



17 February 2015

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

By email: economics.sen@aph.gov.au

**Submission on Inquiry into Australian Securities and Investments Commission
Amendment (Corporations and Markets Advisory Committee Abolition) Bill 2014**

Dear Senators

We thank you for the opportunity to provide our views on the draft legislation to abolish the Corporations and Markets Advisory Committee.

The Australian Restructuring Insolvency and Turnaround Association ("ARITA") represents insolvency practitioners and other professionals who specialise in the field of insolvency, restructuring and turnaround. We cover more than 2,200 members including accountants, lawyers, bankers, credit managers, academics and other professionals with an interest in insolvency and restructuring. ARITA's mission is to support insolvency and recovery professionals in their quest to restore the economic value of underperforming businesses and to assist financially challenged individuals. We deliver this through the provision of innovative training and education, upholding world class ethical and professional standards, partnering with government and promoting the ideals of the profession to the public at large. 76% of all registered liquidators and 86% of all registered trustees in bankruptcy are members of ARITA.

It is the view of ARITA that the abolition of CAMAC is a retrograde move and we therefore oppose the move to repeal Part 9 of the Australian Securities and Investments Commission Act 2001.

For an operating cost of less than \$1 million per annum since 1998, CAMAC has delivered sophisticated and important advice and reports to policy makers and industry. Indeed, CAMAC's work continues to be instructive for much of the work we do.

From ARITA's perspective, some of the most valuable reports that CAMAC have produced (and ARITA has provided support and advice towards) have included:

- Managed Investment Schemes [July 2012]
- Guidance for directors [April 2010]
- Members' schemes of arrangement [December 2009]



- Shareholder claims against insolvent companies: Implications of the Sons of Gwalia decision (December 2008)
- Issues in external administration [November 2008]
- Long tail liabilities: The treatment of unascertained future personal injury claims [May 2008]
- Personal liability for corporate fault [September 2006]
- Rehabilitating large and complex enterprises in financial difficulties [October 2004]
- Corporate Voluntary Administration [June 1991]

It is ARITA's view that, without CAMAC, important, authoritative studies like these would not have been completed and reform processes likely to have been less-well informed.

We are understanding and supportive of the Government's objectives around Smaller and Rational Government, however, it is our view that CAMAC was very much focussed on delivering more rational government by informing good industry and legal policy. Indeed, all of CAMAC's work appears to have encapsulated this very objective. In terms of smaller government, CAMAC was a tiny agency (again, less than S 1 million in annual funding required) that delivered well in excess of this very small cost- it was the epitome of efficient government, with deep connections into industry. Further, we believe that without CAMAC to bring in the required resources for the type of reviews that CAMAC delivered (and were needed by Government and industry) is likely to cost the Government far more in third party provider studies and reports.

In short, as a leading professional body, we think it is counterintuitive for the Government to pursue the abolition of CAMAC in the name of more efficient government. CAMAC has delivered real value to the efficient and robust operation of corporations, financial markets and the economy as a whole and we urge the rejection of this Bill.

Yours sincerely

John Winter
Chief Executive Officer