

SUBMISSION

Submission to Treasury –
*Treasury Laws
Amendment (Measures
for Consultation)
Regulations 2023:
Financial reporting and
auditing of registrable
superannuation entities*

5 May 2023

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File: 2023/15

Retirement, Advice and Investment Division
Treasury
Langton Cres
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via email: superannuation@treasury.gov.au

5 May 2023

Dear Sir / Madam,

Treasury Laws Amendment (Measures for Consultation) Regulations 2023: Financial reporting and auditing of registrable superannuation entities

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this feedback in response to your consultation on the *Treasury Laws Amendment (Measures for Consultation) Regulations 2023: Financial reporting and auditing of registrable superannuation entities* (Draft Regulations).

ABOUT ASFA

ASFA is a nonprofit, non-partisan 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 \$3.3 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 over 90 per cent of the 17 million Australians with superannuation.

GENERAL COMMENTS

ASFA member organisations generally are supportive of the Draft Regulations.

SPECIFIC COMMENT

Schedule 6 of the *Treasury Laws Amendment (2022 Measures No. 4) Bill 2022* extends and adapts the financial reporting and auditing requirements in Chapter 2M of the *Corporations Act 2001* (Corporations Act) to apply to trustees of superannuation funds.

The purpose of the amendments in Schedule 6 is to impose financial reporting and auditing obligations on superannuation funds that are consistent with the requirements that apply to public companies and registered schemes.

Item 10 of the Draft Regulations inserts proposed new subregulation 7.9.32(3), as follows

(3) The periodic fund information report must be provided as soon as practicable after, and in any event within 3 months after, the end of the reporting period to which it relates.

This requires that trustee of a superannuation fund must provide the periodic fund information report for the fund reporting period to members no later than three months after the end of the fund reporting period.

ASFA member organisations have identified that, under sub-section 315(1) of the Corporations Act provides, for public companies and disclosing entities that are not registered schemes the deadline for reporting to members is the earlier of:

- 21 days before the next Annual General Meeting after the end of the financial year; or
- four months after the end of the financial year.

Reducing the timeframe for providing fund information from six months after the end of the reporting period to three months represents a significant reduction in the time available to meet the obligation and may result in increased risk and costs to meet the deadline.

Given this, and the stated purpose to align super fund reporting obligations with those applying to public companies and registered schemes, we strongly recommend that subregulation 7.9.32(3) prescribe that a super fund provide periodic fund information to members no later than *four* months after the end of the reporting period.

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Should you have any queries with respect to this, please contact me on (03) 9225 4021 or via fgalbraith@superannuation.asn.au.

Yours sincerely

Fiona Galbraith
Director, Policy