



**Insolvency
Practitioners
Association of
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24 January 2003

The Secretary
Parliamentary Joint Committee on
Corporations and Financial Services
Room SG.64
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

Inquiry into Australia's Insolvency Laws

On behalf of the IPAA, being a key stakeholder in the Australian Insolvency Regime, I thank you for the invitation to participate in the Parliamentary Joint Committee on Corporations and Financial Services into the operation of Australia's Insolvency and Voluntary Administration Laws.

We note the broad Agenda headings (a) to (h).

As you would be aware, we have actively participated in the following:

- Review of Regulation of Corporate Insolvency Practitioners – 1997
- CAMAC (formerly CASAC) Review of Voluntary Administration – 1998
- CAMAC (formerly CASAC) Review of Corporate Groups – embracing many insolvency related issues such as responsibility of holding companies to subsidiaries – 1999
- We have been active participants in the operations and policing of GEERS, including submission on future policy and operations
- Pending the necessary legislative reform, we have actively issued Statements of Best Practice and liaised with the Supreme Courts

- We have a most rewarding Co-operation Agreement with ASIC.
- We have actively supported the development of the International Model Code, now to be adopted in Australia via CLERP 8
- We have recently employed our own Technical Officer to support our Technical Committee in anticipation of participating in this review

In our opinion the Agenda Headings are necessarily broad but must, we believe, also include a solution to the proper funding of liquidation and examination of assetless companies and their officers, if the continuing problem of the "Phoenix Company Syndrome" is to be contained.

This issue has been consistently raised since 1997.

Submission by 31 January 2003

We have since liaised with ASIC, CAMAC and GEERS who are also keen stakeholders and participants in this Inquiry.

They, like us, recognise that, given the invitation date of 29 November and submission date of 31 January over the Christmas/January holiday period, other than to indicate our support and commitment to the process, we ask that you take this "First Submission" of our desire to participate and contribute, and that you advise us of the next steps and protocols.

Yours faithfully



Michael Dwyer
National President