



16 January 2015

Ashly Hope
Strategic Policy Adviser
Australian Securities and Investments Commission
Email: ashly.hope@asic.gov.au

**Consultation Paper 224 - Facilitating electronic financial services disclosures
Submission by Telstra Super Pty Ltd**

Dear Ms Hope

Telstra Super Pty Ltd (**Telstra Super**) is pleased to provide the following submission in response to ASIC Consultation Paper 224 - Facilitating electronic financial services disclosures (**CP224**).

Telstra Super broadly agrees with the proposals made by ASIC and considers Option 4 (presented in the consultation paper) to provide the strongest potential benefit for members and funds alike; offering consistency with common user experience practices and information delivery expectations.

Our comments in relation to the specific questions raised in CP 224 are set out in our submission and follow the structure of CP224.

We would be pleased to meet with you to discuss our submission.

If you have any queries or comments in relation to our submission, please contact Brian Jacobs

Yours sincerely

Brian Jacobs
Marketing & Communications Manager

ASIC Consultation Paper 224

Facilitating electronic financial services disclosures Submission by Telstra Super Pty Ltd

Question	Feedback
A1Q1	<p>Option 4 is preferred as it provides the greatest scope for Telstra Super to meet the needs of its members. Providing notification that disclosure material is available is consistent with common user experience practices across many industries. Similarly, it is acceptable and appropriate that if a company holds an email address for a customer that they have implied permission for its use – particularly given that providing an email address is not mandatory when an account is opened.</p> <p>This option also supports the stated preference of our members, with recent research showing that when comparing email versus mail communications, 96% of members would prefer email delivery. The opportunity to be more innovative with the format of the disclosure is also welcomed. Innovation can be done in many ways and the ultimate goal is about increasing the understanding of what is contained within the PDS and encourage people to read/view/listen/interact rather than passively receiving a print version which in all likelihood is largely ignored. For that reason, the disclosure laws should focus on the content rather than the format and provide the opportunity to use video, audio, diagrams and other digital technology to communicate the message.</p>
A1Q2	<p>The primary benefit will be to increase our members' understanding of superannuation and the often complex nature of the products that they hold and are invested in. Other benefits include meeting members' expectations in terms of the use of digital for the communication of important messages, and the increased speed in which messages can be delivered to members.</p>
A1Q3	<p>We don't see any disadvantages.</p>
A1Q4	<p>No submission for this question.</p>
B1Q1	<p>Telstra Super agrees with this proposal. It is a naturally anticipated outcome that when an email address is either provided directly by a member, or provided by an employer on behalf of a member, that this will be used for communication purposes.</p>
B1Q2	<p>We don't see any barriers other than the requirement to comply with the Privacy Act 1988 (Cth) and the Spam Act 2003 (Cth).</p>
B1Q3	<p>As the majority of Telstra Super's disclosure documents are not currently available for electronic delivery, all members that we have an email address for would commence to receive such documents electronically – subject to any previous requests to opt-out of all emails where they have still allowed the storage of the email address. We do currently allow members to receive quarterly statements through our secure online portal, SuperOnline (accessible via our website), with notification of availability supplied by email.</p>

B1Q4	We believe that members would be comfortable for generic disclosures without personal information to be provided within an email. Where a disclosure or notice is required and it contains information relating to a personal situation, an email would be used to alert the member that a notice has been developed and is available for viewing within the secure online portal (where a unique identifier and password are required to login).
B1Q5	No, we don't believe this is necessary. The request for an email address is similar to that of a request for a postal address – the provision of either is implied consent that it will be used. Within the emails that are sent there should be (as per current practice) the opportunity to 'opt-out' or change communication preferences.
B1Q6	When the disclosure is of a personal nature, or the disclosure is only relevant to an individual or very small group of individuals, this disclosure should occur via a generic email with a link to a secure location (protected by password login).
B1Q7	No submission for this question.
B1Q8	More secure electronic methods are recommended for personalised disclosures i.e. periodic statements, statements of advice etc. For example, notification of disclosure availability only to be sent via email, with document to be stored and accessible via a secure online portal (personal login details required for access).
B1Q9	It is appropriate that a supplied address is taken as an acceptable delivery mechanism for disclosure documents – hence its provision.
B1Q10	<p>Email disclosures don't have an increased likelihood of being lost. Changing email addresses is uncommon unless it is work related. Automated out of office or bounceback replies and monitoring assist with email address management and this is more prevalent and trackable than residential address return information.</p> <p>The storing of electronic notifications containing personal information within our secure online portal would also increase the accessibility and safe storage of these documents, and ensure they remain available at any time, regardless of any changes to physical or online address details.</p>
B1Q11	Not an issue at all.
B1Q12	When an employer provides information that enables a super fund to open an account on behalf of their employee, this should also be acceptance that the information is used to contact the employee/member using this information for purposes indicated acceptable under the legislation – including for disclosure purposes. The ability for members to opt-out of non-disclosure communication is available on each occasion. The supply of an email address by a 3 rd party should be acceptable when it's provided from a trusted source, for example an employer.
B1Q14	No submission for this question.
B1Q15	Cost savings would be significant given print and distribution costs for disclosure documents is a minimum of \$1.00 per member per item, whereas emailing disclosure documents costs around \$0.05 per member per item. There are other considerations including the fixed cost of

	technology to support this but overall costs should decrease significantly – noting that these costs are only a small percentage of a fund’s overall operational expenditure.
B1Q16	Additional costs would only likely be part of any changes required for the implementation. Overall costs should decrease as per B1Q15.
B2Q1	Agree with this approach – aligns with consumer expectations and all other proposals.
B2Q2	Where the notification relates to new or unique personal information, or is of a regulatory nature (i.e. a Significant Event Notice) then members should be notified of its availability. Where an existing document has simply been updated and there is no adverse impact to the member (i.e. PDS documents revised to reflect new tax or contribution rates at 1 July), then no direct notification should be required.
B2Q3	Email or SMS are logical methods of notification. Notification via messenger apps may also be a consideration in the future however this isn’t a refined tool for B2C communication as yet.
B2Q4	The design of notification should be determined by the superannuation fund. Each fund has its own style and by enforcing specific styles it confuses the consumer as it may vary considerably from all other fund messages.
B2Q5	No data is available but it is highly unlikely that members will print the disclosure material. Regardless, notices will be able to be printed if required. Members will also have the ability to store/save notices and related documents to their personal files or storage devices if required – allowing greater access and portability than provided by printed documents.
B2Q6	No, superannuation funds understand their obligation to maintain active links and ensure information that it is linked to is accurate and up-to-date. On this basis, the use of hyperlinks presents no greater risk.
B2Q7	Specific financial data isn’t available for this submission. There are potentially some minor cost savings in modifying electronic documents but most of the savings are derived from reduced print and distribution costs.
B2Q8	There won’t be any implementation costs passed on to consumers.
C1Q1	We are supportive of the proposal to facilitate more innovative PDSs. Providing that the content of any documentation is consistent in both electronic and printed formats, the manner of provision should be determined by user discretion.
C1Q2	We support the proposed relief, and agree that the same information required by the shorter PDS regime should be included.
C1Q3	An innovative PDS should include and highlight the importance of the mandated language. This would generally mean it appears first or near the front, depending on the nature of the innovative PDS.
C1Q4	No submission for this question.

C1Q5	Yes, the proposed relief would ultimately make the material more 'user friendly' and streamlined, and allow advice providers to draw attention to particular areas of personal recommendations/advice.
C2Q1	The proposal makes good business sense providing that the content of documentation remains consistent.
C2Q2	ASIC must provide clear, concise and effective 'good practice guidance' on the use of interactive PDSs. A lack of sufficient guidelines would inhibit the ability for financial services providers to develop and offer interactive PDSs.
C2Q3	We do not believe so.
C2Q4	<p>We are supportive of this proposal, provided the 'good practice guidelines' don't add an additional layer of disclosure or implementation time/cost, and are relevant to the underlying intent of the provision of advice.</p> <p>We believe it is important to consider whether mandating the 'good practice' guidance will be effective across the industry, given some existing practices may already exceed proposed guidelines but in slightly different formats.</p>
C2Q5	We agree with the updated good practice guidance outlined in RG221.
C2Q6	No submission for this question.
C2Q7	No submission for this question.
D1Q1	We are unsure as to the merit of aligning the two areas, given the varied nature of the activities involved in the provision of financial and/or credit services. A clear segregation of activities from a disclosure perspective is preferred at this stage.
D1Q2	Not currently applicable to Telstra Super Pty Ltd or Telstra Super Financial Planning Pty Ltd.
D1Q3	Not currently applicable to Telstra Super Pty Ltd or Telstra Super Financial Planning Pty Ltd.