



Senate Select Committee on Superannuation and Financial Services

Main Inquiry Reference (a)

Submission No. 67

Submittor: Mr Greg Holmes
General Manager
Hotel Motel Accommodation
Association of Queensland (HMAA
Queensland)
6th Floor Alexandra House
201 Wickham Terrace
BRISBANE QLD 4000
 - (07) 3831 8628
 - (07) 3832 2983

9 August, 2000

Sue Morton
Secretary
Select Committee on Superannuation
And Financial Services
Parliament House
CANBERRA ACT 2600



I have received your letter dated 28 July 2000, seeking information in relation to the committee's enquiry and the EPAS Fund.

I can assist with information to some of your questions, and advise that the Queensland Hotels Association has no connection with our organisation nor has it in the past.

The Hotel Motel & Accommodation Association of Queensland is an organisation of employers in the accommodation industry in Queensland.

The HMAAQ has no connection with the EPAS fund. As the fund is listed in some industrial instruments in Queensland used by accommodation operators, EPAS was used by many of our members to meet their obligations under the Superannuation Guarantee Legislation. Other funds were also listed and used by members for their employee's superannuation contributions.

The administrator for the EPAS fund promoted its services to members through inserts in our news magazine and contributed by way of articles on superannuation issues from time to time. EPAS administration company also provided sponsorship of our Awards for Excellence and Motelier of the Year on occasions.

My understanding of the establishment of the fund is that it was set up by a Mr Terry James around 1987 to meet the requirements of the superannuation legislation. Our association sought the advice from an industrial advocate around August who provided information on the EPAS fund. This fund appeared to have advantageous benefits over other available funds, such as lower administration charges, higher death and disability cover etc and so became a popular choice of our members for use for their employees. These benefits were seen to maximise the employees benefit of the funds paid on their behalf by the employer.

As stated earlier, this fund was listed as one of the options in the industrial awards and agreements commonly used by our members and as such this was advised to our members when seeking information as to their options in meeting their legislative requirements.

Hotel Motel & Accommodation Association of Queensland

•Hotels •Motels •Motor Inns •Motor Lodges •Apartments •Resorts •Time Share •Private Hotels •Backpackers •Holiday Farms •B & B

6th Floor Alexandra House 201 Wickham Terrace Brisbane Q 4000

Telephone: (07) 3831 8628 Facsimile: (07) 3832 2983 Email: hmaa@hmaa.q.aust.com <http://www.hmaa.q.aust.com>

☆ Queensland Motel & Accommodation Association Inc. ☆ Queensland Motel Employers Association Industrial Organisation of Employers

In September 1998 we were advised by the administrators of the EPAS fund that the fund trustees had decided to close the fund and freeze the assets. This came as a shock to the association and its members as many of our employer members were also members of the fund as employees of their own properties. Many of our members had used the fund to put aside significant additional funds for their retirement. This was as devastating to the employers as it was to their employees.

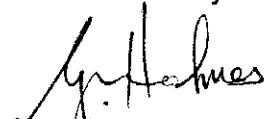
We communicated this to our members and sought advice from our solicitors and from superannuation consultants as to what members should do. We sought answers from the trustees and invited the Chairman, Mr Gerald Parker to address our 1998 Annual General Meeting. We continued to provide information to our members as it was available, however we became increasingly frustrated by the lack of action and the continued failure to meet promised time lines for the release of information.

We have continued to seek a resolution to the situation since then by contact with the various trustees and correspondence to APRA and ASIC. It appeared that as the association was not a member of the fund we would not be assisted in our inquiries. Contact and correspondence to APRA by this association was not answered.

We have continued to seek a resolution to the situation on behalf of members and our staff. (The association used EPAS for its employees). We welcome the inquiry and hope that the outcome will see changes to ensure that the legislation does as its title suggests and provide some 'guarantee' to employers superannuation.

I trust that this information is of assistance to the inquiry and would be happy to assist with further information should I be able. We would appreciate being kept informed of the outcomes, as we have had no information from the regulatory authorities to pass on to our members.

Yours sincerely


Greg Holmes
General Manager

COPY



7 August 2000

Anthony Pagent
Manager – Trustee Services and Compliance
Trust Company Superannuation Services Ltd
151 Rathdowne Street
Carlton South
VICTORIA 3053

Anthony

As you are aware, many of our members are members of the EPAS fund and many more use the fund for the superannuation entitlements of their employees.

There are becoming increasingly frustrated with the lack of information being provided to them on the management of the fund since TCSSL became trustees.

When we met with you last year, you assured us of an open communication and that TCSSL would move to repair the soured relationships of the past with the EPAS members by initiating a planned realisation of assets and the release of the members funds.

Since then we have had no information from you and you have apparently chosen to ignore our correspondence. My letter to you of 9 March 2000 remains unanswered. We were not notified of the ASIC action and received a copy of your letter of 20 June 2000 from another industry source. In the light of your assurances that we would be kept informed, we find this to be offensive.

We would appreciate it if you could provide an update on the progress.

Yours faithfully

A handwritten signature in black ink that reads 'Greg Holmes'. The signature is written in a cursive style.

Greg Holmes
General Manager

Cc Select Committee on Superannuation and Financial Services

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