

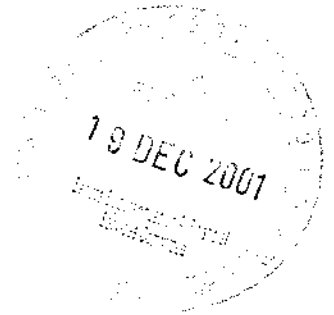
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**COMMONWEALTH OMBUDSMAN**

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REF: P98/7

19 December 2001



Ms Sue Norton
Secretary
Senate Select Committee on Superannuation and Financial Services
The Senate
Parliament House
CANBERRA ACT 2600

Dear Ms Norton

I refer to your telephone conversation on 17 December 2001 with Mr Jim Hind, in which you requested particulars of the number of complaints this office received in relation to the refusal of applications for early release of superannuation benefits, and particulars of how the investigations conducted by this office were decided.

The attached schedule provides a breakdown of this information. The difference between 'complaints received' and 'separate issues' is where the complainant raised more than one issue in relation to the decision to refuse the application for early release. Apart from the 1997/98 financial year, the majority of complaints were not investigated. An exercise of a discretion not to investigate usually occurs where the basis on which the complainant is seeking an early release is plainly outside the prescribed criteria.

As you would be aware, the existing provisions for early release on financial hardship grounds, or compassionate grounds were inserted into the *Superannuation Industry (Supervision) Regulations* by the amending regulations which came into operation on 1 July 1997¹. I have, therefore, included for the purposes of comparison, statistics of the number of complaints about decisions made in relation to applications for early release for the preceding twelve months by the then responsible body, the Insurance and Superannuation Commission. You will note that there has been approximately a fourfold increase in complaints to this office since 1 July 1997.

I should also point out that the decisions in relation to early release on financial hardship grounds is made by the trustees of the relevant superannuation fund and are not reviewable by the Australian Prudential Regulation Authority (APRA). As a result this office

¹ Superannuation Industry (Supervision) Regulations Amendment – Statutory Rules No 152 of 1997

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only has power to investigate complaints about decisions made by APRA on compassionate grounds.

This information is provided by way of a submission to the Senate Select Committee on Superannuation and Financial Services and, as a result, it is understood that its contents may be made public.

Yours sincerely



John R Taylor
Senior Assistant Ombudsman
Professional Standards and Administration

COMPLAINTS RECEIVED ABOUT EARLY RELEASE OF SUPERANNUATION, 1996-97 TO 2000-01 (ISC and APRA)											
	Comp recd	Separate issues	Not Investigated	Investigated	Investigated	Inv - not in favour comp	Inv - partially in favour comp	Inv - substantially in favour comp	Inv - agency defect	Inv - no agency defect	Inv - no conclusion
1996-97	25	25	13	12	7	2	3	0	0	0	0
1997-98	115	116	44	72	46	12	13	1	0	0	0
1998-99	102	105	73	32	14	1	0	3	12	2	2
1999-00	89	91	76	15	0	0	0	1	9	5	5
2000-01	102	105	75	30	0	0	0	1	26	3	3