



**Senator the Hon Nick Sherry**  
**Minister for Superannuation and Corporate Law**

17 APR 2009

Mr Gary Jackson  
18 Sunnyside Grove  
SEMAPHORE SA 5019

Dear Mr Jackson

Thank you for your email of 9 January 2009 concerning the decision of the Australian Securities and Investments Commission (ASIC) not to take action in relation to Great Southern Limited (GSL).

I note that you are concerned with the legality of the actions taken by Great Southern to organise a vote to amend the constitutions of eight schemes to enable Great Southern Managers Australia Limited (GSMAL), the Responsible Entity of the schemes, to redeem members' interests in exchange for shares in GSL.

In response to your letter I have had Treasury officers contact ASIC. I understand that ASIC was informed of this transaction when GSMAL sought licensing relief to enable its independent directors to provide general financial product advice to members. In order for scheme members to consider the merits of the transaction GSMAL proposed to send members a notice of meeting which would include an explanatory memorandum, an independent expert report and a prospectus.

In granting licensing relief ASIC imposed a condition that it review such documentation before the documents were sent to scheme members to ensure that clear, concise and effective disclosure was made of the risks and benefits of the transaction. After a detailed review of the documentation, ASIC obtained additional disclosure of the risks and benefits of the transaction in these documents before they were sent to scheme members.

ASIC continued to monitor the transaction and undertook a detailed review of the supplementary disclosure made by GSMAL in late 2008 and forced additional disclosure before these documents were sent to scheme members.

I note that you believe that the unit holders' vote scheduled for 19 January 2009 was unconstitutional. However, as GSMAL called the unit holders meeting under section 252A of the *Corporations Act 2001* (the *Corporations Act*), which allows a responsible entity to call a meeting of the scheme members, ASIC determined that there was no evidence of a breach of the *Corporations Act* in relation to the call of the vote.