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 s.243(a)(i).

Overall assessment

1.3 This Committee exists as an oversight Committee. In fulfilling this function, and in writing these reports, it is inevitable that the Committee will focus on areas for improvement, or areas of controversy. This may give an impression that the Committee is more critical of ASIC than is in fact the case.

1.4 The Committee wishes to state that it is satisfied that in the period since the last ASIC oversight report was tabled, the Commission, its leaders and officers have continued to apply both the letter and the spirit of the corporations legislation in the specific matters considered by the Committee within this oversight hearing.

1.5 Consideration of a number of issues raised by the Committee with ASIC during this oversight hearing will however continue at future hearings.

Public and other hearings

1.6 The Committee held two public hearings, on 13 September 2005 and 9 November 2005. The second was held at the request of the Committee due to the extensive range of issues that needed to be considered and ASIC is thanked for its co-operation in this regard. The hearings were attended by the Chairman of ASIC Mr Jeffrey Lucy, Deputy Chairman Mr Jeremy Cooper, and Commissioner, Professor Berna Collier. They were supported by Ms Jan Redfern, Executive Director, Enforcement.

1.7 In addition, the Committee received a private briefing from officers of the Commonwealth Director of Public Prosecutions and the Commonwealth Treasury, relating to insider trading and in particular the case of Mr Stephen Vizard. This briefing was held *in camera*, though a letter tabled by Mr Damian Bugg QC, was published by a resolution of the Committee. The letter appears at **Appendix 3**.

1.8 A copy of each of the Hansard transcripts from the public hearings has been tabled for the information of the Parliament. The transcript is also available online at http://www.aph.gov.au/hansard/joint/commttee/j-corps-fs.htm

Additional Information

1.9 A number of questions were placed on notice at the hearing. Those questions and responses are at **Appendix 2**.