

Senate Economics Legislation Committee
**CORPORATIONS AMENDMENT (IMPROVING OUTCOMES FOR LITIGATION
FUNDING PARTICIPANTS) BILL 2021**

Attorney-General's Department

Hearing date: 17 January 2022

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Question type: Spoken

Senator Paul Scarr asked the following question:

CHAIR: Thank you. There was some evidence given earlier today with regard to what extent the recommendations of the Australian Law Reform Commission have been adopted—or not adopted—in relation to its report on class action litigation funding. What's the position from your perspective? Does the bill implement some of the recommendations from the Australian Law Reform Commission and not others? To what extent is the bill consistent or inconsistent with the Australian Law Reform Commission's recommendations?

Dr Smrdel: I'll probably need to take some of that on notice, because I've been fairly late in joining this particular reform exercise. But what I can say is that this is really just a priority tranche of legislation—my colleague from Treasury will probably be able to expand on that—the government undertook to deal with the issue of what were seen as excessive returns to litigation funders, and to try to ensure reasonable and fair returns to claimants in class action proceedings. The government has responded to both the ALRC and the parliamentary joint committee reports, so some of those things will still be under consideration. But in terms of working through each of the recommendations, I'd have to take that on notice, Chair.

The response to the Senator's question is as follows:

The Corporations Amendment (Improving Outcomes for Litigation Funding Participants) Bill (Bill) seeks to address several recommendations made by the Australian Law Reform Commission. The relevant recommendations are set out in the Appendix to the supplementary regulatory analysis at Attachment A of the Explanatory Memorandum to the Bill.

The Government responded to all other recommendations in the ALRC's report in a response tabled in Parliament on 19 October 2021