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Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
By email: economics.sen@aph.gov.au

Dear Sir/ Madam

Australian Securities and Investments Commission Amendment (Corporations and Market Advisory Committee Abolition) Bill 2014

CPA Australia represents the diverse interests of more than 150,000 members in 120 countries, including more than 25,000 members working in senior leadership positions. Our vision is to make CPA Australia the global accountancy designation for strategic business leaders. CPA Australia takes an active and positive interest in a wide range of regulatory matters including corporate law.

Against this background we provide this submission in response to the above Bill.

In October 2014 CPA Australia, along with the Governance Institute of Australia, Chartered Accountants Australia & NZ and the Australian Institute of Company Directors, wrote to the then Acting Assistant Treasurer, the Hon Mathias Cormann, expressing our collective support for the retention of the Corporations and Markets Advisory Committee (CAMAC). Though grateful for the Assistant Treasurer's detailed response we are not convinced that the abolition of CAMAC serves best the needs of sound corporate law reform and the associated conduct of financial and capital markets.

We make the following points and reiterate our support for the retention of CAMAC, and the provision of adequate resources to it:

- The particular nature of corporate law warrants the type of specialist and dedicated resources afforded by CAMAC. The character of corporate law is both highly technical in nature and has wide economic and social ramifications. The capacity to address specialised legal issues in context has been a highly positive attribute of corporate law reform facilitated by CAMAC across the duration of its existence.
- Market confidence in corporate law and its reform is greatly enhanced by the independent bi-partisan functions of a body such as CAMAC.
- The structure of operation adopted by CAMAC, which has functioned with an Executive, the Advisory Committee and Legal Committee, has provided a highly effective mechanism for both investigation of corporate law reform issues and for broad engagement with individuals and groups concerned. It has been able to gain access to technical expertise and undertake consultation that would be extremely difficult to efficiently replicate through other means.
- The permanence of a body such as CAMAC enables responsiveness and flexibility on specific matters, so that they can be dealt with on a referral basis and for these matters to be treated more holistically, thus enhancing the overall integrity of the corporate law.
- Both the Corporations Act 2001 and the ASIC Act 2001 function through a referral of legislative powers which vest with the States. The creation and operation of CAMAC through the ASIC Act is a highly

important attribute of the collaboration between States and the Commonwealth on matters of corporate law reform.

- Finally on the matters of cost and red tape, the benefits generated by CAMAC far outweigh these considerations, particularly given CAMAC's modest scale and historically tight work program.

To conclude, we strongly reiterate our urging for reconsideration of the decision to abolish CAMAC.

Yours faithfully,

Paul Drum FCPA
Head of Policy
CPA Australia