Parliament of the Commonwealth of Australia

REPORT ON THE REVIEW OF THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES

March 2003

© Commonwealth of Australia 2003

ISBN 0 642 71246 8

Printed by the Senate Printing Unit, Parliament House, Canberra.

MEMBERS OF THE COMMITTEE

Senator Grant Chapman (Chairman)

Senator Penny Wong (Deputy Chair)

Senator George Brandis

Senator Stephen Conroy

Senator Andrew Murray

Mr Anthony Byrne MP

Mr Steven Ciobo MP

Mr Alan Griffin MP

Mr Gregory Hunt MP

Mr Stewart McArthur MP

Secretariat

Dr Kathleen Dermody, Secretary

Ms Bronwyn Meredith, Principal Research Officer

Dr Frank Donnan, Principal Research Officer

Ms Cheryl Hardiman, Executive Assistant

Ms Julia Clifford, Executive Assistant

DUTIES OF THE COMMITTEE

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

The Parliamentary Committee's duties are:

(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

Membership of the Committee iii

Duties of the Committee v

CHAPTER 1

Introduction 1

General comments 1

Record of proceedings 1

Additional information 1

Acknowledgments 2

CHAPTER 2

Report on Annual Report and the activities of ASIC 3

Introduction 3

General overview 3

Funding 4

Staffing levels 4

Accounting surveillance program of company accounts 5

Executive options 5

Licensing under the FSRA regime 6

Conclusion 7

APPENDIX 1

Witnesses at Hearing 9

APPENDIX 2

Responses from ASIC to Questions Taken on Notice 11