

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 121

Topic: MTAA Super fund

Hansard Page: Written

Senator Bushby asked:

1. What is the mandate and powers that APRA has conferred on Jane Paskin in relation to MTAA's affairs?
2. What events triggered the decision of APRA to appoint a special counsel in relation to MTAA?
3. What is the cost of appointing special counsel to investigate certain investment decisions of the Trustee?
4. Does APRA have sufficient resources to conduct such investigations, and if not why not?
5. What advice has the MTAA given its members re APRA's appointment of special counsel?
6. For how long has APRA been taking a special interest in MTAA, beyond the regulatory effort allocated to a superfund of MTAA's size, and what costs both salary and non salary has APRA incurred?
7. Has APRA considered making changes to the governance structure and if so what options does it have under SIS?
8. Is APRA satisfied that currently the Board of Trustees is a workable and cooperative body, and if not what measures will APRA take to ensure that Member moneys are protected?
9. Is APRA satisfied that MTAA's current investment strategy is in accordance with SIS?
10. In relation to the FWA decision to give MTAA default fund status for SG moneys, did FWA seek APRA's advice on the appropriateness or otherwise of this decision?
11. If APRA advice was sought what was that advice?

Answer:

In relation to questions 1, 2, 3, 4, 6, 7, 8, 9

Pursuant to section 56 of the *Australian Prudential Regulation Authority Act 1998*, APRA is precluded from disclosing information disclosed or obtained under or for the purposes of a prudential framework law and relating to the affairs of a regulated entity. APRA is not even able to comment on whether or not the press speculation is accurate or not.

Question 5 This is a matter for the trustees of MTAA.

Question 10 No. FairWork Australia does not seek APRA's advice for decisions of this nature.

Question 11 Not applicable.