

Financial Services Guide

For ESI Super Members



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Part One

Who are we?

ESI Financial Services Pty Ltd (ESI FS) is the issuer of this Guide. We are a wholly owned subsidiary of the Electricity Supply Industry Superannuation (Qld) Ltd (ABN 30 069 634 439 AFSL 336567) and hold an Australian Financial Services Licence (AFSL 224952). We provide a range of financial services to superannuation funds and their members. Our contact details are provided at the back of this Guide.

What is the purpose of this document?

This document is a Financial Services Guide (FSG). It informs you of matters you should be aware of before we provide you with a financial service. These matters include who we are, the services we provide, how those services are paid for, and what you can do if you have a complaint about our services. This helps you decide whether to use any of the services that we can provide.

Other documents you might receive from us

If we provide you with personal financial advice, taking into account your needs and circumstances, we will provide you with a Statement of Advice (SOA). The SOA will contain the advice, the basis on which it is given and information about fees, commissions and associations which may have influenced the provision of the advice.

If we recommend or arrange for you to acquire a financial product we will also provide you with a Product Disclosure Statement (PDS) containing information about the particular products, features, restrictions and fees. This will enable you to make an informed decision about whether to acquire that product.

If our representative provides further advice to you and your personal circumstances have not significantly changed, and that further advice is related to the advice we provided to you in a previous SOA and we do not give that further advice to you in writing you may request a copy of the record of that further advice at any time up to 7 years from the date our representatives gave the further advice to you.

You can request the record of the advice by contacting the representative or us in writing or by telephone or email.

In relation to your superannuation fund, we may also provide you with a copy of the other documentation concerning the Fund, such as the Annual Report.

The services and products we provide

We have two core areas of service. We provide day to day superannuation fund administration services.

We may also provide advisory services to members of ESI Super, and to other clients including members of other superannuation funds. Advisory services may include financial planning advice on various retirement planning and wealth creation strategies.

ESI FS is licensed to provide advice on and deal in the following financial products:

- Deposit products
- Government debentures, stocks & bonds
- Investment life insurance products
- Life risk insurance products
- Managed investment schemes
- Securities
- Standard margin lending
- Retirement savings account products, and
- Superannuation

As a result, ESI FS can provide the following for you:

Advisory Services

We provide a number of advisory services to superannuation fund members and other clients.

Advisory Services we provide include:

- Financial planning advice about retirement planning strategies and superannuation products.
- Financial planning advice about wealth creation products, life insurance products and other non-superannuation areas of your financial situation. We can give advice and arrange investments in a variety of different financial products provided by many different suppliers.
- Member seminar presentations, providing fund members with general advice on superannuation matters and other financial areas.

Fund Administration Services

ESI FS also provides day to day superannuation fund administration services. Fund Administrators are available to provide you with benefit quotes, set up new memberships, help you obtain insurance products available within the Fund, and provide information and documentation for the paying of benefits. Fund Administrators can also provide you with factual information and general advice about Fund benefits and related products, to help answer enquiries you may have.

Who will give you advice?

Depending on the services you require, ESI FS Financial Advisers and Fund Administrators may give you advice. They are representatives of ESI FS, which means ESI FS is responsible for the advice they give you.

Financial Planning Advice

Our Financial Advisers are authorised to provide you with personal financial planning advice that is suitable to your particular circumstances and needs. If you request this type of advice, you will be asked to provide them with relevant information about your objectives, needs and circumstances.

We can provide advice to you in relation to superannuation products and retirement planning. We can also provide advice on wealth creation and risk protection strategies if you request this.

Further information on the financial planning services available to you and how these are paid for is included in Part 3 of this Guide.

Member Seminars

Our Financial Advisers provide general advice about superannuation and other products and strategies at member seminars. ESI FS also authorises some Directors of the Trustee to provide general advice at member seminars.

Fund Administrators

Our Fund Administrators can provide factual information and general advice about ESI Super products. General advice provided does not take into account your individual financial situation, objectives or needs.

How we handle complaints – your initial enquiry

If you are dissatisfied with our services, you should take the following steps:

1. Contact us and tell us about your dissatisfaction – this can be by phone, in writing, by e-mail or face to face at our offices whichever is convenient for you.
2. If the issue cannot be resolved to your satisfaction by the next business day, we will notify you in writing that we are registering your expression of dissatisfaction as a complaint.

The complaints process

3. We will try to resolve your complaint quickly and fairly and will endeavor to provide you with a resolution no longer than 45 days after your initial enquiry.
4. If the resolution we provide is not to your satisfaction and/or not provided to you within 45 days, you also have the right to complain to the Financial Ombudsman Service (FOS), with whom we hold membership. They can be contacted on 1300 780 808 or you can write to GPO Box 3 Melbourne VIC 3001 or go online at fos.org.au. This service is provided to you free of charge.

The Australian Securities and Investments Commission (ASIC) can also be contacted on 1300 300 630 or on line at asic.gov.au to make a complaint or obtain information about your rights. We encourage you to contact us directly to endeavor to resolve matters more quickly.

Compensation arrangements are in place to satisfy current legislation. We have Professional Indemnity insurance in place which covers both current representatives/employees and those who no longer work for the licensee (but did so at the time of the relevant conduct).

Part Two

Relationships and associations

Information about our relationships and associations with other entities is provided to you so that you can assess whether they may influence the advice we give you.

We are a wholly owned subsidiary of the Electricity Supply Industry Superannuation (Qld) Ltd (ABN 30 069 634 439 AFSL 336567). We also have associations with other industry superannuation funds, who may appoint us to provide financial advice to their members. These associations can change from time to time.

For clients who are accessing our services as a benefit of their fund membership, the relationship that we have with their superannuation fund is specifically detailed in the Part 3 of this Guide.

How we are paid for our Services

Generally, we are paid for our services in the following ways:

- For fund administration services we receive:
 - (i) an account keeping fee of \$1 per week for each Defined Contribution and Pension member, and
 - (ii) an administration services fee of 0.22% p.a. of fund assets, subject to a cap of \$2,200 in any financial year for any member (including multiple accounts of a member and their spouse, where ESI Super has been notified that the accounts are to be linked).

These fees are paid from the superannuation fund. See the ESI Super Member Guide for more information about fees and charges.

- Defined benefit administration does not attract an account keeping fee. The administration services fee applies to the fund assets supporting defined benefits and is funded by your employer's contributions.
- For the provision of Financial Planning advice we charge a fee for our services based on an hourly rate of \$220 (including GST). There is no minimum or maximum fee, only that agreed with you.
- Where you access this service as a benefit of your superannuation fund membership, and depending on the type of advice you request, some or all of this fee may be paid to us by your superannuation fund. This means you may receive the service at a reduced rate or at no cost.
- In these cases, your superannuation fund pays us an agreed fee depending on the type of advice that we provide you. Applicable fees are detailed in Part 3 of this guide.

Where personal financial advice is provided to you, we will issue you with a Statement of Advice document, which will include the specific details of the fees that are applicable for that particular advice. Our policy is to charge fees for services wherever possible, however if we receive any other benefit for services we provide you, we will give you specific details in the Statement of Advice document.

- For the provision of member seminars, participating superannuation funds pay us a fee based on an hourly rate of \$220 (including GST) to prepare and present seminars.

- Our general policy is not to receive any commissions with respect to advice we provide about financial products. We only make exceptions to this policy for advice about life insurance products, as described below or where rebating commissions is not possible.
- Where part of our service to you involves arranging the purchase of life insurance products, we may provide the option for you to choose whether we receive a commission for arranging this service, which may also cover some or all of the costs of providing you with advice. If you choose this, a life insurance company can pay us both initial and ongoing commissions. For example, upfront commissions often range from 60% – 120% of the first year premium and renewal commissions of 15% of the renewal premium. In this example, if the first year premium was \$500, and the following year's renewal premium was \$520, then ESIFS could receive upfront commissions of between \$300-\$600 in year one and \$78 in year two. These amounts would be offset against the total fee agreed for services provided to you. Because these vary with each insurer, depending on the particular product, your adviser will give you the details of amounts if this is relevant.
- All fees we specify are inclusive of GST. We do reserve the right to change these fees from time to time.

How our Representatives are paid

Our Financial Advisers and Fund Administrators are employees and are paid a salary. They do not receive any commission with respect to the advice they may provide you.

Our Financial Advisers may also receive a performance-related bonus that is based on the overall performance of the financial planning team. This is assessed according to criteria, including compliance matters and financial performance.

Part Three

Retirement planning advice

Under this option you can request advice about matters relating to your ESI Super benefits. This may include:

- Paying contributions to ESI Super before tax rather than after tax
- Making a spouse or voluntary contribution to ESI Super
- Rolling over other superannuation entitlements and Employer Eligible Termination payments to or from ESI Super
- Appropriate investment options within ESI Super for your circumstances
- Whether you are on target to live the lifestyle you desire in retirement
- Taking lump sum withdrawals from ESI Super
- Establishing income streams before or in retirement
- The treatment of superannuation for Centrelink purposes.

Retirement planning advice fees

ESI Super subsidises the cost of retirement planning advice where it is provided by ESI FS, based on your account balance within the fund at the time of seeking our advice. This fee subsidy amount is available to you once per annum and is calculated as follows:

Account balance	Fee subsidy available
\$0 to \$200,000	\$300
\$200,001 to \$400,000	\$400
\$400,001 to \$600,000	\$600
\$600,001 to \$800,000	\$700
Over \$800,001	\$800

The fee subsidy amount cannot be used to offset financial planning fees in relation to wealth creation advice or for advice provided by other financial planning firms.

We will provide you with a quote prior to commencing work, which will determine the total cost of the advice, and what amount of fee subsidy is available from the Fund.

Where the cost for retirement planning advice quoted is greater than the fee subsidy amount available, the difference will be included in your quote and is deducted from your superannuation account. You cannot elect to deduct financial planning fees in relation to wealth creation or wealth protection advice from your superannuation account.

Where the fee subsidy covers the entire cost of providing the advice, then it will be provided at no cost to you.

We will disclose exactly what amounts have been paid to us for providing advice to you in the SOA document that we give you.

Privacy statement

If you ask us for financial advice, we may ask you for information that we need to provide that advice. Where we give you retirement planning advice or wealth creation advice, we will ask for a range of personal information about your objectives, financial situation and needs. If you do not give us information that we ask for, we may not be able to provide you with the financial services you require, or the services that we provide you may not be appropriate to your particular needs. We keep file notes of the contacts we have had with you. We also maintain a record of your personal profile, including details you give us about your objectives, financial situation and needs, and we maintain records of any recommendations made to you.

You are entitled to examine your file – you can arrange this by contacting ESI FS by telephone or in writing.

ESI Super has a group Privacy Policy which applies to ESI FS. Details of the Privacy Policy are set out in the PDS for ESI Super and on the website. The Privacy Policy includes an explanation of how we collect, use and disclose personal information.



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