

Terms of Reference

Having regard to the recent collapses of Timbercorp and Great Southern, the Committee will inquire into and report by 7 September 2009 on agribusiness managed investment schemes (MIS), with particular reference to:

1. business models and scheme structures of MIS;
2. the impact of past and present taxation treatments and rulings related to MIS;
3. any conflicts of interest for the board members and other directors;
4. commissions, fees and other remuneration paid to marketers, distributors, related entities and sellers of MIS to investors (including accountants and financial advisers);
5. the accuracy of promotional material for MIS, particularly information relating to claimed benefits and returns (including carbon offsets);
6. the range of individuals and organisations involved with the schemes, including the holders of the relevant Australian Financial Services Licence;
7. the level of consumer education and understanding of these schemes;
8. the performance of the schemes;
9. the factors underlying the recent scheme collapses;
10. the projected returns and supporting information, including assumptions on product price and demand;
11. the impact of MIS on other related markets; and
12. the need for any legislative or regulatory change.