

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2014 - 2015

**Department/Agency: APRA**

**Question: SBT 21-25**

**Topic: Ualan Part 23 application for compensation**

**Reference: written - 30 October 2014**

**Senator: Williams, John**

**Question:**

21. With regards to the Ualan Part 23 application for compensation and after 30 months work and with constant discussions and advice from APRA, who took the decision not to proceed with the application. Was it the Acting Trustee, APRA or the Minister?
22. What were the reasons for not taking this action for compensation?
23. Will investors receive compensation for their costs associated with preparing the application?
24. Was any attempt made to freeze the bank accounts of all suspected parties?
25. How much, if any, money has been recovered from overseas accounts?

**Answer:**

21.-22. It is the Acting Trustee's responsibility to make an application for compensation under Part 23 of the *Superannuation Industry (Supervision) Act 1993*. Compensation can only be paid under Part 23 if the Minister determines that fraud has occurred. The Australian Prudential Regulation Authority (APRA) has a formal role to advise the Minister on any Part 23 applications he receives.

The Acting Trustee asked APRA whether it would support a Part 23 application in relation to the Ualan losses. APRA advised the Acting Trustee it would not support the application. The Acting Trustee subsequently decided it would not make an application to the Minister.

23. Compensation for costs can only be paid if the Minister determines that a fraud has occurred and decides to grant financial assistance under Part 23.
24. One of the first actions taken by APRA prior to the appointment of the Acting Trustee was to freeze all the funds' assets. At the time of appointing the Acting Trustee APRA also vested ownership of the funds' property in the Acting Trustee including the bank accounts to which the trustee had access.
25. The Ualan investment did not include any overseas accounts.