

Duties of the Committee

Section 243 of the *Australian Securities and Investments Commission Act 2001* sets out the Parliamentary Committee's duties as follows:

- (a) to inquire into, and report to both Houses on:
 - (i) activities of ASIC or the Panel, or matters connected with such activities, to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; or
 - (ii) the operation of the corporations legislation (other than the excluded provisions), or of any other law of the Commonwealth, of a State or Territory or of a foreign country that appears to the Parliamentary Committee to affect significantly the operation of the corporations legislation (other than the excluded provisions); and
- (b) to examine each annual report that is prepared by a body established by this Act and of which a copy has been laid before a House, and to report to both Houses on matters that appear in, or arise out of, that annual report and to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; and
- (c) to inquire into any question in connection with its duties that is referred to it by a House, and to report to that House on that question.

Table of Contents

Members of the Committee	iii
Duties of the Committee	v
Abbreviations	ix
Recommendations	xi
Chapter 1	1
Introduction	1
The referral	1
Conduct of the inquiry.....	1
Context of the inquiry.....	1
Proposed amendments	2
Chapter 2	5
The reform agenda of the Council of Australian Governments	5
Chapter 3	21
Key provisions of the bill	21
Corporations Act 2001	21
Foreign Acquisition and Takeovers Act 1975.....	22
Health Insurance Act 1973	23
National Vocational Education and Training Regulator Act 2011	23
Therapeutic Goods Act 1989.....	24
Insurance Contracts Act 1984	24
Taxation Administration Act 1953.....	24
Other Acts amended by the bill.....	25

Chapter 4.....	27
Concerns raised in evidence	27
Support for the reform	27
Severity of proposed civil penalties	28
Retention of reverse onus of proof	29
Retention of derivative liability provisions—'principle 4'	32
A model provision?	35
Harmonisation	36
Chapter 5.....	41
Committee view.....	41
Restoring confidence and balance	41
COAG reform process and reform agenda.....	42
Conclusion and recommendations.....	44
Appendix 1	45
Submissions received.....	45
Appendix 2.....	47
Public Hearing	47
Monday 22 October 2012.....	47