

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates 1 - 2 November 2006

**Question:** sbt 77(APRA)

**Topic:** Trustee Licenses

**Hansard Page:** E50

**Senator SHERRY asked:**

If a new fund, which would probably be a corporate fund, I suspect, is established in the environment either as a default fund, and choice operates, or as a monopoly arrangement, given the industrial considerations beyond the normal prudential requirements for the establishment of a fund, APRA would not investigate in any further detail?

**Mr Jones**—Not necessarily. I would have to say it would be fairly unusual these days for new corporates to be applying for trustee licences.

**Senator SHERRY**—I saw two new ones on the website the other day, which did puzzle me—but anyway. If a new corporate fund is presented to APRA for establishment, would you normally examine as a matter of course and want to know the industrial instrument to determine whether or not it is a monopoly arrangement in which the employee has no choice? Would that be part of your examination for licensing?

**Mr Jones**—I don't think it would be, but I would have to get confirmation of that.

**Answer:**

No.