



Internal review decision

- Applicant:** Phillip Sweeney
- Decision-maker:** Ben (person number 2355), an authorised officer of the Australian Prudential Regulation Authority (APRA) for the purposes of section 23(1) of the *Freedom of Information Act 1982* ('FOI Act').
- FOI reference:** FOI 20 – 40
- Decision:** Affirm the original FOI decision and refuse access to the relevant document.

Summary

- On 27 June 2020 you made the following FOI request:

“The document I seek is a copy of a document that was prepared by EY Auditor David Jewell for the MLC Super Fund for 2018-19 which would have a title similar to “Independent Auditor’s report on APRA reporting forms and Reasonable Assurance report on compliance”.

Part (A) May have a title similar to “APRA reporting forms required under reporting standards SPS 310”.

Part (B) May have a title similar to “Compliance”.

(‘the original FOI request’)
- On 24 July 2020 APRA made the decision to refuse access to the document on the basis of section 38 of the FOI Act (‘the original FOI decision’).
- On 24 July 2020 APRA received your email request for an internal review of the original FOI decision (‘the internal review application’).

Material taken into account

- I relied on the following evidence and material in making my decision:
 - the original FOI request;
 - acknowledgment of FOI request from FOI Officer to the Applicant dated 29 June 2020;
 - email correspondence between APRA staff between 3-8 July 2020;
 - the original FOI decision;
 - the internal review application;

- f) memorandum from FOI Officer dated 19 August 2020;
- g) relevant sections of the *Australian Prudential Regulation Authority Act 1998* (Cth) (APRA Act);
- h) relevant sections of the FOI Act; and
- i) guidelines issued by the Office of the Australian Information Commissioner to date (FOI Guidelines).

Reasons

5. I reproduce relevant paragraphs of the original FOI decision:

“APRA has conducted all reasonable searches of its records and identified one document relevant to the FOI request (relevant document).

I have decided to refuse access to the relevant document under section 38 of the FOI Act and section 56 of the APRA Act. My reasons for refusal are as follows:

Secrecy Provisions

I have taken the following approach in applying section 38 of the FOI Act and section 56 of the APRA Act:

- a. *under section 38 of the FOI Act, a document is exempt if disclosure is prohibited under a provision of an enactment and section 38 expressly applies to that provision;*
- b. *subsection 56(11) of the APRA Act expressly applies section 38 of the FOI Act so that any document that is a ‘protected document’ or contains ‘protected information’ within the meaning of subsection 56(1) of the APRA Act is also an exempt document under section 38 of the FOI Act;*
- c. *under section 56(2) of the APRA Act it is an offence to directly or indirectly disclose protected documents and/or protected information unless a specified exemption applies. This offence provision is binding on me as an APRA staff member. The offence is punishable by up to two years imprisonment;*
- d. *a ‘protected document’ is defined in section 56(1) of the APRA Act to include documents given or produced under or for the purposes of a prudential regulation framework law, and containing information relating to the affairs of a financial sector entity. The Superannuation Industry (Supervision) Act 1993 is a prudential regulation framework law. The relevant document was given or produced and disclosed or obtained under, or for the purposes of, these prudential regulation framework laws. Therefore, the document is a protected document unless otherwise publicly available;*
- e. *‘protected information’ is defined in section 56(1) of the APRA Act to include information disclosed or obtained under or for the purposes of a prudential regulation framework law, and relating to the affairs of a financial sector entity. For the same reasons set out in paragraph (iv) above, information contained in the document is protected, unless otherwise publicly available. The information in the document is protected information, unless they are otherwise publicly available; and*

f. the information and the document is not otherwise publicly available.

6. You made the following statements in support of your internal review application:

- a) *"I am in possession of a number of Trustee Compliance reports including one by David Coogan (PwC) for the Host-Plus superannuation fund and one by S. Cuthbert (PwC) for the Retirement Wrap superannuation fund. None of these funds featured in the Hayne Royal Commission."*
- b) *"In a compulsory superannuation system, the compliance reports by independent auditors should not be considered by APRA to be "protected documents"."*
- c) *"There is clearly an important public interest in the auditor's compliance reports being accessible to financial journalists, financial planners and members of the public – especially for those funds who featured in the Royal Commission, which includes the MLC Super Fund."*
- d) *"If APRA seeks to conceal the auditor's compliance report for a fund that featured in the Hayne Royal Commission, then the inference that is to be drawn is that APRA is seeking to protect the directors of NULIS Nominees (Australia) Ltd, the trustee of the MLC Super Fund."*
- e) *"Since 5 April 2020, civil penalties now apply to trustees who breach the statutory covenants of section 52 of the SIS Act and criminal sanctions apply to trustee directors who contravene the statutory covenants of section 52A of the SIS Act as per section 54B of the SIS Act. This is yet another reason why there should be public access to the auditor's compliance reports, especially for funds and trustees who have a track record of non-compliance."*

7. I considered your statements, reviewed the relevant document and the process that was undertaken by the FOI Officer.

8. I am of the view the relevant document is exempt under section 38 of the FOI Act. I affirm the original FOI decision.

Rights of review

9. Under section 54L of the FOI Act, you have the right to apply to the OAIC for a review of my decision. The application for review by the OAIC must be made in writing within 60 days of the date of this letter, and be lodged in one of the following ways:

Online	Complete and lodge the online review form at: https://www.oaic.gov.au/freedom-of-information/reviews-and-complaints/information-commissioner-review/
Post	GPO Box 5218, Sydney NSW 2001
Email	foidr@oaic.gov.au
Facsimile	(02) 9284 9666
Delivered in person	Office of the Australian Information Commissioner Level 3, 175 Pitt Street

	Sydney NSW 2000
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10. More information about your review rights under the FOI Act is available here: <https://www.oaic.gov.au/freedom-of-information/foi-guidelines/part-10-review-by-the-information-commissioner/>

Ben (person number 2355)
FOI Officer
21 August 2020

FREEDOM OF INFORMATION ACT 1982

38 Documents to which secrecy provisions of enactments apply

- (1) Subject to subsection (1A), a document is an exempt document if:
- (a) disclosure of the document, or information contained in the document, is prohibited under a provision of an enactment; and
 - (b) either:
 - (i) that provision is specified in Schedule 3; or
 - (ii) this section is expressly applied to the document, or information, by that provision, or by another provision of that or any other enactment.
- (1A) A person's right of access to a document under section 11 or 22 is not affected merely because the document is an exempt document under subsection (1) of this section if disclosure of the document, or information contained in the document, to that person is not prohibited by the enactment concerned or any other enactment.
- (2) Subject to subsection (3), if a person requests access to a document, this section does not apply in relation to the document so far as it contains personal information about the person.
- (3) This section applies in relation to a document so far as it contains personal information about a person if:
- (a) the person requests access to the document; and
 - (b) disclosure of the document, or information contained in the document, is prohibited under section 503A of the *Migration Act 1958* as affected by section 503D of that Act.
- (4) In this section:
- enactment** includes a Norfolk Island enactment.

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY ACT 1998

56 Secrecy—general obligations

- (1) In this section:
- body regulated by APRA** includes a body that has at any time been a body regulated by APRA.
- court** includes a tribunal, authority or person having the power to require the production of documents or the answering of questions.
- financial sector entity** has the same meaning as in the *Financial Sector (Collection of Data) Act 2001*.
- officer** means:
- (a) an APRA member; or
 - (b) an APRA staff member; or
 - (c) any other person who, because of his or her employment, or in the course of that employment:
 - (i) has acquired protected information; or
 - (ii) has had access to protected documents;other than an employee of the body to which the information or document relates.
- personal information** has the same meaning as in the *Privacy Act 1988*.

produce includes permit access to.

protected document means a document given or produced (whether before or after the commencement of this section) under, or for the purposes of, a prudential regulation framework law and containing information relating to the affairs of:

- (a) a financial sector entity; or
- (b) a body corporate (including a body corporate that has ceased to exist) that has at any time been, or is, related (within the meaning of the *Corporations Act 2001*) to a body regulated by APRA or to a registered entity; or
- (c) a person who has been, is, or proposes to be, a customer of a body regulated by APRA or of a registered entity;; or
- (ca) a person in relation to whom information is, or was, required to be given under a reporting standard made in accordance with subsection 13(4A) of the *Financial Sector (Collection of Data) Act 2001*;

other than:

- (d) a document containing information that has already been lawfully made available to the public from other sources; or
- (e) a document given or produced under, or for the purposes of, a provision of the *Superannuation Industry (Supervision) Act 1993*:
 - (i) administered by the Commissioner of Taxation; or
 - (ii) being applied for the purposes of the administration of a provision administered by the Commissioner of Taxation.

It also includes a document that is given to APRA under Part 7.5A of the *Corporations Act 2001*, other than a document containing information that has already been lawfully made available to the public from other sources.

protected information means information disclosed or obtained (whether before or after the commencement of this section) under, or for the purposes of, a prudential regulation framework law and relating to the affairs of:

- (a) a financial sector entity; or
- (b) a body corporate (including a body corporate that has ceased to exist) that has at any time been, or is, related (within the meaning of the *Corporations Act 2001*) to a body regulated by APRA or to a registered entity; or
- (c) a person who has been, is, or proposes to be, a customer of a body regulated by APRA or of a registered entity;; or
- (ca) a person in relation to whom information is, or was, required to be given under a reporting standard made in accordance with subsection 13(4A) of the *Financial Sector (Collection of Data) Act 2001*;

other than:

- (d) information that has already been lawfully made available to the public from other sources; or
- (e) information given or produced under, or for the purposes of, a provision of the *Superannuation Industry (Supervision) Act 1993*:
 - (i) administered by the Commissioner of Taxation; or
 - (ii) being applied for the purposes of the administration of a provision administered by the Commissioner of Taxation.

It also includes information that is given to APRA under Part 7.5A of the *Corporations Act 2001*, other than information that has already been lawfully made available to the public from other sources.

registered entity means a corporation that is, or has at any time been, a registered entity within the meaning of the *Financial Sector (Collection of Data) Act 2001*.

- (2) A person who is or has been an officer is guilty of an offence if:
 - (a) the person directly or indirectly:
 - (i) discloses information acquired in the course of his or her duties as an officer to any person or to a court; or

- (ii) produces a document to any person or to a court; and
- (b) the information is protected information, or the document is a protected document; and
- (c) the disclosure or production is not in accordance with subsection (3), (4), (5), (5AA), (5A), (5B), (5C), (6), (7), (7A), (7B) or (7C).

Penalty: Imprisonment for 2 years.

Note: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

- (3) It is not an offence if the disclosure of protected information or the production of a protected document by a person is for the purposes of a prudential regulation framework law.

Note: A defendant bears an evidential burden in relation to the matters in subsection (3) (see subsection 13.3(3) of the *Criminal Code*).

- (4) It is not an offence if the disclosure of protected information or the production of a protected document by a person:
- (a) is by an employee of the person to whose affairs the information or document relates; or
 - (b) occurs after the person to whose affairs the information or document relates has agreed in writing to the disclosure or production.

Note: A defendant bears an evidential burden in relation to the matters in subsection (4) (see subsection 13.3(3) of the *Criminal Code*).

- (5) It is not an offence if the disclosure of protected information or the production of a protected document by a person:
- (a) occurs when the person is satisfied that the disclosure of the information, or the production of the document, will assist a financial sector supervisory agency, or any other agency (including foreign agencies) specified in the regulations, to perform its functions or exercise its powers and the disclosure or production is to that agency; or
 - (b) is to another person and is approved by APRA by instrument in writing.

Note: A defendant bears an evidential burden in relation to the matters in subsection (5) (see subsection 13.3(3) of the *Criminal Code*).

- (5AA) It is not an offence if the disclosure of protected information or the production of a protected document is made:

- (a) by an officer of an agency to which the information or document has been disclosed or produced under paragraph (5)(a); and
- (b) for the same purpose as the information or document was so disclosed or produced to that agency.

Note: A defendant bears an evidential burden in relation to the matters in subsection (5AA) (see subsection 13.3(3) of the *Criminal Code*).

- (5A) It is not an offence if the production by a person of a document that was given to APRA under section 9 or 13 of the *Financial Sector (Collection of Data) Act 2001* is to the Australian Statistician for the purposes of the *Census and Statistics Act 1905*.

Note: A defendant bears an evidential burden in relation to matters in subsection (5A) (see subsection 13.3(3) of the *Criminal Code*).

- (5B) It is not an offence if the production by a person of a document that was given to APRA under section 9 or 13 of the *Financial Sector (Collection of Data) Act 2001* is to:

- (a) the Reserve Bank of Australia; or
- (b) another prescribed authority.

Note: A defendant bears an evidential burden in relation to matters in subsection (5B) (see subsection 13.3(3) of the *Criminal Code*).

(5C) If:

- (a) a document is a reporting document given to APRA under section 13 of the *Financial Sector (Collection of Data) Act 2001*; and
- (b) either:
 - (i) a determination has been made under section 57 that the document does not, or documents of that kind do not, contain confidential information; or
 - (ii) a determination has been made under section 57 that a specified part of the document, or of documents of that kind, does not contain confidential information;

it is not an offence to disclose the document or that part of the document, or any information contained in the document or that part of the document, to any person (including by making the document, the part of the document or the information available on APRA's website).

(6) It is not an offence if the disclosure of protected information or the production of a protected document is to:

- (a) an APRA member; or
- (b) an APRA staff member;

for the purposes of the performance of APRA's functions, or the exercise of APRA's powers, under a law of the Commonwealth or of a State or a Territory.

Note: A defendant bears an evidential burden in relation to the matters in subsection (6) (see subsection 13.3(3) of the *Criminal Code*).

(6A) It is not an offence if the disclosure of protected information or the production of a protected document is to:

- (a) an auditor who has provided, or is providing, professional services to a general insurer, authorised NOHC or a subsidiary of a general insurer or authorised NOHC; or
- (b) an actuary who has provided, or is providing, professional services to a general insurer, authorised NOHC or a subsidiary of a general insurer or authorised NOHC;

and the disclosure is for the purposes of the performance of APRA's functions, or the exercise of APRA's powers, under a law of the Commonwealth or of a State or Territory.

(7) It is not an offence if the information, or the information contained in the document, as the case may be, is in the form of a summary or collection of information that is prepared so that information relating to any particular person cannot be found out from it.

Note: A defendant bears an evidential burden in relation to the matters in subsection (7) (see subsection 13.3(3) of the *Criminal Code*).

(7A) It is not an offence if the information, or the information contained in the document, as the case may be, is all or any of the following:

- (a) the names of bodies that are regulated by APRA;
- (b) the addresses at which bodies referred to in paragraph (a) conduct business;
- (c) any other information that is reasonably necessary to enable members of the public to contact persons who perform functions in relation to bodies referred to in paragraph (a).

Note: A defendant bears an evidential burden in relation to the matters in subsection (7A) (see subsection 13.3(3) of the *Criminal Code*).

(7B) It is not an offence if the information, or the information contained in the document, as the case may be, is:

- (a) a statement of APRA's opinion as to whether or not a body regulated by APRA is complying, or was complying at a particular time, with a particular provision of a prudential regulation framework law; or

- (b) a description of:
 - (i) court proceedings in relation to a breach or suspected breach by a person of a provision of a prudential regulation framework law; or
 - (ii) activity engaged in, or proposed to be engaged in, by APRA in relation to such a breach or suspected breach; or
- (c) a description of action under a prudential regulation framework law that APRA has taken or is proposing to take in relation to:
 - (i) a body regulated by APRA; or
 - (ii) an individual who holds or has held a position with or in relation to such a body.

Note: A defendant bears an evidential burden in relation to the matters in subsection (7B) (see subsection 13.3(3) of the *Criminal Code*).

- (7C) If information referred to in subsection (7A) or paragraph (7B)(a) that relates to a body that is, or has at any time been, regulated by APRA under the *Superannuation Industry (Supervision) Act 1993* is disclosed to the Registrar of the Australian Business Register established under section 24 of the *A New Tax System (Australian Business Number) Act 1999*, the Registrar may enter the information in that Register.

Note: A defendant bears an evidential burden in relation to the matters in subsection (7C) (see subsection 13.3(3) of the *Criminal Code*).

- (8) A person who is, or has been, an officer cannot be required to disclose to a court any protected information, or to produce in a court a protected document, except when it is necessary to do so for the purposes of a prudential regulation framework law.
- (9) If a person discloses information or produces a document under this section to another person, the first person may, at the time of the disclosure, impose conditions to be complied with in relation to the information disclosed or the document produced.
- (10) A person is guilty of an offence if the person fails to comply with a condition imposed under subsection (9).

Penalty: Imprisonment for 2 years.

Note: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

- (11) A document that:
- (a) is a protected document; or
 - (b) contains protected information;
- is an exempt document for the purposes of section 38 of the *Freedom of Information Act 1982*.

Note: For additional rules about personal information, see the *Privacy Act 1988*.

- (12) A disclosure of personal information is taken to be authorised by this Act for the purposes of paragraph 6.2(b) of Australian Privacy Principle 6 if:
- (a) the information is protected information and the disclosure is made in accordance with any of subsections (4), (5), (5AA), (6), (7A), (7B) and (7C); or
 - (b) the information is contained in a protected document and the disclosure is made by the production of the document in accordance with any of those subsections.