Chapter 1

Statutory oversight

1.1 The Parliamentary Joint Committee on Corporations and Financial Services was established by the *Australian Securities and Investments Commission Act 2001*. Section 243 specifies the committee's duties, which include:

> (a) to inquire into, and report to both Houses on:
>
> > (i) the activities of the Australian Securities and Investments Commission (ASIC) … or matters connected with such activities, to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed …

1.2 This report is presented in execution of the committee's duty under section 243(a)(i).

1.3 Section 243(b) of the Act further specifies that the Committee is to:

> (b) … 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 …

1.4 Having regard to this duty, committee members examined ASIC's Annual Report for 2008-09 in advance of meeting with ASIC and questioned ASIC officers about some matters included in that report.

1.5 In undertaking its oversight function, the committee has inevitably focused on matters of a controversial nature or areas where there may be scope for ASIC to improve the way in which it carries out its responsibilities. In its report, the committee highlights a number of issues which are of concern and identifies further actions and information that it requires from ASIC. Overall, however, the committee remains satisfied that ASIC continues to carry out its functions in accordance with the provisions of the corporations legislation.

Public hearing

1.6 The committee held a public hearing on 25 November 2009 to examine matters falling within ASIC's regulatory jurisdiction. Witnesses who gave evidence are listed in Appendix 1.

1.7 A copy of the Hansard transcript from the hearing has been tabled for the information of the Parliament. It is available online at http://www.aph.gov.au/hansard/joint/commttee/J12391.pdf .

Additional information

1.8 A number of questions were placed on notice at the hearing. Those questions, and ASIC's responses to them, are published in Appendix 2.