

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
INSOLVENCY TRUSTEE SERVICE AUSTRALIA

**Question No. 23**

**Senator Williams asked the following question at the hearing on 25 May 2011:**

**Senator WILLIAMS:** I want to bring something to your attention. On 9 February 2011 we saw the headlines 'ASIC launches action to sink liquidator'. The article says:

THE corporate regulator has launched Victorian Supreme Court action to bar Melbourne-based liquidator Paul Pattison from practising after his own firm sank into liquidation last year.

Mr Pattison owes a heap of money to Bankwest and the Australian Taxation Office. The article continues:

Mr Pattison still operates as a bankruptcy trustee and liquidator through his new practice, Pattison Business Reconstruction and Insolvency Services, and he controls at least 100 files on company insolvencies and hundreds more on personal bankruptcies. But the Australian Securities and Investments Commission's court move precipitated an urgent meeting yesterday of the board of the professional body governing liquidators, the Insolvency Practitioners Association of Australia (IPA), which immediately suspended Mr Pattison's membership and began its own disciplinary proceedings against him.

I will just add another story, dated Tuesday, 1 March:

Melbourne-based liquidator, Paul Pattison, has voluntarily resigned from his company appointments following concerns by ASIC about his capacity to adequately and properly carry out his duties.

Mr Pattison resigned as liquidator or deed administrator of those companies and gave an undertaking that he would cease to carry out, consent to, or otherwise accept appointment as a liquidator ...

One experienced practitioner said that it 'beggars belief' that a liquidator could go broke and yet continue to practice. Are you people familiar with this Mr Pattison?

**Senator Ludwig:** Before we go too much further, Chair: I wonder if we could have that made available to Ms Ingram and Mr McCosker. I am sure Senator Williams is familiar with my usual request.

**Senator WILLIAMS:** No worries at all, Minister.

**Ms Ingram:** Thank you, Senator. I am not sure it is appropriate that I go into detail in relation to an operational matter, but I can say that Mr Pattison, in his capacity as a trustee, is under review by us. I would not like to go into any more detail. We have been liaising with ASIC.

**Senator WILLIAMS:** The reason I bring this to your attention is that a chap contacted me from Melbourne after I did some media on the Senate inquiry into the insolvency practitioners industry, if we can call it that. I am not going to go into detail; perhaps I might be able to talk to you off the record. I would like to discuss something at a later date with you. Can I ask: did Mr Pattison have any role with ITSA, or was he a member of any committee of ITSA at any stage?

**Ms Ingram:** I am sorry; I would have to take that on notice. I am not aware that he has been. It is possible, in his capacity, if he is a member of the Insolvency Practitioners Association. They might have nominated him to a government body, or we have a bankruptcy forum. But I am not aware of that.

**The answer to the honourable senator's question is as follows:**

Mr Pattison was the Insolvency Practitioners Association nominee for a committee formed under the Bankruptcy Act in 2006 to consider the deregistration of Mr Loke Ching Wong.

That Committee discharged its functions and was dissolved on 5 September 2006. Such Committees are composed of a Registered Trustee nominated by the Insolvency Practitioners Association, an APS employee and a delegate of the Inspector-General. This process is mandated in the Bankruptcy Act at section 155H.