



equip

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FOR IMMEDIATE RELEASE

Equip merger reduces member fees and premiums by \$12 million

Equip's more than 75,000 members will benefit from total fee and insurance premium reductions of more than \$12 million in the 2018-19 financial year, as the benefits from the fund's recent merger with former Rio Tinto Staff Superannuation Fund continue to flow.

The result comes after 12 months of product redesign and this month's consolidation by Mercer of member administration for the two funds. Contributing to the reduced costs for members were the negotiation of substantially improved arrangements with Equip's key service providers.

Equip's Chief Executive Officer, Nicholas Vamvakas, noted that the new reduced fees effective from 1 July 2018, represented the second round of reductions since the fund merger in July last year.

"This is an outstanding result for members. The homework we and the trustees of the Rio Tinto fund did ahead of the merger identified that we would achieve substantial savings that would benefit the members of both funds," he said.

"I am pleased to say that the reductions occurring from 1 July are absolutely aligned with the analysis. Fee reductions passed onto members next year will amount to around \$9 million, while insurance premium reductions will be around \$3 million.

"What is more, we believe that those reductions will be sustainable given similar operating and market conditions in the years ahead," Mr Vamvakas said.

He said Mercer's completion of the complex consolidation of member accounts into a single database enables a flow-on of service benefits like Equip's NextGen website and app to former Rio Tinto fund members.

He said that growth in fund membership and assets aligned to the interests of members was still central to Equip's strategy that was reviewed and confirmed by the board in March 2018.

"We still believe in the benefits of scale and we are continuing to explore opportunities for more mergers and additional corporate superannuation plans. We expect these will be by far the biggest contributors to our growth in the foreseeable future," Mr Vamvakas said.

He added that Equip had already implemented some of the recommendations currently before the Parliament, such as the inclusion of independent directors and skills-based selection and appointments, removing exit fees and in principle adoption of the industry's new insurance code.

"Equip is committed to constant improvement in the interests of members and we will support inquiries and legislation that we believe will achieve this. However, we also recognise that sustained public confidence in the integrity and reliability of the superannuation sector depends on a level of consistency in policy objectives with measured and considered implementation of change;" Mr Vamvakas said.

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Equipsuper manages assets of over \$14 billion for more than 75,000 members and their employers. The fund is multi-sector, servicing employers and members from the energy, resources, water, infrastructure, manufacturing, health, legal and services sectors.