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PARLIAMENTARY DEBATES



THE SENATE

COMMITTEES

Corporations and Financial Services Committee

Report

SPEECH

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BY AUTHORITY OF THE SENATE

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Questioner
Speaker Murray, Sen Andrew

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Senator MURRAY (Western Australia) (10.22 am)—Speaking to the same motion, I say at the outset that I fully support the remarks of both the Chair of the Joint Committee on Corporations and Financial Services, Senator Chapman, and of Senator Wong, the shadow minister, with respect to this report. I therefore do not intend to repeat the very strong statements made in the report itself and in their supporting remarks. I concur absolutely. What I do want to do is express my appreciation to the secretariat and also join in congratulating Stephen Palethorpe, who is a particularly able and very nice person, I might say. I wish him well in his new post. He comes to a committee on which I also sit, so I look forward to working with him further.

This is a particularly well-written report. It is tightly constructed, well argued and thoroughly referenced. It draws my attention again to an issue which concerns me—that is, by and large, the government have been active and productive and effective in advancing legislative change in the broad arena of Corporations Law and the laws which attach to it, but this insolvency law that we are discussing is not one of those areas to which the government have paid proper attention.

The chair correctly made the remark that the law has not been addressed for 11 years. The committee, and indeed I, felt strongly that law change was required. The community of interests concerned with insolvency law felt that law change was required. It has taken a long time for the government to get around to addressing this vital issue. The real advances made in insolvency administration and practice in recent years have been as a result, in my view, of committee pressure applied to the Australian Securities and Investments Commission, who have really lifted their game with respect to what they do under the existing law.

The point has been made too that what we are looking at here are unanimous recommendations from serious, engaged, long-term parliamentarians who have a portfolio and a personal interest in matters that affect corporations. Yet considered recommendations have not been responded to in time and many have been rejected or ignored. When you arrive at unanimous recommendations in this area, generally speaking it means that they are the result of a careful distillation of evidence and the agreement of the parties and the personalities concerned in the committee as to what the best outcome is. When you are dealing with characters with strong intellects and wills, as is the case with the members of this committee, you are not going to find weak, half-hearted outcomes which are the result of a lowest common denominator compromise. Unanimous recommendations are only arrived at where the committee feels that they are so justified. So I say to the government that they need to focus more on what the committee is saying.

One of the reasons I wanted to address my remarks in this way is that my attention has been drawn this week to the Fincorp problem. I recall that in 2005 the committee produced a report with respect to property advice. The government to date has not got around to giving a response to that report. If there is anything which affects Australians' wealth and Australians' view of their financial security and their household balance sheets, it is the issue of property. If there is anything which affects the way in which their property interests are managed, it is the potential for schemers, promoters, con artists and so on to take advantage of Australians. I think the property advice report from the committee would have assisted in addressing some of the issues which surround matters such as Fincorp, because they would have tightened up on the kind of advice and the kind of recommendations that can be made by promoters and by people using financial prospectuses to gather investors into schemes such as these.

Without preconceiving the outcomes of what will occur with the Fincorp matter, I nevertheless say that one of the parties I will point the finger at is the government for not moving quickly enough when the committee unanimously—all parties—had said to them, 'There is a problem with respect to property advice and property as real assets and you should attend to it.'

I use the opportunity of discussing this particular insolvency report to draw attention to a broader problem—that is, of the government in its formal sense and the bureaucracy not responding quickly enough and with sufficient respect for the process to considered, unanimous, detailed committee reports such as these, which are

drawn together by serious people on serious issues and deserve a quicker response and more consideration than I feel they are getting at present.

Question agreed to.