

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates 1 - 2 November 2006

Question: sbt 65 (ASIC)
Topic: Telstra employees and CSS super
Hansard Page: E25

Senator SHERRY asked:

Are you aware of the notices that have been issued to these employees by Telstra in respect of them being required to cease their membership of the CSS superannuation fund?

Mr Lucy—Still no.

Senator SHERRY—So you have had nothing referred to you at all on this matter to date?

Mr Lucy—I cannot speak for the agency, but I have not. To the extent that we have, I will come back to you.

Senator SHERRY—Good. I will provide you with a copy of a notice that Telstra has issued to approximately 1,800 employees—I do not have it here now, but I will send it on—which I would think requires examination on this issue, because I suspect prima facie it does breach FSR requirements. There are a range of other issues about disadvantage to be suffered et cetera. So I will send you a copy of that notice that Telstra has issued to the employees and ask that you examine whether or not in fact it is a legal document in the form that it has been issued, and I will also ask you to investigate other issues surrounding this matter. I will be in communication with you on the matter.

Mr Lucy—Again, you understand our use of the word ‘investigate’ is not necessarily the way that it is widely described, but we will have a very close look at what you send to us.

Senator SHERRY—‘Examine’?

Mr Lucy—Examine, certainly.

Senator SHERRY—APRA are certainly aware of the matter because I have referred it to them—not the notice specifically but the general issue of the disadvantage to be suffered by those employees. But I note that in the AXA case you did take action and got an enforceable undertaking, so I have every confidence that ASIC will act very vigilantly in respect of the Telstra employees—the 1,800 of them.

Answer:

ASIC is aware that Telstra has issued notices to employees in respect of their membership of the CSS superannuation fund.

ASIC has not been provided with a copy.