

## **LGSS; EISS Press Release – Industry Media**

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**Prepared By:** John Livanas

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### **The NSW Local Government and Energy Industries Superannuation Schemes Announce a New Administration Agreement with Victoria's Vision Super**

NSW based Local Government and Energy Industries Schemes announced today that, after an extensive market review, they would be changing their Superannuation administration arrangements. Mellon Human Resources has provided back-office superannuation administration services to the Schemes since July 1998. With the contract due to expire in July 2005, the Schemes have decided to move all administration to FuturePlus Financial Services, the funds management and services company jointly owned by the Schemes.

“We conducted a market review of available services and technologies but the complex nature of our Schemes and the high level of services demanded by our members led us to the conclusion that FuturePlus should directly administer the Schemes”, said Peter Woods, Chair of the Local Government Scheme.

“The decision was made more compelling by the software licensing agreement we negotiated with Vision Super in Victoria to use their “Classic” software. We were impressed by the stability of the system, its demonstrated capacity to handle the complexities of our Schemes and the efficiencies we will be able to achieve.”

Warwick Tomlins, chair of the Energy Industries Superannuation Scheme, added that this decision really just marked an extension of services already provided by FuturePlus to the Schemes. “FuturePlus already administer our Schemes” (Allocated Pension and the very complicated Unit Pension Scheme). Also, FuturePlus provides all the front-office services to our members and employers. As such, we believe that FuturePlus have built up significant expertise in the day-to-day administration processes required for them to run all administration. This experience, coupled with the technology of the Classic system, has given us comfort that we've made the right decision.”

Tomlins added that the decision was largely driven by the increasing service demands of the members in a more competitive environment. “In a ‘choice’ environment, meeting the service demands of our members, at affordable costs, meant we had to look at the way we were administering their funds.”

“Superannuation is becoming a crucial element in the retirement planning of our members. Our goal is to ensure we provide members with efficient and seamless administration, competitive investment returns, the education to make informed choices and the financial planning to ensure a better retirement” added Tomlins.

Asked “Why ‘Classic’?” Woods replied: “Vision Super is the Trustee company for the Local Authorities Superannuation Fund in Victoria. You could say that Vision Super is the equivalent to our FuturePlus. Some years ago, Vision developed the ‘Classic’ administration software to administer the Funds. From what we’ve seen, we believe that ‘Classic’ has enabled Vision to improve member services and to streamline process. And given that our Schemes and the Victorian Funds are very similar, it was logical for FuturePlus to look at ‘Classic’.”

Woods continued on say that this ‘back-office’ partnership approach in the Financial Services Sector is likely to be more common in the future.

“The Superannuation environment is rapidly consolidating and the importance of scale in being able to deliver great service while managing costs means that it was a natural step for our Scheme to look for partners before embarking on this venture.”

Vision Super CEO Rob Brooks congratulated the Schemes involved and said he was delighted that FuturePlus had selected the Vision Super CLASSIC administration system. “It’s a credit to everyone involved, explained Brooks, “particularly as the system was developed by our own administration team together with our long term service provider, Hansen Technologies.”

“Vision Super has entered into a licensing distribution agreement with Hansen, and the fact that the first client includes the NSW Local Government and Energy Industry Schemes, is a bonus,” Brooks added.

So why did Vision Super and FuturePlus embark on this agreement now? One reason is the recent formation of the ALGSA (Australian Local Government Superannuation Association) which has seemingly provided the catalyst for dialogue. The ALGSA is an association whose charter is to provide a forum where Local Government Funds throughout Australia can explore opportunities to share costs and resources. Both the NSW Local Government Superannuation Scheme and Victorian Local Authorities Superannuation Fund are members of the Association.

C.E.O of FuturePlus, Brett Westbrook, is also inaugural President of the ALGSA. He said “ALGSA provided us with the opportunity to realise that many of the issues we were confronting were shared by Vision Super. These discussions led us to develop our strategy for partnership.”

Mellon and FuturePlus are working through a process of data transition which is anticipated to occur in mid 2005.

**Media Contact:** FuturePlus Financial Services  
John Livanas, General Manager Client Services  
Direct Line: (02) 8234 6075  
Mobile: 0407 24 22 88  
Email: [johnl@futureplus.com.au](mailto:johnl@futureplus.com.au)

<b>John Livanas</b> General Manager, Client Services	<b>Brett Westbrook</b> C.E.O. FuturePlus Financial Services	<b>Peter Woods</b> Chair: Local Government Superannuation Scheme	<b>Warwick Tomlins</b> Chair: Energy Industries Superannuation Scheme
<b>Approved</b>	<b>Approved</b>	<b>Approved</b>	<b>Approved</b>

## Facts and Figures

	<b>FuturePlus Financial Services Pty Ltd</b>	<b>Local Government Superannuation Scheme</b>	<b>Energy Industries Superannuation Scheme</b>
<b>Activities</b>	Investment Management Member Services and Financial Planning Services to: <ul style="list-style-type: none"> <li>• Local Government Superannuation Scheme.</li> <li>• Energy Industries Superannuation Scheme.</li> <li>• Chifley Financial Services.</li> <li>• Australian Public Superannuation Fund.</li> <li>• Local Government Financial Services.</li> </ul>	Provision and Management of Superannuation Funds for members of NSW Local Government and related Entities including: <ul style="list-style-type: none"> <li>• All Councils</li> <li>• Red Cross</li> </ul> Schemes include: <ul style="list-style-type: none"> <li>• Defined Benefit Superannuation</li> <li>• Accumulation Superannuation</li> <li>• Allocated Pension</li> </ul>	Provision and Management of Superannuation Funds for members of Energy Industries Companies including: <ul style="list-style-type: none"> <li>• Integral Energy</li> <li>• Energy Australia</li> <li>• Country Energy</li> <li>• Electrical Contractors</li> </ul> Schemes include: <ul style="list-style-type: none"> <li>• Defined Benefit Superannuation</li> <li>• Accumulation Superannuation</li> <li>• Allocated Pension</li> </ul>
<b>Board</b>	Chair: John Ernst	Chair: Peter Woods	Chair: Warwick Tomlins
<b>Senior Management</b>	<ul style="list-style-type: none"> <li>• C.E.O: Brett Westbrook</li> <li>• GM Advisory: Jim Thomas</li> <li>• GM Administration: John Ashdown</li> <li>• GM Client Services: John Livanas</li> <li>• GM Corp. Operations: Bob Biancardi</li> <li>• GM Investments: Mark Sainsbury</li> <li>• GM Legal / Compliance: Madeline Dermatossian</li> </ul>	Fund Secretary: Peter Lambert	Fund Secretary: Tony Butcher
<b>Total FUM est.</b>	\$7bn Funds under management and advice	Pool A: \$1,200m Pool B : \$2,700m TOTAL: \$3,900m	Pool A: \$260m Pool B: \$1,400m TOTAL: \$1,660m
<b>Membership est.</b>		Pool A: 74,000 Pool B: 17,600 TOTAL: 91,600	Pool A: 9,200 Pool B: 5,600 TOTAL: 14,800
<b>Location</b>	28 Margaret Street, Sydney 8 Branches in NSW	28 Margaret Street, Sydney 8 Branches in NSW	28 Margaret Street, Sydney 8 Branches in NSW