



**ASIC**  
Australian Securities &  
Investments Commission

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| <b>Committee</b>        | Parliamentary Joint Committee on Corporations and Financial Services                                     |
| <b>Inquiry</b>          | Oversight of the ASIC, the Takeovers Panel and the Corporations Legislation No. 1 of the 46th Parliament |
| <b>Question No.</b>     | 010  |
| <b>Date</b>             | 27 August 2021   |
| <b>Topic</b>            | ACBF/Youpla funeral insurance  |
| <b>Reference</b>        | Spoken, 27 August 2021, Hansard page 24 & 25   |
| <b>Committee member</b> | Mr Julian Hill   |

## Question

### Extract – Hansard page 24

**Mr HILL:** I might put a few more detailed ones on notice as well. I'm not sure where you're at in the process and the extent to which you can or can't use the AFSL process if these matters of interest have been drawn to your attention to seek further information, which might be of interest to both ASIC and the committee and the public. Have you got a breakdown of numbers? If you want to take these on notice, I can see that you're fairly prepared, so you can probably provide them relatively quickly if that's easier to get to other topics. A breakdown of the number of current policyholders for each fund would be helpful. Have you got that there as well? If I outline these, is it possible to assemble a table, given you understand the metrics of what I'm trying to ascertain?

**Ms Chester:** I think that might be very efficient. But I'll give you one headline metric: 25,374 current policyholders across the four funds.

**Mr HILL:** Thank you. If you could take on notice, as soon as you're able, just to give us a breakdown in each fund, that would be very helpful too.

**Ms Chester:** Can do.

**Mr HILL:** Do you have a total value of AFCA determinations awarded in favour of customers in disputes in relation to any of these funds?

### Extract – Hansard page 25

**Ms Chester:** While we don't have the total value of the AFCA awards here, we are aware that as of July 2021 there have been 19 AFCA determinations in total that have been made against three ACBF entities, and the total value of unpaid AFCA determinations against those entities was in the order of \$105,000. We can give you the breakdown in the table.

**Mr HILL:** That would be terrific. When you say 'unpaid', is that because ultimately it's not compulsory—they are just choosing not to pay it—or because it's a passage-of-time issue?

**Ms Chester:** As I understand it, they've elected not to pay to date. Hang on, I've got another detailed table here. We do have the value of AFCA compensation orders. That's \$105,000. There are fees currently owing to AFCA—they are yet to be paid or entities have chosen not to pay them. That's \$196,000. Then there's also the value of potential compensation orders if all the complaints are resolved in complainants' favour. I've got quite a detailed breakdown table that we can share with you as well.

**Answer – please refer to the two tables below**

**Details of members/nominees for each fund (as at 9 September 2021)**

| <b>Product</b>                    | <b>ACBF Fund 1</b>   | <b>ACBF Fund 2</b>   | <b>Aboriginal Community Funeral Plan (ACF Plan)</b>  | <b>Community Funeral Plan</b>  |
|-----------------------------------|--|--|--|--|
| <b>Type</b>                       | Member obtains interest in fund and funds are held on trust for members (minus costs and expenses of running fund) | Member obtains interest in fund. Trustee has duty under trust deed to insure the member's interests in the fund for not less than the benefit payable to members | Customer purchases insurance product from corporate entity who has historically re-insured that interest with a re-insurer | Customer purchases insurance product from corporate entity who has historically re-insured that interest with a re-insurer |
| <b>Offered by</b>                 | Trustee  | Trustee  | Corporate entity   | Corporate entity   |
| <b>Trustee/Corporate entity</b>   | The Aboriginal Community Benefit Fund Pty Limited  | Aboriginal Community Benefit Fund No 2 Pty Ltd   | ACBF Funeral Plans Pty Ltd   | Community Funeral Plans Pty Ltd  |
| <b>Open date</b>                  | March 1992   | December 1993  | January 2005   | April 2005   |
| <b>Number of members/nominees</b> | Approx. 1,721 members  | Approx. 3,857 members  | Approx. 8,756 nominees   | Approx. 228 nominees   |

**Note:** The numbers of members/nominees in the above table are lower than indicated by Deputy Chair Chester to the Committee on 27 August 2021, because we were provided with updated figures by Youpla's legal representatives on 10 September 2021.

**Unpaid AFCA Determinations and fees (as provided by AFCA to ASIC on 23 July 2021)**

| Entity   | Number of determinations made | Value of AFCA compensation orders currently owing (excluding interest) | Value of potential compensation orders (if all complaints resolved in complainant's favour) | Fees currently owing to AFCA (approx) | Fees potentially payable to AFCA (if all complaints resolved in complainant's favour) |
|--|-------------------------------|--|---|---------------------------------------|---|
| ACBF Funeral Plans Pty Ltd                     | 13                            | \$8,460.50   | \$408,636   | \$139,843.05                          | \$446,040   |
| The Aboriginal Community Benefit Fund Pty Ltd  | 2                             | \$42,966.99  | \$329,785   | \$20,235.00                           | \$307,890   |
| Aboriginal Community Benefit Fund No 2 Pty Ltd | 4                             | \$54,236.90  | \$826,788   | \$36,170.00                           | \$456,375   |
| ACBF Funeral Plans Australia Pty Ltd           | 0                             | 0  | \$11,785  | \$375.55                              | \$40,470  |
| <b>Total</b>                                   | <b>19</b>                     | <b>\$105,664.39</b>  | <b>\$1,576,994</b>  | <b>\$196,623.60</b>                   | <b>\$1,250,775</b>  |

**Note:** On 10 September 2021, Youpla advised ASIC that it was paying AFCA compensation orders in line with AFCA Determinations. AFCA has confirmed this. AFCA understands that Youpla is asking complainants to sign a release agreement post-Determination before funds are released, and this has caused a delay in the payment of some Determinations. We note that if complaints now lodged with AFCA are not resolved, there may be further compensation orders made against Youpla.

AFCA has also confirmed that a repayment arrangement for all current outstanding AFCA case fees for the ACBF entities has been agreed with Youpla. The repayment arrangement provides for payment by instalment, the last of which is due to be paid in February 2022.