

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 54

Topic: Trio – Correspondence between APRA & ASIC

Hansard Page: Tuesday 29 May 2012, page 83-84

Senator CORMANN asked:

Senator CORMANN: Just going through some of the specifics of regulatory agency areas of responsibility. When did ASIC first receive communication from APRA suggesting that there may be problems with Trio Capital?

Mr Price: One of the issues or matters raised in the Trio inquiry report was that between late 2008 and mid-2009 there did not appear to be any correspondence between APRA to ASIC in relation to Trio. We have checked our own records, and that does appear to be the case.

Senator CORMANN: So, there was no communication between APRA from towards the end of 2008 and the middle of 2009. My specific question is: when did you first receive a communication from APRA—the date, if you can—and what was the form of that communication?

Mr Price: We became aware of concerns around Trio separately from communications through APRA. We had conducted a proactive hedge fund surveillance arising out of—

Senator CORMANN: Sorry. The specific question is: what was the first communication from APRA to ASIC?

Mr Price: In relation to Trio?

Senator CORMANN: In relation to Trio.

Mr Price: I will need to take that on notice. To answer the question this way, we became aware of concerns with Trio through our own proactive activities, and then through a whistleblower, Mr John Hempton, prior to communications with APRA.

Answer:

It was ASIC that first approached APRA about Trio and the Astarra Strategic Fund.

Once ASIC's investigation commenced ASIC's operational staff began to contact and meet with APRA staff. The first meeting of operational staff of ASIC and APRA was 15 October 2009.