



Senate Economics
Committee

15 APR 2009



ASIC

Australian Securities & Investments Commission

TONY D'ALOISIO

Chairman

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8 April 2009

Senator Annette Hurley
Chairman
Senate Standing Committee on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Hurley

Gunns Limited and the Hon Peter Garrett, Minister for the Environment, Heritage and the Arts

At the meeting of the Senate Standing Committee on Economics on 25 February 2009, issues were raised by Senator Abetz concerning the announcement by the Hon. Peter Garrett AM MP in relation to the Gunns Pulp Mill. Apparently, the Minister confirmed in a statement which he made earlier that day that he had disclosed his decision on the Gunns Pulp Mill to a number of people, in a confidential way, in the hour before he announced it publicly.

I undertook, as Chairman of ASIC, for ASIC to make inquiries concerning this disclosure and whether it raised any issues under the Corporations Act. I said (p. E 125):

"We will assess and come back to the committee if our inquiries require us to go any further. If they then require us to go into some form of investigation we will let you know and take action as we the commission then consider appropriate."

I advise that ASIC has completed its inquiries and, on the basis of those inquiries, is satisfied that it need not take the matter further and, for example, conduct any investigation. In other words, ASIC is not satisfied that a breach of the Corporations Act may have occurred.

Necessarily, if other information emerges, ASIC reserves the right to reopen the inquiry as it would do in the usual way in any other matter. However, we believe the prospect of that, from our inquiries, will be remote.

Broadly, section 1043A of the Corporations Act prohibits a person with price sensitive information about a listed entity that is not generally available from communicating that information to another person, if the insider knows or ought reasonably know that the other person would or would be likely to deal in the relevant financial products of the entity.

Our inquiries were focused on this section and in our view, it is the only relevant section of the Corporations Act which could apply.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'T. D'Aloisio', written in a cursive style.

Tony D'Aloisio
Chairman

cc: The Hon Peter Garrett AM MP – Minister for the Environment, Heritage and the Arts
Senator the Hon Nick Sherry – Minister for Superannuation and Corporate Law
The Hon Wayne Swan MP – Treasurer