

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 325 - 330

Topic: Westpoint

Hansard Page: Written

Senator Xenophon asked:

325. How did ASIC notify potential creditors to Westpoint?
326. Is a website notice with a 5 working day deadline, and a small notice in a weekend newspaper considered "adequate" notice?
327. Why did ASIC not write to all investors by mail to advise them of their potential eligibility to claims?
328. How many creditors received funds?
329. Does ASIC know how many did not – and how many of those were because they didn't respond to the notices by the deadline?
330. For those who weren't aware of their eligibility until after the deadline, what recourse do they have now?

Answer

325.

ASIC had a comprehensive communications plan with a dedicated website which included a portal for investors to obtain specific information regarding their investments; It has issued numerous media releases setting out actions it proposed to take and the results of those actions; ASIC has also notified group members of its representative actions against financial planners and State Trustees Ltd, in accordance with the orders of the Court made in each of those proceedings. Generally, that involved writing to each of the group members and advertising in national newspapers.

326.

The manner of notification of the group members of their claims and the timing of responses was approved by the Court in making the orders regarding the settlement of the representative proceedings brought by ASIC against financial planners and State Trustees Ltd.

327.

Where required by the Court orders, ASIC did write to all group members to advise them of their eligibility. ASIC also issued media releases and updated its dedicated Westpoint website.

328.

Approximately 980 investors have received payment in respect of the completed representative proceedings against financial planners and State Trustees Ltd. The amount paid out is in excess of \$25 million.

329.

ASIC is aware of one potential investor that may not have responded prior to the final orders of the court and may therefore have not received payment.

330.

ASIC is aware of one potential investor that may not have responded prior to the final orders of the court and may therefore have not received payment. That investor is able to make a claim in the liquidations of the Westpoint companies which will be distributing the proceeds of the settlement ASIC reached with KPMG.