

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Additional Estimates
2016 - 2017

Division/Agency: Australian Prudential Regulation Authority
Question No: 149
Topic: Self-Managed Superannuation Funds (SMSFs) and property
Reference: Written
Senator: Whish-Wilson, Peter

Question:

1. Has APRA assessed the risk to the financial system posed by SMSF investment in property?
2. What was the outcome of this assessment?
3. Is the APRA monitoring the use of SMSFs as a 'shadow banking' facility for investment in property?
4. Is APRA factoring in the use of SMSFs as a 'shadow banking' facility when assessing the level of growth in investor lending for housing?

Answer:

1. The Australian Prudential Regulation Authority has periodically requested information from the larger Authorised Deposit-taking Institutions (ADIs) on their lending to SMSFs for property investment. Data suggests that while the amount has increased, it is not material relative to overall housing investment trends.
2. See part 1 above.
3. APRA is only able to monitor the extent to which SMSFs borrow from the ADI sector.
4. As above, APRA does not routinely collect data on growth in investment in property by SMSFs.