

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 30 May – 1 June 2006

Question: bet 104 (ASIC)

Topic: Sovereign Capital

Hansard Page: E82

Senator SHERRY asked:

Does it? I am not sure that I am happy to hear about that. Have you followed through in respect to any of the planners who recommended Sovereign Capital?

Mr Cooper—We would have to take that on notice. I would have to say as an overall comment, dealing with problem products, if I can put it that way, by going down the distribution chain and then working back upwards is a very inefficient way of using our resources, when you consider that, as I have said, there are some 15,000-odd products and some 25,000 to 40,000-odd financial planners.

Senator SHERRY—But we are dealing here with people who have lost part or all of their moneys.

Mr Lucy—I think that we are better off to give you a comprehensive answer about Sovereign by taking it on notice, because we do not want to mislead you and I think that we are getting close to doing so if we continue to provide short answers.

Answer:

ASIC is only aware of one financial planner recommending one consumer to invest in Sovereign Capital. ASIC has not commenced an investigation into that planner.