

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 116

Topic: Storm Task Force

Hansard Page: E91-92

Senator Ian MacDonald asked:

Senator IAN MACDONALD—Have you got a number of people full time on this or are they doing this amongst other duties?

Mr D'Aloisio—No. We have a dedicated Storm task force or team, or Storm financial team, and that has in effect probably two commissioners who are involved in the work of that task force. We have a senior executive leader that is heading the team. Then in terms of equivalence, depending on what stage they are at, there will be at least another 10 to 15 that will work pretty much full time and fully dedicated. Again, I can get more specific full-time equivalence for you. It has been handled in the way that we would ordinarily handle major investigations and major cases, and there have been a number of examples of those.

Senator IAN MACDONALD—Sorry, I have just been called to another committee so I might leave and Senator Williams might want to ask some of these things. Please do give us those on notice. But are you aware that a bank—and I will not indicate which bank—is trying to help people in these difficult circumstances when people are really very emotionally upset and perhaps in some cases unbalanced? Again, I will not say which bank, but a bank is talking about concessions subject to people agreeing to waive any legal rights they have. This of course will exacerbate with time as your investigations continue, as the people get more and more desperate and may clutch at any straws. I have had many reports of that. I do not have firsthand reports. I have not been sitting in the room, but are you aware of that?

Mr D'Aloisio—We are fully across that. We are aware of that and we are in discussions with that bank. We are conscious of the issues that you are raising in terms of the fairness of any sort of arrangement that could be entered into. But we need to be careful here, because if an investor genuinely wants to settle or do something in relation to a potential claim and has proper advice, then one has to respect the right of an investor to do that. But we are aware of the fact that we would want the investors to be able to make those sorts of decisions with full knowledge of whether there is a potential other action or other things that ASIC may or may not do. We are in discussions with that party.

Senator IAN MACDONALD—Thank you for that.

Answer:

As of 17 July there are approximately 65-70 people working full-time on the Storm matter, including counsel, external law firms and Axiom. Within ASIC the staff are

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drawn mainly from the Financial Services Deterrence group, but also include 12 from a combination of Financial Advisers, Insolvency Practitioners and Liquidators, Specialist Services and Admin Services.