

Chapter 1

Introduction

Duties of the committee

1.1 The Parliamentary Joint Committee on Corporations and Financial Services (the committee) is established by Part 14 of the *Australian Securities and Investments Commission Act 2001* (the ASIC Act). Section 243 of the ASIC Act sets out the committee's duties as follows:

- (a) to inquire into, and report to both Houses on:
 - (i) activities of ASIC or the [Takeovers] Panel, or matters connected with such activities, to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; or
 - (ii) the operation of the corporations legislation (other than the excluded provisions); or
 - (iii) the operation of any other law of the Commonwealth, or any law of a State or Territory, that appears to the Parliamentary Committee to affect significantly the operation of the corporations legislation (other than the excluded provisions); or
 - (iv) the operation of any foreign business law, or of any other law of a foreign country, that appears to the Parliamentary Committee to affect significantly the operation of the corporations legislation (other than the excluded provisions); and
- (b) to examine each annual report that is prepared by a body established by this Act and of which a copy has been laid before a House, and to report to both Houses on matters that appear in, or arise out of, that annual report and to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; and
- (c) to inquire into any question in connection with its duties that is referred to it by a House, and to report to that House on that question.¹

1 *ASIC Act 2001*, s. 243.

Structure of the report

1.2 This report is prepared in fulfilment of the committee's oversight duties as follows:

- Chapter 2 discusses the committee's inquiries into the activities of the Takeovers Panel required under section 243(a)(i) of the ASIC Act.
- Chapter 3 discusses:
 - the committee's inquiries into the activities of ASIC as required under section 243(a)(i) of the ASIC Act;
 - the operation of the corporations legislation as required under sections 243(a)(iii–iv) of the ASIC Act; and
 - ASIC's 2012–13 annual report as required under section 243(b) of the ASIC Act. For other bodies established by the ASIC Act, the committee has already reported on the 2012–13 annual reports.²

1.3 At the time of preparing this report no inquiries had been referred to the committee under section 243(c) of the ASIC Act. The committee is however currently undertaking an inquiry into proposals to lift the professional, ethical and education standards in the financial services industry. The committee self-referred the inquiry under section 243(a)(ii) of the ASIC Act on 14 July 2014 and will separately report on this inquiry at a later date.

Conduct of the inquiry

1.4 The committee advertised this oversight inquiry on its webpage. The committee received two public submissions which were published on the committee's website and are listed at Appendix 1. The committee held public hearings in Canberra on 28 March 2014 and in Melbourne on 5 September 2014. Appendix 2 lists the names and organisations of those who appeared at public hearings. The committee also received a number of private briefings. Details of the inquiry and associated documents including the Hansard transcripts of evidence may be accessed through the committee webpage.

1.5 The committee thanks the organisations and individuals who made submissions and gave evidence at public hearings and private briefings.

1.6 References to the Committee Hansard include references to the proof Hansard. Page numbers may vary between the proof and the official Hansard.

2 Parliamentary Joint Committee on Corporations and Financial Services, *Report on the 2012–13 annual reports of bodies established under the ASIC Act*, March 2014.