

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 18

Topic: Superannuation Complaints Tribunal Review

Hansard Page: Tuesday 4 June 2013, Page 98

Senator BUSHBY asked:

Senator BUSHBY: I have a couple quick questions firstly about the Superannuation Complaints Tribunal. Has ASIC recently conducted a review or audit of the Superannuation Complaints Tribunal?

Mr Kell: We have been looking at how the Superannuation Complaints Tribunal operates, yes.

Senator BUSHBY: How commissioned your examination of how it operates? Is that something that ASIC has determined to do or is it something that has come from a direction of government?

Mr Kell: The SCT is within ASIC, effectively, in terms of funding. We have regular dialogue with the SCT about its operations and its funding. We thought that it was timely to conduct such a review.

Senator BUSHBY: So it was an administrative decision of ASIC.

Mr Kell: Yes.

Senator BUSHBY: Do the options that you are looking at in terms of that review include withdrawing SCT specific funding by ASIC and rolling its activities more generally into ASIC or some other agency? Are there options like that on the table?

Mr Kell: I would have to take on notice some of the potential options. I have not got that report in front of me.

Senator BUSHBY: Okay. Similarly, are you aware of whether there has been any industry consultation in regard to the review that you are undertaking and the potential outcomes from it?

Mr Kell: I am not sure that there has been any industry consultation to date, but if there were any proposals that were going to in any way affect the SCT's operations in any significant way then we would as a matter of course talk more broadly to stakeholders, industry and government.

Senator BUSHBY: You say that the review is internal. Is it a formal review that has terms of reference or it is more of an examination? Are there terms of reference or procedures that have been given to the review?

Mr Kell: 'Formal' is not the word that I would use to describe it.

Senator BUSHBY: Okay. Ignoring the word 'formal', does the review have terms of reference or particular procedures that pertain to it and which the review is then working with or using as its guide?

Mr Kell: I would have to check on what those were.

Senator BUSHBY: If there are, could you also take on notice providing them.

Mr Kell: Sure.

Answer:

ASIC's internal audit unit has recently completed an audit of the SCT's operation and efficiency.

The audit was commissioned by the ASIC Chairman, consistent with the ASIC Chairman's obligation under the FMA Act wherein the ASIC Chairman is accountable for ensuring the expenditure of public money by the SCT complies with the FMA Act and Regulations and in particular the efficient, effective, ethical and economical use of Commonwealth resources.

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

The scope of the audit is to identify opportunities to reduce costs and overheads in order to maximize the budget available to the SCT to fund the SCT's increasing complaints workload.

The audit objectives do not include any consideration of options to withdraw funding from the SCT or to reallocate its activities outside the SCT.

As the scope of the audit is internal with a focus on the realization of internal savings and the reinvestment of those savings in the SCT's core business, staff and management were consulted but no input was sought from industry.