

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 813 - 814

Topic: Seagrim on Astarra

Hansard Page: Thursday 20 October 2011, Page 87

Senator Bernardi asked:

Senator BERNARDI: In that same statement that was released by Seagrims—whether it was a statement or was given to *InvestorDaily*—it says:

Seagrim said after ASIC's 20-month investigation into the group's links to Astarra Asset Management, the regulator had found concerns with 20 of the 1000 statements of additional advice the group posted to clients.

Is that figure accurate—that you only found issue with 20 of the 1,000?

Mr Price: I will need to take the question on notice.

Senator BERNARDI: If you would not mind, I would appreciate it.

Senator WILLIAMS: Welcome, Mr Medcraft, and representatives from ASIC. Can you confirm a rumour that has been put to me today that ASIC this morning raided the offices of Equititrust and the house of the group's founder, Mark McIvor? Or is asking that question out of order?

Mr Medcraft: I will take it on notice.

Answer:

SBT 813

In the course of its investigation into the conduct of Seagrims Pty Ltd and its directors, ASIC reviewed financial advice files of about 230 clients. Ultimately, the basis of the licence and banning actions taken against the company and its directors were founded upon not only the advice given to 20 clients but also allegations relating to breaches of the company's licence.

On 19 September 2011, ASIC cancelled the Australian Financial Services Licence held by Seagrims Pty Ltd at the request of the company.

SBT 814

On 20 October 2011 officers of ASIC in connection with Queensland State Police executed search warrants at various locations in Queensland, including the business office of Equititrust Limited and the home of Mr Mark McIvor, in connection with an investigation into the operation of Equititrust.