

22 July 2025

Employee Redundancy Funds—Consultation Feedback
Regulatory Reform and Implementation
Australian Securities and Investments Commission
GPO Box 9827
Melbourne VIC 3001
email: rri.consultation@asic.gov.au

sapls-l.org.au

Re : ASIC Consultation Paper 384 – Employee Redundancy Funds

To Whom It May Concern

This response is being provided by the South Australian Portable Long Service Leave (SAPLSL) business on behalf of the Construction Industry Long Service Leave Board and the Community Services Sector Long Service Leave Board.

The Construction Industry Long Service Leave Board is created by the *Construction Industry Long Service Leave Act 1987* and the Community Services Sector Long Service Leave Board is created by the *Portable Long Service Leave Act 2024*. Both are South Australian legislative arrangements.

We note that in your Consultation Paper 384 you are seeking feedback on the following issues:

- (a) Changes to the definition of ‘employee redundancy funds’ for the purposes of our guidance and any relief we grant (see Section B).
- (b) Options for the regulation of employee redundancy funds under the Corporations Act going forward. We have set out three possible options:
 - (i) Option 1—Allow the relief to expire and require full compliance with the Corporations Act (see Section C).
 - (ii) Option 2—Grant relief from specific obligations in the Corporations Act (see Section D).
 - (iii) Option 3—Remake the existing relief with additional conditions (see Section E).

The SA Portable Long Service Leave business does not have any feedback on these issues.

The SA Portable Long Service leave business would however like to provide feedback on the expanded definition of Employee Redundancy Funds detailed on page 10 of your paper.

Specifically, we note that your proposal is to :

“rename ‘employee redundancy funds’.

We would use the term ‘employee entitlement schemes’ and adopt the following definition:

A scheme to which employers may make, or are required by an award or agreement to make, contributions where the primary objective of the scheme is to fund:

- (a) benefits payable on redundancy; and/or*
- (b) long-service leave entitlements, for employees of employers.*

*The scheme may also fund other entitlements that are incidental to employment.
We would use the new term and definition in relevant guidance and any relief we grant."*

In relation to this proposed change in definition of an Employee Redundancy Fund SAPLSL would like to provide the following feedback :

Your definition states *"A scheme to which employers may make, or are required by an award or agreement to make, contributions where the primary objective of the scheme is to fund"*

That is, there are two limbs upon which a scheme might qualify:

1. It is a scheme to which employers are "required by an award or agreement "to make contributions; and/or
2. It is a scheme to which employers "may" make contributions.

It would be SA Portable Long Service Leave's proposal that neither of its schemes require contributions by way of an award or agreement. Further, the SA Portable Long Service Leave Schemes require mandatory contributions by way of a statutory levy payment. And so, in that sense, neither scheme is one in which employers "may" voluntarily make contributions.

As such, it is SAPLSL's proposal (that for the reasons stated in the previous paragraph) that neither of the schemes SAPLSL administer would be caught by the proposed new definition.

We would however like to seek ASIC's confirmation that it agrees with this position, that neither the Construction Industry Long Service Leave scheme nor the Community Services Sector Long Service Leave scheme are covered by this proposed change in definition as outlined in ASIC's Consultation Paper 384 – Employee Redundancy Funds.

If this is not ASIC's intention (that is, that these schemes are not excluded from the scope of this paper) then the Board's would like a further opportunity to provide a specific submission on this issue.

Yours sincerely

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[Redacted name]

[Redacted title]

[Redacted address line 1]

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