

# SUBMISSION

## Submission to Treasury — Modernising Business Communications

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26 February 2021

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26 February 2021

Dear Sir/Madam

**Consultation Paper: Modernising business communications**

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission in response to the Consultation Paper: Modernising Business Communications.

**About ASFA**

ASFA is a non-profit, non-political national organisation whose mission is to continuously improve the superannuation system, so all Australians can enjoy a comfortable and dignified retirement. We focus on the issues that affect the entire Australian superannuation system and its \$2.9 trillion in retirement savings. Our membership is across all parts of the industry, including corporate, public sector, industry and retail superannuation funds, and associated service providers, representing almost 90 per cent of the 16 million Australians with superannuation.

**General comments**

As we have suggested in our August 2020 paper, 'Improving productivity within superannuation', the current provisions within the *Electronic Transactions Act 1999* (ETA) have the effect that a superannuation member must opt-in to receive communications electronically.

If a member does not opt-in, superannuation funds are required to use paper-based communication methods which are inefficient and expensive.

ASFA recommends that the ETA be amended so that either:

- The provision of an email address is deemed to be consent to electronic communications, or
- The default form of communication for superannuation funds is electronic.

Members should retain the ability to opt-out of receiving electronic communications and back into receiving paper communications at any time. Superannuation funds would send a final paper

communication to members to advise of the change to electronic and provide details about how members can opt-back into receiving paper-based communications.

More broadly, as the consultation paper mentions, there are broad based exemptions for superannuation within the ETA. It is questionable whether these broad based exemptions should continue to apply given the wide array of technological solutions provided by superannuation providers. However, in making any changes, it is vital that all cross references between the ETA, *Superannuation Industry (Supervision) Act 1993* and Superannuation Industry (Supervision) Regulations 1994 align to avoid confusion and duplication.

In relation to communicating with regulators, ASFA has always been supportive of the need for government and regulators to have access to information and data relevant to their supervisory or other activities. It is critical, however, that the reporting of this data be made on a cost effective basis, balancing the benefits to regulation against the costs to superannuation providers and ultimately to consumers.

As such, ASFA strongly suggests that it be made mandatory for financial regulators such as APRA, ASIC and other regulators, to collaborate on the collection of data and broader communication with the industry such that the data and communication is:

- Reported only once – through centralised, consistent, points of data collection.
- Accessed / shared by relevant regulators, and other agencies, as necessary.

Currently regulators can communicate or request the same thing from superannuation providers at the same time. This is highly inefficient and increases risks and costs significantly. Ultimately it is superannuation fund members who pay for these additional costs, for little discernible benefit.

If you have any queries or comments in relation to the content of our submission, please contact Maggie Kaczmarska on (02) 8079 0849 or by email [mkaczmarska@superannuation.asn.au](mailto:mkaczmarska@superannuation.asn.au).

Yours sincerely

Glen McCrea  
Deputy Chief Executive Officer and Chief Policy Officer