

House of Representatives Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Review of the Australian Prudential Regulation Authority Annual Report 2020

Division/Agency: Australian Prudential Regulation Authority

Question No: APRAQoN10

Topic: Public disclosure of remediation

Reference: Page 18 Hansard, (29 March 2021)

Member: Jason Falinski

Question:

Mr FALINSKI: I need to go reasonably quickly so I apologise. In my previous questions I asked about industry super funds paying fines out of their members' funds. I've been told that REST and First State, which has now become Aware Super, are the only two public examples of industry super remediation and that's because not everyone has to report. Is it correct that they don't have to disclose that publicly? Is that correct? Or would you like to take that on notice?

Mrs Rowell: I will take that on notice.

Answer:

While disclosure is a matter for ASIC, APRA understands that entities have no obligations to publicly report details of remediations, other than what may be required under financial reporting obligations (ref. s314 of the Corporations Act 2001). Trustees may choose to disclose a problem or error leading to remediation if they decide it is consistent with their broader obligations to do so.

For penalties imposed under a regulatory provision, although there is no specific obligation to disclose publicly, it will be disclosed to members as a result of the Trustees' annual reporting requirements in their annual report (ref s1017DA of the Corporations Act 2001 and reg. 7.9.37(1)(n) of the Corporations Regulations 2001).