

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Department/Agency: Australian Prudential Regulation Authority

Question: 501

Topic: Retail funds – process and barriers for moving super

Reference: Hansard page no. 13 - 20 October 2016

Senator: Ketter, Chris

Question:

Senator KETTER: You have identified terms of trust deeds as one of the excuses that has been given. Changes to trust deeds can be made. We have had three years here. At what point did you become aware that the retail funds were identifying this as an issue?

Mrs Rowell: You are asking about specific questions and specific institutions that I do not have the details of with me to hand. I am happy to provide more information about the process and the barriers in response to Senator Gallagher's question.

Senator KETTER: You have said that you were not aware of the figure of 43 per cent of default money still lying in legacy funds. What is your view? Is that high or low?

Mrs Rowell: That sounds high to me, based on the most recent numbers that I am aware of. But I would need to confirm that. I do not know the basis of that particular number. The article was in the paper this morning and I have been in Canberra.

Senator GALLAGHER: The *AFR* is in Canberra too.

Senator KETTER: You said the 'most recent numbers' that you are aware of. What numbers are you aware of?

Mrs Rowell: I do not have them to hand, but my recollection is that progress of the accrued default numbers had been progressing quite well and that it was actually a relatively small balance that remained to be transferred.

Senator KETTER: So you are surprised by that figure?

Mrs Rowell: I am.

Senator KETTER: You also mentioned that one of the problems was the fact that the retail funds had a range of default products which was complicating the transition. Is that correct?

Mrs Rowell: That is correct.

Senator KETTER: That seems to me to be a somewhat self-inflicted issue.

Mrs Rowell: We would agree.

Answer:

Refer to the response to Question on Notice 159 (SQ16-001165).