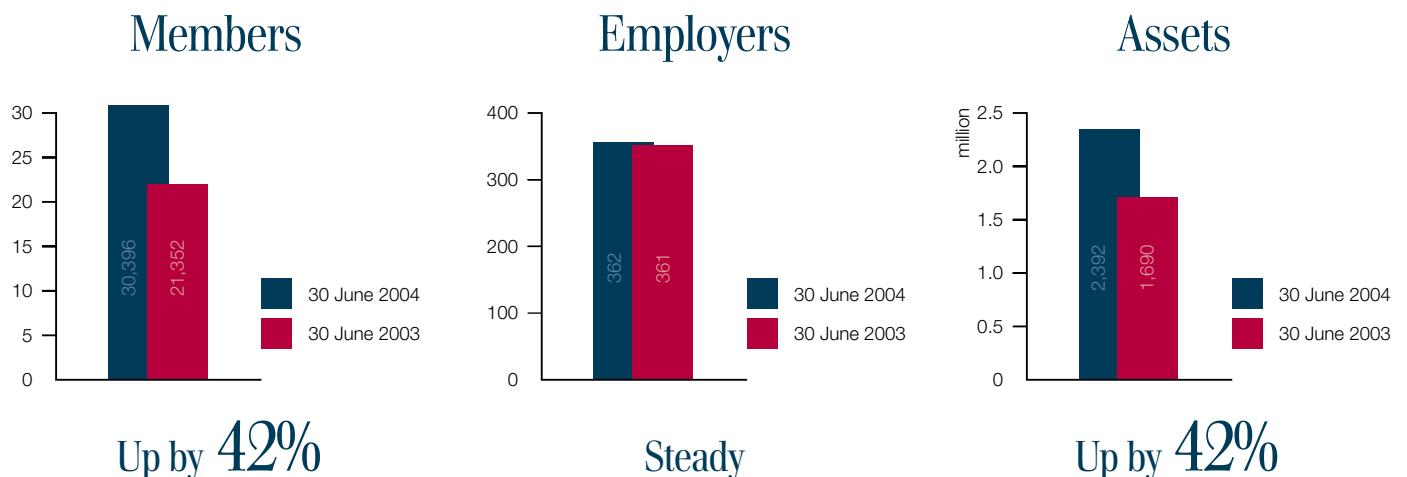
Member contact phone: 1800 682 626

Equipsuper Pty Ltd ("Equipsuper") is the Trustee of the Equipsuper superannuation fund ("the Fund").

Superannuation Product
Identification Number (SPIN): EPL0100AU

This Annual Report for accumulation members forms Part 2 of your Benefit Statement and contains statutory information about the Fund. This part should therefore only be read in conjunction with your Accumulation Benefit Statement Part 1. If you do not have a copy of it, please contact our Helpline on 1800 682 626 to obtain one.

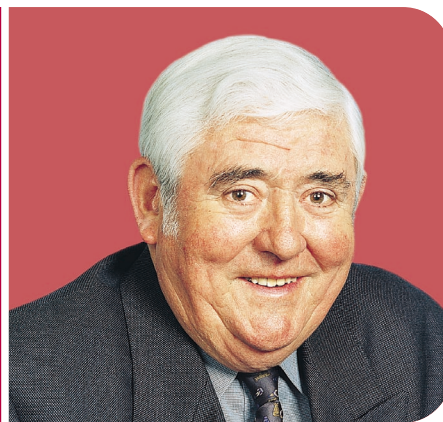
Equipsuper continues to point the way



A rewarding year for members

Chairman's comment

“Equisuper continued to outperform most other super funds in Australia”



I am sure every member shares our satisfaction in being able to report on a turnaround in investment markets in 2003-04 and that Equisuper continued to outperform most other super funds in Australia, exceeding commonly used benchmarks in most major asset classes.

The past year has established some significant milestones for the Fund. For the first time, the assets we managed for our members exceeded \$2 billion and our membership increased to over 30,000. This has been an outstanding achievement in a very competitive superannuation marketplace.

While maintaining our growth momentum, we have faced the substantial challenges of the demanding new regulatory and disclosure regime of the Financial Services Reform Act.

In the current year, we will also have to meet the new superannuation licensing requirements established by the Australian Prudential Regulation Authority (APRA). This creates new standards for super funds, in particular placing an onus on trustee directors to ensure they collectively offer the skills and experience necessary to oversee the administration of your super.

These demands inevitably add to the complexity and cost of running the Fund. However, thanks to our strong growth we are now able to do more things ourselves, such as communications and member education. Not only is this more cost-efficient but it also allows us to more effectively relate and respond to the specific needs of our members.

Most significantly for members, however, our growth has enabled us to maintain a very competitive cost structure while continuing to deliver service and consistent investment returns that are among the best in Australia.

I would like to thank all our members and employers for their support and loyalty through a year of substantial change. We operate in a dynamic environment in which change is driven as much by new regulations as by expectations for high quality service, products and communication.

I can assure you that Equisuper's core objective is to maintain its position as one of Australia's leading funds. This year's adoption of the “quietly outperforming” line in our new branding is not just a true reflection of our heritage but also an expression of our commitment to the future.

Alex Nimmo
Chairman

At a glance

Investment returns

Equipsuper was among the market leaders, achieving returns that exceeded reputable benchmarks in all major asset classes. Its Equipselect options produced returns to Equipsuper Corporate accumulation members of:

Growth Plus	Balanced Growth	Conservative	Cash
20.4	14.9	7.8	4.2

Equipsuper changed the names of two investment options during the past year. Balanced Growth was formerly Growth. Conservative was formerly Capital Stable.

The table (right) compares our performance with the five best long-term performers at 30 June 2004 in the Mercer Pooled (Balanced) Fund Survey, published on 6 July 2004.

Comparison of Equipsuper Balanced Growth option's performance

Measured against the funds achieving the best 5-Year returns to 30 June 2004 in the Mercer Pooled (Balanced) Fund Survey.

Fund	1 Year	5 Years
Equipsuper Balanced Growth	14.9	7.8
AUSBIL Dexia Balanced	16.5	6.1
Maple Brown Abbott PST	15.6	8.0
Schroders Super	13.5	6.2
Suncorp Balanced	13.6	6.2
Tyndall Premier Growth	16.0	6.7

* Comparison chart shows after-tax returns after management fees are taken out. In the case of Equipsuper, it is net of the 0.15% asset-based administration fee, but not net of the 95 cents per member per week flat fee.

Administration

Equipsuper called for tenders for the administration of the Fund, including Helpline and website services. The successful tenderer will be selected and announced in the next few months. Equipsuper has also sought tenders for group insurance and actuarial services.

Compliance

Every facet of Equipsuper's operations felt the impact of the Financial Services Reform Act. The Fund expended considerable resources to meet the requirements of the new regulatory advice and disclosure regime, which is overseen by the Australian Securities and Investment Commission (ASIC). Equipsuper has appointed a risk and compliance manager to help ensure the Fund meets its compliance obligations.

Marketing

The Fund maintained its growth momentum, passing 30,000 members and \$2 billion in assets for the first time. The greater number of large employers in the Fund prompted the recruitment of a new account manager in 2004.

Communication

Equipsuper brought its communications management in-house. The Equipsuper brand was relaunched in 2004, coinciding with the release of new publications meeting the Financial Services Reform Act advice and disclosure requirements. Some additional changes to the website were implemented in line with the rebranding to make the site more topical. There will be more enhancements in 2004-05.

Member education and pre-retirement seminars

Equipsuper stepped up its education program in 2004. This was driven by increased demand for workplace presentations because of the Fund's large inflow of members and the rising popularity of its pre-retirement seminar program. Equipsuper has met the increased demand by appointing an in-house education consultant.

Member services

Equipsuper continued to expand the range of value-added member services in 2004. A new agreement with health insurer, Australian Unity, provides members with access to discounted medical cover. This latest service adds to Equipsuper's existing member servicing arrangements with:

- › **Industry Fund Financial Planning (IFFP)**
financial planning, including a free initial consultation;
- › **MembersEquity**
competitively priced home loans and other banking services.

Looking forward with confidence

Chief Executive Officer's comment

“...we aim to build a whole of life financial relationship with members...”



This has been a year of dramatic change for the superannuation industry. The full implementation of the Financial Services Reform Act in March has placed a considerable extra burden on the industry and in particular multi-employer funds like Equisuper that have a substantial defined benefit base. Nonetheless, we have enjoyed one of our best years of growth, significantly increasing both membership and assets.

The media have given a lot of attention to superannuation in recent months and there is no doubt that super and the way it is managed has risen quickly to the top of the political agenda in the lead-up to the federal election. Many participants in the debate are keen to achieve greater understanding of super and, while this is not new for us, we are pleased to see so many others now joining in.

The many regulatory and market changes will create new challenges for us in the years ahead. We must develop and implement products, services and communications that not only meet our obligation to provide clear and concise information to members, but also promote growth.

It is always worth restating that the purpose of growing the Fund is to improve the services we can offer and pursue the economies of scale and greater cost efficiency that come from larger membership and asset bases.

As this report is distributed, we are in the final stages of reviewing tenders for the administration of the Fund. This covers areas that we do not manage internally, like the operation of day-to-day member services, our Helpline, website and major administration systems installations for new employers. We are also revisiting the market to ensure that our group insurance and actuarial services will also deliver the best outcomes and value for money for the Fund and its members.

During the year we commenced a programme to refresh and reinforce the values for which Equisuper stands, through brand positioning and communication. This is part of a much broader programme of product, communications and marketing review. Through this, we aim to build a whole of life financial relationship with members through the provision of truly superior superannuation, insurance and pension products.

Finally, I am once again pleased to note our very competitive investment performance over the past year. The good work of our staff, including the investment team, enables us to look to the future with confidence.

Robin Burns
Chief Executive Officer

Investment performance

Aiming to outperform

Equisuper's nine investment options offer considerable flexibility and choice so you can tailor your superannuation investments to suit your personal and financial goals.

Our investment team pre-selects asset allocations for the four Equipselect options. This range of options achieves varying balances between growth and risk, according to their asset allocation. You can also choose your own asset allocations using our Youselect options.

You may choose a mix of several Equipselect and/or Youselect options to customise your investment portfolio. You can adjust your investments at any time via our website or by contacting our Helpline. You should only make investment choices and switches in the context of a clearly defined investment strategy.

You can switch between investment options via our website or using an "Investment Choice Variation" form. We do not charge switching fees.

Change of Option Names

Equisuper changed the names of two Equipselect investment options in 2003:

- > **Balanced Growth** is the new name for Growth;
- > **Conservative** is the new name for Capital Stable.

These changes were made to better differentiate between the asset allocations in the Fund's two growth options (now Growth Plus and Balanced Growth) and to ensure members did not confuse the term "capital stable" with "capital guaranteed", which would imply there was no risk of a negative return.

We detail our investment options, the risks and returns associated with each and our investment policies in our product disclosure statements. You can obtain these via our Helpline.

Equisuper investment options

Unit prices as at 30/06/2003 and 30/06/2004

The following table shows unit prices set for each investment option on 30 June 2003 and 30 June 2004. It also shows the percentage change in the value of the units for each option over the period.

Equisuper's unit prices are set each week.

equipselect			
Growth Plus		Balanced Growth	
30/6/03	1.341	30/6/03	1.330
30/6/04	1.615	30/6/04	1.528
Change (%)	20.4	Change (%)	14.9
Conservative		Cash	
30/6/03	1.276	30/6/03	1.218
30/6/04	1.376	30/6/04	1.269
Change (%)	7.8	Change (%)	4.2

Past performance

While historical performance does not guarantee levels of returns, or even positive returns for any investment option, we believe our data for the past 5 years underscores our capacity to deliver attractive returns over extended time frames.

Unit prices

The value of your investments is calculated weekly based on a unit price. Unit prices may be calculated more frequently, or we may temporarily suspend activity, if investment markets are volatile.

When you invest with Equipsuper, your money buys a number of units in each of your nominated or default options. You buy units at the current unit price. Unit prices go up and down according to investment performance. These movements are reflected in your account balance.

As you or your employer make contributions, you buy more units at whatever the prices are at the time your contribution is processed.

At Equipsuper, unit buying prices (when contributions are received) are identical to the selling prices (when benefits are paid). We take out investment fees and tax before setting our unit prices. You can find current and historical unit price information on our website.

youselect					
Australian Shares		Overseas Shares		Property	
30/6/03	1.72505	30/6/03	0.86654	30/06/03	1.71772
30/6/04	2.11786	30/6/04	1.06068	30/6/04	1.91608
Change (%)	22.8	Change (%)	22.4	Change (%)	11.5
Fixed Interest			SRI*		
30/6/03	1.30912	30/6/03	0.90462		
30/6/04	1.34765	30/6/04	1.13063		
Change (%)	2.9	Change (%)	25		

* Socially Responsible Investments

Derivatives

Derivatives are investments with values based on other securities or assets e.g. options to buy a share at a fixed price in the future. The Equipsuper "Investment Strategy Manual" permits the selective use of derivatives as part of its investment strategy. Derivatives enable us to hedge against risk by increasing or decreasing exposure to asset classes without having to buy underlying securities.

Socially Responsible Investments (SRI)

For investment options other than the SRI option, the primary investment criteria for Equipsuper take into account the expected return and performance of the underlying companies. Equipsuper may consider social, ethical and environmental considerations or labour standards of companies where these may materially impact investment performance objectives. For the investment criteria used for our SRI option, you should refer to the Equipsuper PDS.



equipselect performance

Growth Plus

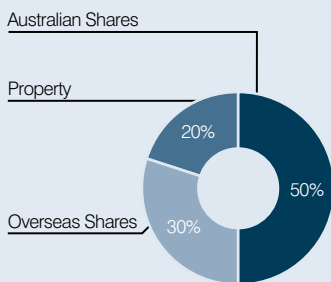
Investment objective

› Achieve a net return equal to 5% p.a. above inflation (measured by CPI*) over five years.

Strategy

› Invest solely in Australian and Overseas shares and property. These are growth investments that we expect to earn higher returns over the long term.

Asset Allocation



Balanced Growth

(formerly Growth)

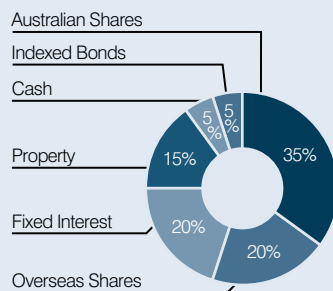
Investment objective

› Achieve a net return equal to 4% p.a. above inflation (measured by CPI*) over 3 years.

Strategy

› Invest mainly in shares and property, which are expected to earn higher returns over the long term. Invest the balance in more stable assets like fixed interest securities and cash.

Asset Allocation



Conservative

(formerly Capital Stable)

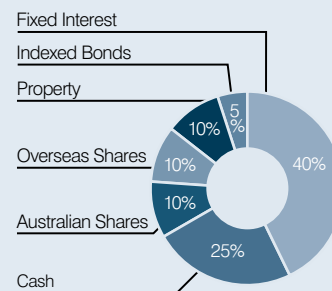
Investment objective

› Achieve a net return equal to 2% p.a. above inflation (measured by CPI*) over 3 years.

Strategy

› Invest mainly in fixed interest securities and cash, which are expected to deliver stable returns over the long term. Invest the balance in shares and property.

Asset Allocation



Cash

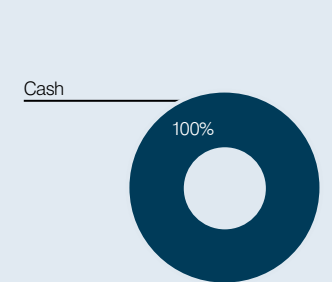
Investment objective

› Achieve a net return equal to 1% p.a. above inflation (measured by CPI*) over 3 years.

Strategy

› Invest in cash and short-term money market securities. Invest only in low-risk securities by financial institutions.

Asset Allocation



* Investment objectives and the CPI – Equipsuper is committed to protecting your money against inflation. Our investment objectives focus on earning investment returns higher than the inflation rate. Inflation is measured by the Consumer Price Index (CPI), which indicates the average change in prices paid for a "basket" of goods and services.

youselect performance

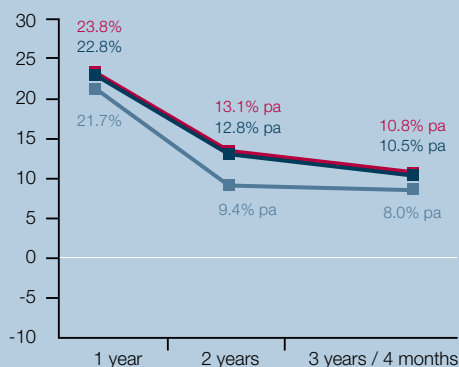
Youselect products were introduced in February 2001, except for the Socially Responsible Investments (SRI) option introduced in February 2002.

The performance of these asset-specific options is measured against recognised investment benchmarks. Our aim is to outperform those benchmarks in each asset class over rolling one to three-year periods.

Comparing performance

Our charts show how different Youselect options performed against their benchmarks. The investment returns reported here for all asset classes and benchmarks comparisons are made before tax and investment expenses are taken out. We have reported returns for the period that each option has been available.

Australian Shares

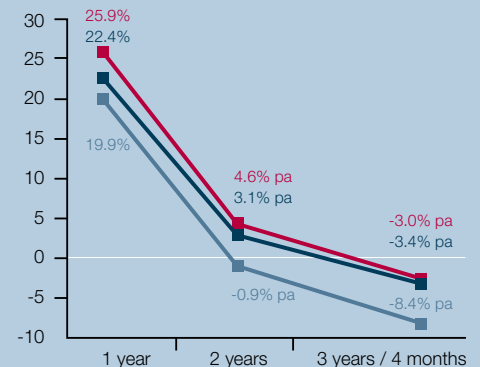


■ Australian Net Shares – after tax and fees
■ Australian Gross Shares – before tax and fees
■ Benchmark – Standard and Poors Aust. Stock Exchange S&P/ASX 300 Accumulation Index – before tax and fees

3-year net annual returns

30 June 2004	22.8%
30 June 2003	3.7%
30 June 2002	2.5%

Overseas Shares



■ Overseas Shares – after tax and fees
■ Overseas Shares – before tax and fees
■ Benchmark – Morgan Stanley Capital International (MSCI) World Index ex-Australian in \$A – before tax and fees

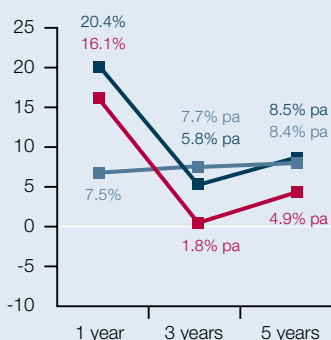
3-year net annual returns

30 June 2004	22.4%
30 June 2003	-13.2%
30 June 2002	-15.3%

Comparing performance

Growth Plus

› This is how the Growth Plus option performed against its objectives and other funds over the past 5 years.



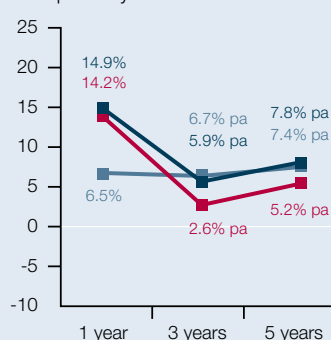
■ Growth Plus option return
■ Mercer Pooled Funds (Growth) Survey
■ Investment objective (CPI+5%)

5-year net annual returns

30 June 2004	20.4%
30 June 2003	0.1%
30 June 2002	-1.9%
30 June 2001	8.3%
30 June 2000	17.6%

Balanced Growth

› This is how the Balanced Growth option performed against its objectives and other funds over the past 5 years.



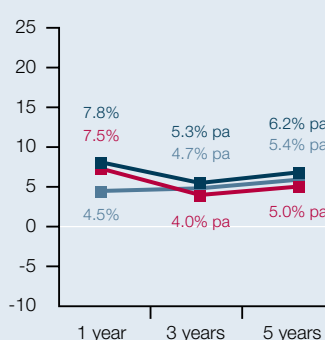
■ Balanced Growth option return
■ Mercer Pooled Funds (Balanced) Survey
■ Investment objective (CPI+4%)

5-year net annual returns

30 June 2004	14.9%
30 June 2003	2.8%
30 June 2002	0.5%
30 June 2001	7.8%
30 June 2000	13.9%

Conservative

› This is how the Conservative option performed against its objectives and other funds over the past 5 years.



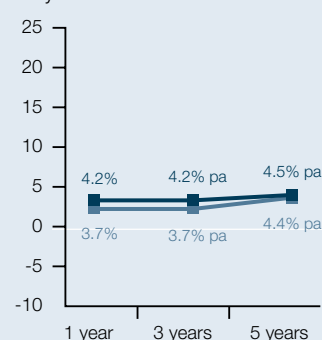
■ Conservative option return
■ Mercer Capital Stable Funds Survey
■ Investment objective (CPI+2%)

5-year net annual returns

30 June 2004	7.8%
30 June 2003	5.3%
30 June 2002	2.9%
30 June 2001	6.2%
30 June 2000	8.7%

Cash

› This is how the Cash option performed against its objectives and other funds over the past 5 years.



■ Cash option return
■ Investment objective (CPI+1%)

5-year net annual returns

30 June 2004	4.2%
30 June 2003	4.2%
30 June 2002	4.1%
30 June 2001	5.2%
30 June 2000	4.7%

Accumulation returns are directly comparable to the Mercer survey of wholesale funds. The benchmark used is the Mercer Pooled Funds Survey. Accumulation performance is net of tax and investment expenses and the 0.15% asset-based administration fee.

Property

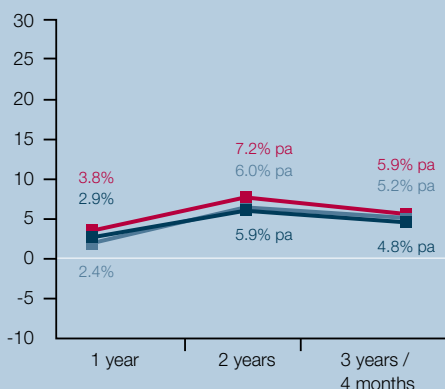


■ Property - after tax and fees
■ Property - before tax and fees
■ Benchmark - Mercer Unlisted Property Index - before tax and fees

3-year net annual returns

30 June 2004	11.5%
30 June 2003	12.3%
30 June 2002	8.5%

Fixed Interest

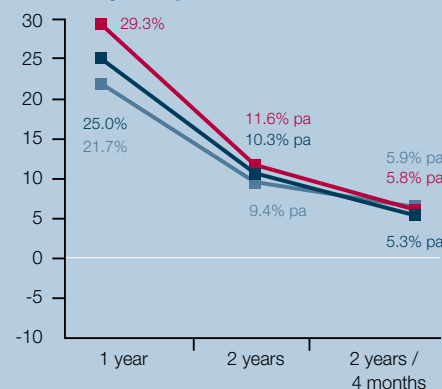


■ Fixed Interest - after tax and fees
■ Fixed Interest - before tax and fees
■ Benchmark - UBS Warburg Composite Bond Index (All Maturities) - before tax and fees

3-year net annual returns

30 June 2004	2.9%
30 June 2003	8.9%
30 June 2002	5.1%

Socially Responsible Investments



■ SRI - after tax and fees
■ SRI - before tax and fees
■ Benchmark - Standard and Poors Australian Stock Exchange S&P/ASX 300 Accumulation Index - before tax and fees

2-year net annual returns

30 June 2004	25.0%
30 June 2003	-2.6%

Managing your investments

Who manages your investments?

Our Investment Committee, comprised of directors, in-house investment managers and external advisors, sets the strategy* and manages our investments. Up to 50% of the Fund's assets are managed in-house, with the balance outsourced to specialists in areas such as overseas shares and currency hedging. External investment managers are also used to provide members with the advantages of different management styles. Different styles enable us to identify and take advantage of diverse opportunities with the potential to enhance returns to members.

* **Special rules:** Equipsuper has established investment limits for investments in Australian and international unlisted securities and venture capital funds. These investments cannot exceed more than 12.5% of investments within either the Australian Shares or Overseas Shares portfolios. Further, the total of these investments across both of these portfolios cannot exceed 5% of the total assets managed by Equipsuper.

The Investment Managers we use

Our external investment managers as at 30 June 2004 were:

AMP Capital Investors Limited	Australian shares, unlisted property, infrastructure
Balanced Equity Management Pty Ltd	Australian shares
Brandes Investment Partners	Overseas shares
Bridgewater Associates Incorporated	Fixed interest
BT Financial Group	Australian shares
Capital International	Overseas shares
Citigroup Asset Management Australia Limited	Fixed interest
Colonial First State Investment Limited	Fixed interest, unlisted property, infrastructure
Franklin Templeton Institutional	Overseas shares
GS Private Equity Pty Ltd	Private equity
Hastings Funds Management Limited	Fixed interest
Ironbridge Capital Management, LLC	Private equity
Lazard Australia Asset Management	Australian shares
Lend Lease Real Estate Investments Limited	Unlisted property
Macquarie Specialised Asset Management Limited	Infrastructure
Pantheon Ventures Limited	International private equity
Paradise Cooper Investors Pty Ltd	Australian shares
Perennial Investment Partners	Fixed interest
Principal Global Investors Limited	Currency overlay
Quay Partners Australia Limited	Private equity
Ruminator Pty Ltd	Australian shares
Schroders Investment Management Australia Limited	Asian shares
State Street Global Advisers Australia Limited	Overseas shares
The Vanguard Group, Inc	Listed property

Australian shareholdings

Equisuper's ten biggest Australian shareholdings at 30 June 2004 were:

Security Name	Value of Shares	% of Total Investments
National Australian Bank	\$ 45,467,566	1.87
BHP Billiton Limited	\$ 39,896,271	1.64
Commonwealth Bank of Australia	\$ 39,749,131	1.64
News Corporation Limited	\$ 38,610,640	1.59
ANZ Banking Group	\$ 31,865,348	1.31
Westpac Banking Corporation	\$ 31,373,830	1.29
Telstra Corporation Limited	\$ 30,981,324	1.28
Lend Lease Corporation	\$ 12,166,277	0.50
ABC Learning Centre	\$ 10,341,500	0.43
Woolworths Limited	\$ 9,173,728	0.38

The cost impact of FSR on members

The Financial Services Reform Act 2001 (FSRA) forms part of the broader Corporations Act and is designed to create a more uniform information advice and disclosure regime for the whole of the financial services sector. FSRA has a direct impact on members.

To meet new disclosure requirements, Equisuper had to reconstruct all communications describing its products and services. Key disclosure documents introduced under FSRA include:

- › **Financial Services Guide (FSG)**
This describes the Fund, its structure and mandated information like its complaints procedure;
- › **Product Disclosure Statements (PDS)**
There are many of these, essentially one for each benefit class. Most PDSs, except Rollover and Allocated Pension are in two parts to make updating easier and more economical. The PDSs replace our former Member Guide Books and carry significantly more information;
- › **Periodic Statements (benefit statements)**
Your benefit statement is now in two parts. The first part contains information specific to you. This part, our Annual Report for accumulation members, contains information relevant to all accumulation members, including mandatory information on complaints procedure, preservation rules etc;
- › **Website**
Information produced on the website must be consistent with the PDSs and the site must meet disclosure requirements in its own right.

There is a significant cost associated with producing these communications and meeting our compliance obligations. We have endeavoured to satisfy the requirement for our publications to be clear and concise, which contributes to cost minimisation.

Striking a balance

Independent Chairman

Alex Nimmo

Is the independent chairman of Equipsuper, a position he has held for ten years. He is also a director of OFM Investment Group Limited. He has held directorships of the Bank of Melbourne and American International Group. Mr Nimmo had a distinguished, 41-year career with the Commonwealth Bank, embracing retail, corporate and international banking before retiring as Senior General Manager.

Member Directors

Andrew Clark

Has been an Equipsuper director for eleven years. He is the Project Manager with PowerCor Australia Limited and a member of ASU Victorian Branch (Energy and IT Division).

Ian Fairman

Has been an Equipsuper director for three years. He is a Senior Transmission Network Controller with SPI PowerNet and has 33 years experience in the power industry.

Bruce McAllister

Has been an Equipsuper director for ten years. He is a Shift Manager at International Power Station at Hazelwood and a member of the ASU, CFMEU and AIST. He is a Fellow of the Australian Superannuation Funds Association (ASFA).

John O'Neill

Has been an Equipsuper director for nine years. He is a Technical Officer with SPI PowerNet and has 30 years experience in the power industry. Mr O'Neill is also an Executive member of the ASU Victorian Authorities and Services Branch.

Employer Directors

Bruce Beeren

Has been an Equipsuper director for two years. He is Executive Director, Commercial, Origin Energy Limited. Prior to joining Origin Energy he was Chief Executive Officer of VENCORP, General Manager AGL Pipelines and Chief Financial Officer at AGL. He is also a Non-Executive Director of Envestra Limited and Coal and Allied Industries Limited.

Brian Clark

Has been an Equipsuper director for ten years. He is also Finance Director for International Power-Hazelwood. His career includes 25 years with the RioTinto and BHP Groups. He is a former chairman of the BHAS (Port Pirie, SA) Superannuation Fund.

The Hon. W Lloyd Lange

Has been an Equipsuper director for two years. He is a Non-Executive Director of Bilfinger Berger Australia Pty Ltd and Chairman of Tollaust Pty Ltd. Mr Lange is a former Opposition Leader in the NSW Legislative Council.

Simon Lucas

Was elected an Equipsuper director this year. He is Company Secretary and General Manager, Legal Services, for the CitiPower and Powercor group of companies. This is his second appointment as an Equipsuper director. His previous term as a director was from 1995 to 2002.

Ian Little – retired from the board on 31 January 2004.

Paul Welfare – resigned from the board as alternate director on 12 February 2004.



Andrew
Clark

Ian
Fairman

Bruce
McAllister

John
O'Neill



Bruce
Beeren

Brian Clark

The Hon. W
Lloyd Lange

Simon
Lucas

Financial statement

These financial highlights from 2004 demonstrate Equipsuper's financial position.

This abridged financial information is based on the preliminary and unaudited financial accounts of Equipsuper as at 30 June 2004. The full audited accounts and the auditor's report will be available for inspection by 30 September 2004. For a copy please contact our Helpline **1800 682 626**.

Statement of changes in net assets for year to 30 June 2004	\$ millions
Net assets available to pay benefits at the beginning of the financial year	1,685.94
Plus	
Member contributions	11.21
Employer contributions	157.38
Transfers-in from other funds	393.80
Net investment revenue	297.62
Total income	860.01
Less	
Administrative expenses	5.36
Pension payments	2.33
Benefit withdrawals	97.27
Income tax expense	45.42
Contributions tax (surcharge)	5.18
Total expenses	155.56
Net income	704.45
Net assets available to pay benefits at the end of the financial year	2,390.39

Statement of net assets as at 30 June 2004	\$ millions
Assets	
Internally managed investments	
Short-term deposits and cash	281.68
Fixed interest securities	307.85
Real estate property	46.19
Shares and unsecured convertible notes in listed companies (Aust)	287.68
Shares in unlisted companies (Aust)	51.73
Externally managed investments	
International equity	514.12
Domestic managers (fixed interest)	220.16
Domestic managers (equity)	493.62
Domestic managers (unlisted property trust)	211.21
Cash at bank	5.66
Receivables	18.24
Total assets	2,438.14
Less (liabilities)	
Payables	14.20
Provision for deferred income tax	24.68
Provision for income tax	8.87
Total liabilities	47.75
Net assets available to pay benefits	2,390.39

This year's key facts on super

New thresholds

The government thresholds applied to superannuation are annually indexed. The thresholds for the 2004-05 financial year are:

Reasonable Benefit Limit (RBL)

Your RBL is the maximum amount of benefit you can receive at concessional tax rates.

Benefits taken as a lump sum	\$619,223
At least 50% of benefits taken as a complying pension	\$1,238,440

Surcharge thresholds

For superannuation purposes, high-income earners are those earning an adjusted taxable income in excess of \$99,710 a year. These people pay the surcharge in addition to the 15% contributions tax on employer and salary sacrifice contributions. From 1 July 2004, the government has reduced the surcharge to a maximum of 14.5% to 12.5% of contributions if your adjusted taxable income exceeds \$121,075.

Lower Limit	\$99,710
Upper Limit	\$121,075

Age-based employer contribution limits

These are the maximum tax deductible amounts that your employer can contribute, including salary sacrifice, to your superannuation in any one year. They are based on your age.

Under 35 years	\$13,934
35-49 years	\$38,702
50 years and over	\$95,980
Zero tax rate threshold for certain Eligible Termination Payments (ETP)	\$123,808



New legislation

The government introduced a number of changes to superannuation in the May 2004 budget in addition to the regular indexed adjustments to thresholds. This is a concise outline of those changes and updates.

Choice of fund

From 1 July 2005, many employees will be entitled to choose their super fund. However, this will not apply to all our members. Those whose super arrangements are prescribed in a state industrial award or Australian workplace agreement, or who are in a defined benefit plan may not have choice of fund.

We believe Equisuper will benefit from choice of fund and other measures we are taking under the new APRA licensing regime to make the Fund accessible to individuals who wish to join independent of an employer sponsor.

We will continue to offer very competitive fees and to enhance our record as one of Australia's leading superannuation funds.

Co-contribution increased

The government increased co-contributions for low-income earners from 1 July 2004. If your assessable income and reportable fringe benefits are up to \$28,000 and you contribute \$1,000 of your after-tax income to super, you are eligible for the maximum co-contribution of \$1,500.

The co-contribution decreases at the rate of five cents for every dollar earned over \$28,000, becoming zero at the maximum threshold of \$58,000 taxable income.

Pensions

From 20 September 2004, the government is treating a new type of market-linked allocated pension as a complying pension. This means you can have a market-linked pension that qualifies for the pension RBL of \$1,238,440.

However, the government has simultaneously reduced the pension assets test allowance for complying pensions to 50% (down from 100%).

Market-linked pensions have some characteristics of an Equisuper Allocated Pension. They allow you to continue to choose your investment options as you draw your pension.

At time of publication, the government had yet to clarify the constraints applying to these new pensions, such as restrictions on commutation.

You should seek professional financial advice on the sort of pension most appropriate to your financial and personal circumstances. Under the new legislation, pensions like the Equisuper Allocated Pension and lifetime pensions and annuities are still available.

You should refer to the Equisuper Allocated Pension Product Disclosure Statement (PDS) for information on this product.

Choice of fund considerations

If your workplace offers choice of fund, you may be reviewing your superannuation options. Four key criteria you should consider are:

- Investment performance;
- Insurance;
- Fees; and
- Services.

We believe Equisuper is very competitive in these areas and we will continue to enhance our products and services in the future.

In early 2005, we will be announcing a very flexible and portable superannuation and insurance offer that lets you stay with us wherever life takes you.

General information

Competitive fees enhance your returns



Equisuper offers very competitive fees.

Your fees are comprised of:

- › A flat weekly fee of 95 cents;
- › An asset-based fee of 0.15% of your investments.

Asset-based investment expenses vary according to investment choice (see table right).

Other fees such as termination and family law are detailed in your Product Disclosure Statement or Member Guide Book.

Inactive members paid 50 cents a week in 2003-04, but have paid 95 cents from 1 July 2004.

If your fees are covered by your employer, it is stated in Part 1 of your Benefit Statement.

Insurance Premiums

If you are insured under the standard Equisuper Corporate group cover, you pay \$1.10 per week per unit of cover for death and Total and Permanent Disablement (TPD) or 60 cents a week for death cover only. The value of a unit is dependant on your age and details are provided in your Equisuper Corporate Product Disclosure Statement.

If you select a fixed amount of cover in excess of three units, you pay an additional premium based on your age and the level of cover approved for you. If Salary Continuance insurance is available to you and you take it up, your premium is based on age and level of cover.

Insurance plans vary according to arrangements between Equisuper and your employer and any conditions our insurer may have placed on an individual's cover.

You should check your PDS to confirm the insurance schedule applicable to you. If your employer covers your insurance premiums, it is stated in Part 1 of your Benefit Statement.

Equisuper regularly reviews fees and insurance premiums across all our products to ensure we treat all members consistently and fairly.

Investment Expenses

Investment expenses cover the cost of us investing your employer and additional voluntary contributions and rollover money. The exact expense charge will depend on the choice of investment options you have made (see table below):

For comprehensive information on fees, you should refer to the Equisuper Corporate PDS.

Investment Option	Investment Fee % per annum
Growth Plus	0.50
Balanced Growth	0.40
Conservative	0.30
Cash	0.10
Australian Shares	0.40
Overseas Shares	0.80
Property	0.50
Fixed Interest	0.30
Socially Responsible Investments	0.80



Preserved benefits

Part of certain benefits must be preserved (or kept) in an approved superannuation arrangement, such as the Equisuper rollover division or another superannuation fund, under Government regulations.

A preserved benefit always belongs to you, but you are not able to receive it in cash unless you:

- › have reached age 65;
- › have reached age 60 and ceased an employment arrangement;
- › have retired permanently from the workforce and have reached your preservation age*;
- › die or become totally and permanently disabled;
- › have a preserved benefit of less than \$200; or
- › are an eligible temporary resident departing permanently from Australia.

You may be able to access some of your benefits early if:

- › you have received Commonwealth income support payments for at least 6 months and are unable to meet immediate family living expenses; or
- › the Australian Prudential Regulation Authority (APRA) approves the payment on specified grounds.

Non-preserved benefits

Non-preserved benefits may be paid to you in cash when you terminate employment (including any non-preserved transfer-in amounts).

* This is age 55 if you were born prior to 1 July 1960 and increases annually to age 60 if you were born after 30 June 1964.

SG minimum benefit

Your minimum benefit required under the Superannuation Guarantee (SG) legislation is calculated as;

the sum of:

- › your leaving service benefit at 30 June 1992 together with investment earnings; plus
- › the sum of your employer contributions required under the Superannuation Guarantee (SG) legislation since 30 June 1992 applicable for your period of membership at the following rates, together with investment earnings (see table below);
- › your personal contributions into the Fund plus investment earnings;
- › Any amounts rolled over to the Fund plus investment earnings.

Less

- › Tax, expenses and surcharge where applicable and family law amounts.

Membership Period	SG Rate
1/7/1992 - 31/12/1992	4%
1/1/1993 - 30/6/1995	5%
1/7/1995 - 30/6/1998	6%
1/7/1998 - 30/6/2000	7%
1/7/2000 - 30/6/2002	8%
1/7/2002 onwards	9%

Your Privacy

Equisuper is required to comply with the *Privacy Act 1988 (Cth)* in relation to the collection of your personal information as a member of the Fund.

A copy of our Privacy Collection Notice is included in Equisuper Product Disclosure Statements. You can also obtain a copy from our website or by calling our Helpline.

The rights that you have as a member include the right to:

- › complain to Equisuper if you believe that it has improperly used or handled your personal information (refer to the details below); and
- › make a formal complaint to the Privacy Commissioner if you are not satisfied with the way that your complaint has been handled, or the outcome (the Privacy Commissioner can be contacted on 1800 023 985).

Please direct any concerns or queries on privacy to:

Manager, Risk & Compliance, Equisuper Pty Ltd,
GPO Box 1925R, Melbourne, VIC, 3001
Tel: 03 9248 5903, Facsimile: 03 9602 4226.

Complaints procedure

If you are not satisfied with a response, it is very important that you follow this procedure. You should write to Equisuper's Complaints Officer detailing your complaint and providing your name and membership number. All complaints should be addressed to:

Manager, Member Services, Equisuper Pty Ltd,
GPO Box 1925R, Melbourne, VIC, 3001

We will respond with a decision within 90 days.

Unresolved issues

Equisuper always tries to resolve any complaints to the satisfaction of all concerned and in the best interests of all its members. However, if you have followed the steps outlined above and are not satisfied with the outcome, you may be able to take the matter to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Federal Government to help resolve superannuation complaints.

If the SCT accepts your complaint, it will try to help you and Equisuper to reach a mutual agreement. If this is not successful the SCT will then make a decision that is binding on all parties.

There are time limits for lodging complaints with the SCT. For more information about the Tribunal's requirements and time limits members can call the SCT on **1300 884 114** from anywhere in Australia for the cost of a local call, or write to the Tribunal at:

The Superannuation Complaints Tribunal,
Locked Bag 3060, GPO, Melbourne, VIC, 3001.

Continuation option

You can continue your insurance cover if you leave Equisuper Corporate, subject to certain conditions. If you transfer to Equisuper Rollover, you can continue the same level of death cover, providing you advise us in writing within 60 days of your termination of employment. However, if you wish to continue Total and Permanent Disablement (TPD) or Salary Continuance cover, you will need to contact our insurer within the prescribed time. For full details on your insurance continuation option, please refer to your Product Disclosure Statement or Member Guide Book, or contact our Helpline.

Family Law Fees

If you are involved in a family Law matter you may have incurred the following costs. If this applies to you the fees that have been deducted from your benefit will be set out in an insert to this statement. Any fees paid directly to the Fund are not illustrated on this statement.

The fee that is applied when your spouse lodges a request for information is \$121 (incl GST) and is paid directly to the Fund.

The fee that is applied when the courts provide instructions to Equisuper to split a member's superannuation benefit is \$510 and is split between the member's and the spouse's accounts.

Eligible Rollover Fund (ERF)

We may pay your benefit to an Eligible Rollover Fund (ERF) if your benefit is less than \$2,000, and at the time your benefit becomes payable either:

- › we can't find you; or
- › you haven't given us any directions within 90 days from the date your benefit became payable.

If your benefit is paid to an ERF, it will no longer be with Equisuper and can only be claimed by contacting the ERF to which it was paid. An ERF is a fund approved by APRA, which can receive benefits payable to members of superannuation funds who cannot be located or who do not respond to letters regarding payment of their benefits. We have selected AMP as the Equisuper ERF.

Contact details are:

Fund Administrator,
AMP Eligible Rollover Fund
Locked Bag 5400, Parramatta, NSW, 1741, tel: 1300 653 456

Subject to the conditions above, Equisuper makes transfers to the AMP Eligible Rollover Fund monthly. Being transferred to an ERF may affect your benefits because you will become a member of the AMP ERF.

If Equisuper can provide AMP with your current contact details, AMP will provide you with its current Product Disclosure Statement (PDS), which outlines all the operational details of its fund. You can contact AMP for a copy of its PDS. AMP credits a low rate of interest (in some years 0%), where the balance is below a certain amount specified in AMP's governing rules. AMP will apply a different fee structure. AMP is required to "member protect" your benefit.

This means that administration charges cannot exceed investment earnings on your account in a reporting period. However, indirect management fees may be deducted from gross fund earnings. You should refer to the AMP PDS for circumstances in which fees may apply. AMP invests your benefit in a low-risk strategy, predominantly cash and short term fixed interest investments.

You should evaluate whether the strategy is appropriate to your specific circumstances. AMP does not offer insured benefits in the event of death or disability.

Financial planning when you need it

It is a good idea to obtain financial planning advice whenever you make an important financial decision. As an Equisuper member, you are entitled to a free consultation with Industry Fund Financial Planning (IFFP). You can arrange this by phoning **1300 138 848**. After your initial consultation, you will incur fees for the preparation of a personal financial plan.

Staying with us when you're on the move

You can stay with Equipsuper when you leave your job. When you leave, your super benefit transfers to Equipsuper Rollover, where your investment options can remain the same and you receive the normal tax advantages of investing in super. There are no entry or exit fees for Equipsuper Rollover.

We will send an Equipsuper Rollover PDS to you when we transfer your money so you can understand its different fees and exercise any insurance continuation options you may have. Death cover is available in Equipsuper Rollover.

Your money can remain in Equipsuper Rollover until your retirement if you wish.

Director Elections

The structure of Equipsuper and its board are described in "Our Financial Services Guide" available from our website or Helpline.

Member directors are elected by a ballot of all eligible members to hold office for three years unless they leave the Fund, voluntarily resign from office, become disqualified from holding office, or are removed from office by a majority vote of all members.

Casual vacancies for member directors i.e. if a member director leaves office, are usually filled through an election. However, if a casual vacancy arises within 12 months of an election being held, the trustee board may fill the vacancy until the next election is due with the person who received the next-highest number of votes in the previous ballot. Where a vacancy must be filled at short notice, the member directors can choose a suitable replacement among the alternate directors or, if there are no alternates, the Board will choose an appropriate director.

Trustee Expenses and Liabilities

The directors and Equipsuper itself as a Company may be reimbursed and indemnified (protected) from the Fund for all expenses and liabilities which they incur in administering the Fund. However, this does not include:

- › Liabilities arising from the trustee's fraud or dishonesty, intentional or reckless neglect, or intentional or reckless default;
- › Amounts such as penalties, for which indemnification is not permitted under legislation.

Changing the Rules

As circumstances change from time to time, the Rules governing the Fund may need to be amended. Equipsuper has the power to amend the provisions of the Rules. All amendments must comply with the amendment power in the Rules and also with any applicable legislation.

Equipsuper must inform affected members in writing of the nature, purpose and effect of a significant amendment as soon as practicable after it has been made.

Lost members and unclaimed money

You become a lost member if mail sent to your last-known address is returned twice. When that happens we notify the Australian Taxation Office and your name is added to the Lost Members Register, from where you can obtain information about any superannuation benefits retained by funds that have lost contact with you.

If you are over 65, a benefit is payable to you and we have lost contact with you, your benefit is transferred to the relevant state government fund where it is held on your behalf until you claim it.

Loans and Withdrawals from the Fund

It is not possible to arrange a loan from the Fund or use your expected benefit as security for a loan.

Forfeited benefits

Your interest in Equipsuper may be forfeited to Equipsuper if you:

- › Are under a legal incapacity;
- › Assign, mortgage or charge your interest in Equipsuper.

This means you are no longer legally entitled to the benefits.

Subject to the provisions of the Rules and legislation governing the payment of benefits, forfeited benefits may be paid to you or any of your dependants at the discretion of Equipsuper. The intention of this provision is to ensure that your interest in Equipsuper is used to provide for your retirement or to maintain your dependants (and not to pay your creditors, for example).

Specialist advisors

Equipsuper employs specialists to help run the Fund. The following were employed in the 2003-04 year:

- Mercer Human Resource Consulting Pty Ltd** – administrative services, consulting and actuarial advice.
- KPMG** – internal auditing services
- PriceWaterhouseCoopers** – external auditing services
- JANA Investment Advisers** – investment advice
- Ernst and Young** – taxation advice
- Freehills** – legal advice
- National Australia Custodian Services** – custody of Equipsuper's assets
- American Home Assurance Company** – indemnity insurance to protect the Fund and directors.

More information on your super

Equipsuper produces a wealth of literature on your super. Your super and insurance is defined in your Equipsuper Corporate Product Disclosure Statement or Member Guide Book. You annually receive a benefit statement.

Other documents to help you understand super and the way the Fund operates include:

Our Financial Services Guide, the Equipsuper Trust Deed, the Investment Policy Statement, the latest audited accounts and auditor's report, rules for the appointment and removal of trustee directors, the most recent actuarial report, Member Education Series fact sheets, and the website www.equipsuper.com.au.

Detailed information on Equipsuper is readily available via our website www.equipsuper.com.au; on request through the Helpline 1800 682 626 and via e-mail: helpline@equipsuper.com.au. Members can download most Equipsuper publications and forms from the website, or request them via our Helpline.

Equisuper Pty Ltd

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For accumulation members