

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 29, 30 & 31 May 2007

**Question: bet 64 (ASIC)**

**Topic: ACR – Public Advertising Campaign**

**Hansard Page: E96**

**Senator SHERRY asked:**

I would like to go to a couple of specific issues around ACR. I accept at the moment that it is very early days. Looking at your schematic, which is very usefully laid out, where ASIC did intervene with the various disclosure documents—the prospectuses—was there any accompanying examination of the actual public advertising campaign, both that which accompanied the prospectuses and whether there were any changes as a consequence of the change that ASIC identified was necessary on the various prospectus actions it took?

**Mr D’Aloisio**—I cannot answer the question about advertising and the way that ASIC monitors this sort of advertising across a range of areas now. Mr Cooper might be able to answer that question. I would assume as part of the blitzes on advertising that ASIC has they would have covered all advertisements of this type. I would have to get more specific information for you on actual ACR advertisements. I do not have that answer readily available.

**Mr Cooper**—If you had asked the same question about Fincorp we would have given you a very long series of answers.

**Senator SHERRY**—I was going to ask the same question, but I thought I would start with the easy one first in the sense that it is early days.

**Mr Cooper**—I am with the chairman; I cannot specifically recall advertising in relation to ACR being an issue. However, we do have systems to look at all of those things.

**Mr D’Aloisio**—We look at our records.

**Answer:**

ASIC routinely looks at the advertisements for debenture products when undertaking prospectus reviews. It did examine a number of advertisements across different media in relation to ACR.

In the case of ACR the advertisements during the period of its operation no action was taken by ASIC in relation to any ACR advertisements. While the advertisements did focus on the fixed interest return offered, they did, in the cases we have reviewed, note that the investment was unsecured. ASIC's review of ACR's advertisements is continuing.

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As part of the work on the 3 point plan in relation to unlisted and unrated debentures, we are examining our approach to these types of advertisements and will cover proposed changes in a Consultation paper to be released shortly.