

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates 1 - 2 November 2006

Question: sbt 61 (ASIC)
Topic: Prospectus Disclosure
Hansard Page: E13-14

Senator MURRAY asked:

There might not be any difference in the policy, but there is a difference in the publicity. Again, you can rebut this if I am wrong, but my sense of things is that you are quite happy—and I support it, I must say—to expose prospectus weaknesses in the for-profit sector as a way of educating and encouraging changed behaviour in the market as a whole. But I have not seen you do that in the not-for-profit sector, which I think needs it as much as does the profit sector.

Mr Rodgers—I would need to talk in detail.

Mr Lucy—Perhaps we can just look retrospectively at what we have reviewed over the last 12 months and see how we have actually dealt with any not-for-profit issues which we might regard as deserving of publicity. We will see how we responded and come back to you.

Senator MURRAY—Perhaps you would indicate whether I am wrong in my feeling.

Mr Lucy—Absolutely.

Answer:

ASIC does not record whether a registered company is for profit or not. It is not possible to directly compare ASIC's approach to prospectuses in the for-profit and not-for-profit sectors.

Not-for-profit entities generally do not raise funds from the public and those that do generally apply for relief under Policy Statement 87 *Charitable investment schemes and school enrolment deposits* [PS 87], rather than raise funds through a prospectus.

Applications for relief from not-for-profit entities under [PS 87] are treated in the same way as any other application for relief.