

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

**Department/ Agency:** Australian Securities and Investments Commission

**Question:** BET 811-815

**Topic:** Virgin Australia

**Reference:** Written – 12 June 2014

**Senator:** Xenophon

**Question:**

The Virgin Australia restructure in 2012 allowed the airline to create a separate, non-listed private company as a ‘placeholder’ for its international business. By doing so, it can use the benefits of being an Australian airline while circumventing the Australian ownership requirements that would usually apply. The Australian arm of the company has its own Board of Directors, but shares its management and all resources with the foreign-owned arm of the company.

811. What implications does this arrangement have for ASIC’s oversight of the company?

812. Did Virgin Australia require approval from ASIC to restructure?

- a. If so, when did this occur?
- b. Was this approval conducted as part of the approval required from the Department of Infrastructure and Regional Development, or was it separate?
- c. If not, why not? When did ASIC become aware of the restructure?

813. Did the Department of Infrastructure and Regional Development consult with the ASIC before approving the restructure?

814. If so, when? What was ASIC’s advice?

815. If not, was there any requirement or need for them to do so?

**Answer:**

811 As both companies are Australian incorporated entities we are not aware of any impact on ASIC's oversight as far as compliance with the *Corporations Act 2001* is concerned.

812 Not to our knowledge.

812 (a) N/A

812 (b) N/A

812 (c) There is no requirement for ASIC to approve a restructure provided transactions affecting share capital are performed in accordance with the general provisions of the Corporations Act (such as those relating to issuance of shares) and do not require individual relief. ASIC became aware of the restructure in the ordinary course of events when a public announcement was made about the restructure.

813 Not to our knowledge.

814 N/A

815 Not to our knowledge.