23 August 2024

Australian Securities and Investments Commission
By email: rri.consultation@asic.gov.au

Dear Sir/Madam,

Proposed Extension of ASIC Corporations (Employee redundancy funds relief) Instrument 2015/1150

Incolink is Australia's largest portable entitlement fund, with over $1.3 billion under management. It is a true employer-union partnership with equal representation on our board. Our stakeholders consist of the building industry's largest unions and the biggest building and construction companies in the country. Our members get the security of redundancy payments, portable sick leave, income protection insurance, and industry-best training.

We welcome the opportunity to provide feedback on the recently released consultation paper titled 'ASIC proposes to extend relief for employee redundancy funds.'

As the consultation paper acknowledges, ASIC has provided relief to operators of employee redundancy funds since 25 May 2000. Current relief is under ASIC Corporations (Employee Redundancy Funds Relief) Instrument 2015/1150, which is due to expire on 1 October 2024.

Incolink supports ASIC's preliminary view to extend such relief for a further five years. This will preserve the status quo while allowing an opportunity to consult with the Government on establishing a bespoke regulatory structure that is reflective of the unique needs and circumstances of this growing industry.

Incolink management met with the federal government on Monday, 19 August 2024, regarding the regulatory framework currently in operation. At this meeting, Incolink argued that the current regulatory framework is not fit for purpose before presenting a better option for both fund members and the government to ensure accountability, good governance, and security of member funds.

This means the five year extension of the exemption to the provisions of Managed Investment Schemes should be honoured, while the Federal Government consults on appropriate regulatory models.

Please contact our office should you wish to discuss further.

Yours Sincerely,

[redacted]

[redacted]
Chief Executive Officer