

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**  
Budget Estimates 2014  
3 June to 5 June 2014

**Department/ Agency:** Australian Prudential Regulation Authority (APRA)

**Question:** BET 6

**Topic:** Superannuation Fund Actions

**Reference:** Hansard page 112, 3 June 2014

**Senator:** Gallacher

**Question:**

6. **Senator GALLACHER:** In the interest of time, I am happy if you have to take my questions on notice. With the \$1.7 trillion in superannuation, retail funds approximately 26 per cent and industry funds 20 per cent, public sector funds 16 per cent—that is your remit—how many actions in which sector, like industry, retail and the public sector, have been undertaken by APRA to conclusion?

**Dr Laker:** When you say 'actions', you mean –

**Senator GALLACHER:** RSE holders, fit and proper policy—how many actions have actually been followed through by APRA?

**Dr Laker:** We might need to take that on notice, because that is our day job as the supervisor interacting with trustee boards over a range of issues and we do not definitely think of it in terms of a discrete action.

**CHAIR:** Senator Gallacher, maybe you could refine your question and submit it as a written question on notice within the time line.

**Senator GALLACHER:** I can do that, but when I say 'action' I mean, 'Take 'em to court.'

**CHAIR:** Breaches.

**Senator GALLACHER:** Breaches.

**Dr Laker:** Enforcement actions—we can give you that.

**Senator GALLACHER:** And the \$520 billion in self-managed super funds is outside your remit.

**Dr Laker:** Yes.

**Senator GALLACHER:** But there is a SAF.

**Dr Laker:** Small APRA fund.

**Senator GALLACHER:** Bankrupts, people who move overseas for income tax purposes or those who cannot manage their own self-managed fund for whatever reason: has there been an increase in those SAFs? I would just like to see the stats on it. I mean, the growing pool of super is in self-managed super funds – and, ironically, a bankrupt cannot be a self-managed fund trustee but can be a trustee of a SAF. I am happy for you to take this on notice. I want to know if money is coming back out of that pool into a regulatory framework.

**Dr Laker:** I can only give you the most recent 12-month period that we have published. The small APRA funds between 2012 and 2013 fell from 3,201 to 2,950 – they are falling.

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**Senator GALLACHER:** So that is not great.

**Dr Laker:** But we would have to give you a longer run. We publish that data on a regular basis. We can give you an update and we can give you a trend on that.

**Answer:**

6. Information on the Australian Prudential Regulation Authority's (APRA's) enforcement-related actions<sup>1</sup> during the 2012 - 2013 Financial Year can be found at: <http://www.apra.gov.au/AboutAPRA/Publications/Pages/Annual-Report.aspx>

APRA's focus is on ensuring that regulated entities and the responsible persons associated with these entities operate in a prudent and well-controlled manner.

Institutions that may at times breach prudential standards will generally report these to their APRA supervisor. APRA's approach is to work co-operatively with boards and management of supervised institutions to resolve breaches and ensure that rectification will reduce the likelihood of future recurrences. APRA deals with these issues as part of its normal supervisory processes.

On 5 February 2014 APRA released the Annual Superannuation Bulletin (the Bulletin). Table 1 of the Bulletin shows the number of superannuation entities by classifications. The Bulletin can be accessed at:

<http://www.apra.gov.au/Super/Publications/Pages/annual-superannuation-publication.aspx>.

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<sup>1</sup> This does not include breaches that have been resolved through APRA's supervisory process.