

**QUESTIONS ON NOTICE**

**Industry Super Network**

22 January 2013

**Question 1**

Senator/Member: Senator Boyce

Proof Hansard Ref: 25

**Senator BOYCE:** Just in terms of the time limits and so on that have been put around complaints regarding death benefits and other areas of complaint, what are the current record-keeping requirements for trustees?

**Mr Watts:** I think I would have to take that question on notice in terms of complaints record keeping.

**Senator BOYCE:** The legislation would set out that there would be a time limit of 28 days on complaints about death benefit payouts and other complaints. There have been some concerns that this is an inappropriately short—and an inappropriately long—period of time. What current requirements are there for keeping records? Would it be possible to meet the 28-day request?

**Mr Watts:** I will have to take on notice the question in relation to the current requirements, other than that I think they are not particularly onerous. I will come back to you on that. In terms of the 28 days, our view is that, to the extent that there are problems timewise, their systems should be changed and problems addressed with a view to resolving the interests of the beneficiaries rather than the interests of the administrators or the funds themselves. These are matters that can be, we believe, overcome.

**Answer**

It is suggested that the 28 day time limit should be readily met by funds. In relation to the specific question regarding what records are kept by funds, there is a general requirement under the SISA for the keeping of good records and specific strict liability requirements upon trustees under ss 103-104 of the SISA to keep certain records relating to the decisions of trustees for 10 years. In addition section 286 of the *Corporations Act 2001* requires imposes a 7 or 5 year recording keeping requirement depending on the nature of the information. In addition, in so far as the decision of trustees or their insurer not to recognise a death benefit claim can be characterised as a financial transaction, section 23 of the *Financial Transaction Reports Act 1988* imposes a 7 year recoding keeping requirement.