

CORPORATE SUPER ASSOCIATION

Ms Lisa Rayner
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Dear Ms Rayner

CONSULTATION PAPER 93 FACILITATING ON LINE FINANCIAL SERVICES DISCLOSURES SUBMISSION FROM THE CORPORATE SUPERANNUATION ASSOCIATION

1. Background

The Corporate Superannuation Association represents twenty-three major not-for-profit corporate superannuation funds and their corporate sponsors. These funds are most of the largest funds in the corporate fund sector. The assets of Association members amount to approximately \$34 billion, representing about 46% of total corporate superannuation sector assets in Australia. In general, the funds are sponsored by corporate employer sponsors with membership restricted to employees from the same holding company group, but we also include in our membership a few multi-employer funds with similar employer involvement and focus to our stand alone member funds.

We have reviewed your Consultation Paper 93 and welcome the opportunity to provide comment.

2. Comments on the proposed arrangements

We generally support the concept of electronic disclosure of Part 7.6 to 7.9 material and our members are well placed to take advantage of the opportunities.

We have the following specific comments.

2.1. Member specific information and material changes and events affecting existing members

We would support the approach proposed in the Paper in relation to documents other than:

- Periodic member statements (s 1017D) and member specific advice such as transaction confirmations (s 1017F);
- Ongoing disclosure of material changes and significant events (s 1017B).

For the above transactions, which are member specific, or which have a potential material effect on an existing investment, we would support a differentiated approach.

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Hence we would generally support proposals A1, B1 and C1 except as noted below.

3. Exceptions we would make to the proposed approach

Our concern would be that with certain types of information, the trustee and member may be exposed or disadvantaged in the event that there is any failure of delivery. Examples of difficulties that could arise would be:

- potential argument that member was not on notice about errors in transactions;
- insurance arrangements being wrongly implemented; and
- other similar hazards which could lead to member disadvantage and trustee exposure.

Hence the most conservative method of providing information should be adopted as the default approach. If the member prefers electronic means, he or she must provide the trustee with notification that he or she wishes to receive information and must also specifically provide the trustee with a notice acknowledging that he or she, in choosing to receive information electronically, cannot deny that he or she has received it because of any incorrect address, electronic failure, etc. The types of information in relation to which we see this requirement are:

- Ongoing disclosure of material changes and significant events (s 1017B)
- Member specific information such as periodic account statements (s 1017D)
- Confirmation of transactions (s 1017F).

4. In summary

We believe that there should be separate approaches to general information (notably, FSG, the fund's annual report) and to member specific information or information that could have a direct and important change impact on a member's existing interest. For member specific information we support an "opt in" approach with member acknowledgement/waiver that if they opt in they accept that they are deemed to have received the information and cannot later argue that they were not fully informed because of failure of electronic means they have nominated.

5. Contact details

Please let me know if you require further information from our organisation. I can be reached on 03 9620 5155, by e-mail corsuper@netspace.net.au, or at the postal address below.

Yours sincerely



Bruce McBain
CEO
Corporate Superannuation Association