

Appendix 1 — Additional information to be provided to scheme members

(Excerpt from Treasurer's statement, paper 2)

Additional information to be provided on request

7. On request by a member, trustees are to provide prompt and convenient access to, or to ensure prompt access is provided to:
- (a) audited accounts of the fund; and
 - (b) fund governing rules, or provisions of the rules that are relevant to the particular interests and circumstances of the member.

Additional annual information to members

8. Trustees are to provide each member with a notice or annual report, or be satisfied that each member is provided with appropriate notification, as soon as practicable but in any event within a period of not more than 6 months of the end of each year of income (9 months in the case of funds providing benefit statements to members more than once a year).
9. This notice will be required to contain all such information as members of superannuation funds would reasonably require, and reasonably expect to have provided, for the purpose of making an informed judgment as to the financial condition and administrative arrangements of the fund. Details of any significant or material change subsequent to the date of the notice will be required to be provided by addendum.
10. The notice will provide the following specified information:
- (a) a name of the superannuation fund;
 - (b) a statement whether it is the trustees' intention to operate the fund as a complying superannuation fund and, if so, a statement that they have no reason to believe the fund will not be accepted as a complying superannuation fund or, if that is not the case, a statement of the reasons why it may not be or has not been accepted as a complying superannuation fund;
 - (c) the following advice relating to fund or sub-plan accounts —
 - (i) where the accounts have been audited at the time of issue of the notice, advice that fund audited accounts and auditor's report are being distributed to members or are available on request by members. Where such audited accounts are not distributed to members with the notice, the notice is to include abridged financial information and a statement as to whether there were any qualifications in the auditor's report and details of any such qualifications;

- (ii) where the accounts have not been audited at the time of issue of the notice, advice as to when the audited accounts are likely to be distributed or are likely to be available on request. Consideration will be given to requiring the relevant abridged financial information drawn from the draft accounts to be included. Details of any material variations to this financial information or any qualifications in the auditor's report received subsequent to the issue of the notice will be required to be provided to members;
 - (iii) the abridged financial information (to be developed by the ISC in consultation with relevant industry and other bodies and issued as guidelines) will show information such as the net assets available to pay benefits, the amount of investment revenue and contributions received and benefits paid, together with other key information of relevance to the fund type;
- (d) where employers of members contribute to a fund or sub-plan, a statement that all contributions which, to the knowledge of the trustees, are payable by employers have been received, or if there are known to be substantial or material arrears, information as to any action being taken regarding those arrears;
- (e) a statement of fund or sub-plan investment objectives and the policy and strategy being used to meet those objectives. This statement will include:
 - (i) details of the classes of assets (along the lines of those shown on the ISC Annual Return form) in which the fund or sub-plan was invested and details of the total assets of the fund or sub-plan at the last balance date and the immediately preceding balance date, subdivided to show the amount or proportion represented by each of those classes of assets;
 - (ii) an outline of any futures, options or other derivative mechanism strategies relevant to fund or sub-plan assets;
- (f) where at balance date the value included in the balance sheet of any single investment, or the combined value of all investments in the same or associated entities, exceeds 10 per cent of the total value of the fund or sub-plan assets as shown in the balance sheet, a description of all such investment and their values. (This disclosure requirement will extend to investments made by a fund manager on behalf of a superannuation fund. An investment in a 'pooled' arrangement will be considered a single investment.);
- (g) where an investment manager or other financial advisers or consultants have been appointed to control the investment of all or any part of the fund, the name(s) of the manager(s) appointed and, if the manager is associated with the fund trustees, sponsor or administrator, details of that association;

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- (h) a statement of the basis on which the fund's crediting rate and reserves are determined;
 - (i) the names of the trustees holding office during the period to which the notice relates, as well as at the reporting date to which the notice relates and, for each such trustee, advice as to whether that trustee was appointed by members, the employers or some other person or group;
 - (j) the names of the members of any separate sub-plan management committee at the reporting date;
 - (k) advice of fund or sub-plan members' right of access to the documents specified in OSS regulation 17(1)(i) and to the additional information specified to be provided on request at paragraph 7 above;
 - (l) advice as to where (and to whom) members may make enquires regarding the fund (including requests for access to audited accounts, actuarial reports and governing rules or other information that is required under the Regulations to be available on request);
 - (m) in addition to the existing requirements for the disclosure of the amount or rate of net earnings allotted to the member, advice as to —
 - (i) the amount (or basis of calculation) of any fees, charges or other expenses charged to the member's account or to the fund or sub-plan;
 - (ii) the actual rate (or amount) of earnings of the fund or sub-plan in the year of income to which the accounts relate and in the previous two years of income (or such lesser period as may apply); and
 - (n) a summary of governing rule provisions, or the fund's policy, with respect to fees and charges applicable to accounts (whether active or dormant) including —
 - (i) initial or establishment charges;
 - (ii) continuing management, administrative or service charges (including fees levied against fund earnings);
 - (iii) termination charges.

Missing members

11. In recognition of administrative difficulties being experienced by funds, consideration will be given to providing some relaxation of the annual reporting requirements in a situation where it is clearly established that a member is no longer able to be traced.

Pension and deferred benefits

12. The arrangements will require members who are fund pensioners (including reversionary beneficiaries), or who have deferred benefits, to be advised once a year that the annual information outlined above is available to them on request.

Additional information to be provided prior to entry

13. Before joining a fund (in the case of an employer sponsored fund, before joining or as soon as is practical thereafter), trustees are to provide to a member or to be satisfied that a member is provided with:

- (a) a copy of the abovementioned additional annual information last issued to members, where necessary updated (by addendum if appropriate) to allow for material changes;
- (b) where a benefit relevant to a member is determined on the basis of actual or credited earnings, advice of the actual and credited rates which applied for each of the last three completed accounting periods. (In the case of unitised arrangements, unit price movements for each of the three accounting periods could be substituted.)

14. The existing Regulations will also be amended to make it clear that the member or prospective member need only be provided with details of the kinds of benefits provided by the fund or sub-plan for, or in respect of, that member.

Information to be provided at exit

15. Consideration will also be given to amendment of the existing disclosure requirement in respect of death benefit to ensure that advice of the amount of any death benefit that remains current after the date of exit from the fund, and the period of effect of such continuing cover, is provided.

Additional personal superannuation information before entry

16. In the case of personal superannuation (where not subject to prospectus requirements under the Corporations Law or ISC guidelines to life offices), in addition to the reporting requirements applicable to funds generally, trustees are to provide, or to be satisfied that the following additional information is provided, prior to entry to the fund:

- (a) the name and address of the controlling company or sponsoring organisation of the fund;
- (b) name and address of ultimate owner of corporate trustee (if different from the controlling company or sponsoring organisation above);
- (c) names and addresses of any administration managers or other appointments made by the trustee(s) in conjunction with the operation of the fund;
- (d) a summary of the key features of the operation of the fund;
- (e) the manner in which the value of the account will be determined on termination (to the extent that this not provided in accordance with regulation 17(l)(g)).

Additional information relating to master trust and similar arrangements

17. The annual and entry disclosure requirements outlined above will apply to master trust or master fund arrangements in the same manner as they will apply to other superannuation funds, subject to provision of the following additional information:

- (a) the name and address of the company controlling or sponsoring the master trust fund; and
- (b) the identity of any relevant sub-plan.

Return of surplus to employer

18. Appropriate arrangements for the provision of information to members in advance of a repatriation of surplus moneys from a superannuation fund to a sponsoring employer will be developed.

Appendix 2

List of submissions

Abrahams B
ACT Treasury
A Group of Members
Aitken J
Allen, Allen & Hemsley
AMP Society
AMPAC Life Limited
ANZ Funds Management Limited
Association of Superannuation Funds of Australia Limited
Australian Accounting Research Foundation
Australian Council of Trade Unions
Australian Federation of Aids Organisations Inc
Australian Federation of Consumer Organisations Inc
Australian Friendly Societies Association
Australian Government Actuary
Australian Investment Managers' Group
Australian Labour Party, Burwood Branch
Australian Retirement Fund
Australian Securites Commission
Australian Shareholders' Association Ltd
Australian Taxation Office
Baker & McKenzie
Baker H
Balanced Equity Management Pty Limited
Bennett Carroll & Gibbons
BT Asset Management Limited
Burke P
Burke WJ
Burns Philip and Co Ltd
Business and Retirement Clinic Pty Ltd
Clayton Utz
Cogger R
Commonwealth Bank Group Financial Services
Commonwealth Funds Management Limited
Consumer Appeals Centre
Cook GP
County Natwest Investment Management
Defence, Department of
Environment Youth Alliance & National Union of Students
Finance, Department of (Cth)
Foley J

Health Employees Superannuation Trust Australia Limited
Higgins JWA, Partner, Mallesons Stephen Jacques
Industrial Affairs, Department of (Cth)
Institute of Actuaries of Australia, the
Insurance and Superannuation Commission
Investment Funds Association of Australia Ltd
Jacques Martin Industry
John A Nolan & Associates Pty Ltd
Knox D, Associate Professor
KPMG Peat Marwick
Leviston D
Life Insurance Federation of Australia Inc
McEachern J
McNelis S
Mercer Campbell Cook & Knight
Metal Trades Industry Association of Australia
MLC Investments
MLC Life Limited
Mills AC
More S
National Australia Bank
National Consumer Affairs Advisory Council
National Mutual Life Association of Australasia Limited
New South Wales Superannuation Office
Nipper MRG & Weeks PL
Norwich Group, the
Office of the Cabinet, Queensland
Page Harrison & Co
Pelham Webb & Co
Permanent Trustee Co Limited
Perpetual Trustees
Piaud CL
Pinnock MR
Price Waterhouse
Prudential Superannuation Services
QUF Industries itd
Reserve Bank of Australia
Retail Employees Superannuation Trust
Retirement Benefits Office
Ridd I
Ryan J
Savings & Loans Society Limited
Scheiwe D

Sclare H

Securities Institute of Australia, the

Shell Australia Limited

Sinha T, Associate Professor

Social Security, Department of, Social Policy Division

South Australian Government

Superannuation Advisors Pty Limited

Tidswell Administration Limited

Tindal B

Treasury, SA

Trust Company of Australia Limited

Trustee Companies Association of Australia Limited

Uni Superannuation Ltd

Victorian Retirement Advisory Association

Walker GW

Western Mining Corporation Holdings Ltd

Wessex Fund Management Limited

Westpac Financial Services

Women's Economic Think Tank

White RJ

Ziedars JA