

QUESTIONS ON NOTICE

Financial Services Council

22 January 2013

Question 1

Senator/Member: Ms O'Neill

Proof Hansard Ref: 5

CHAIR: Thank you, Mr Bragg, for your evidence. You have certainly articulated the integrity of your organisation in accepting the standards yourself that you seek to impose on others and recommend for other agencies. Can I just ask a final question about the material that you included in your submission regarding the six-year time frame. Could you speak to your concern about that issue.

Mr Bragg: The six-year time frame?

CHAIR: Yes, for lodging complaints about total and permanent disability claims with the Superannuation Complaints Tribunal.

Mr Bragg: I do not think that is in our submission.

CHAIR: Okay, that is all right; we will take that down. I am advised that that was in the submission to the exposure draft of the bill.

Mr Bragg: Correct, but we have not explored that in this submission. I would have to go back and have a look at whether that has been addressed or not, to be honest with you.

CHAIR: Could I just ask you to respond to that on notice.

Mr Bragg: Certainly.

Answer

The legislation contains an amendment to extend the time period in which the SCT can hear a claim related to total and permanent disability.

It is proposed that the time period be extended from 2 to 6 years. FSC maintains a view that this is too long—that the beginning of the time period is ambiguous and it may give rise to longer tail liabilities. We recommend the period be increased to 3 years following a trustee's decision.