

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 29, 30 & 31 May 2007

Question: bet 63 (ASIC)

Topic: Trustee Corporations – Uniform Licensing & Prudential Supervision
Hansard Page: E94

Senator SHERRY asked:

We have got the joint oversight in the next couple of weeks. I wanted to go back to the earlier issues around ACR, Fincorp and Westpoint. As to the trustee corporations, is ASIC aware that the Standing Committee of Attorneys-General has been examining the harmonisation of state and territory legislation to ensure uniform licensing and prudential supervisions for these entities?

Mr D'Aloisio—I was not aware of that.

Senator SHERRY—Again, you might take this on notice for the next opportunity.

Mr D'Aloisio—Yes, I will take that on notice.

ANSWER:

As to the trustee corporations, is ASIC aware that the Standing Committee of Attorneys-General has been examining the harmonisation of state and territory legislation to ensure uniform licensing and prudential supervisions for these entities?

Yes.

ASIC understands that the Standing Committee of Attorneys-General has reviewed the regulation of trustee companies, with a view to replacing the current state regulation with a national scheme of complementary laws.

The Standing Committee released a consultation paper on a draft uniform Bill in May 2001. The paper discussed the key features of the trustee corporations industry, the main provisions of the draft Bill, and options for future regulation of the industry. Underpinning the draft Bill was the assumption that certain aspects of the scheme would be delegated to the Australian Prudential Regulation Authority (APRA).

At the standing committee meeting on 18-19 March 2004, the Australian Government Attorney-General indicated that the Australian Government would deliberate on the issue. He subsequently advised the states and territories on 17 March 2005 that the Australian Government would not widen APRA's role to include supervision of the trustee corporations.

The matter remains under consideration at the Standing Committee of Attorneys-General.