

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 198

Topic: Vision Super

Hansard Page: 83

Senator Cormann asked:

Mr Medcraft: The one that we did identify was Vision Super. We are engaging with them to make sure that they are complying with their obligations. It is again back to what we said earlier. It is important to make sure that you do not just warn but that you also engage to make sure that, where you have identified a particular issue, those parties actually meet their obligations.

Senator CORMANN: So they were not meeting their obligations and you reminded them of the need to do it?

Mr Medcraft: We sent out to the sector—because obviously super funds are looking at merging—a general advisory reminding them of their obligations. And in relation to a particular one that has been identified, Vision Super, we have engaged with them to make sure that their obligations—

Senator CORMANN: Is that unique or is that something that happens from time to time?

Mr Medcraft: That is part of doing our job in terms of surveillance and engagement.

Senator CORMANN: Sure, but is it unique? You mentioned Vision Super. Are there other circumstances over the last 12 or 18 months where there would have been similar communications with other funds that are pursuing mergers?

Mr Medcraft: I cannot tell you offhand. I am happy to take that on notice and come back to you on it. If we believe there may be an issue in terms of the way the disclosure has been alerted to us, then certainly—but we will come back to you on that.

Answer:

A general advisory letter reminding trustees of their disclosure obligations regarding fund mergers was mailed to each superannuation trustee.

In the past six months ASIC has specifically engaged with four superannuation funds to provide information to assist in meeting disclosure obligations regarding fund mergers. These funds have been proactively identified by ASIC, or have notified us of intended mergers.

A further two trustees have contacted ASIC for relief from the disclosure requirements in relation to successor fund transfers.

As noted in the question, we have also been in contact with both Vision Super and Equisuper to discuss with them the disclosure implications resulting from their merger process.