

Chapter 1

Introduction

1.1 On 12 February 2015, the Senate referred the provisions of the Australian Securities and Investments Commission Amendment (Corporations and Markets Advisory Committee Abolition) Bill 2014 (the bill) to the Senate Economics Legislation Committee for inquiry and report by 16 March 2015.¹

1.2 The bill would amend the *Australian Securities and Investments Commission Act 2001* (the Act) to:

- abolish the Corporations and Markets Advisory Committee (CAMAC) by repealing Part 9 of the Act; and
- provide transitional and savings arrangements reflecting the cessation of CAMAC, including transferring CAMAC's records to the Department of the Treasury.

Conduct of the inquiry

1.3 The committee advertised the inquiry on its website and wrote to relevant stakeholders and other interested parties inviting submissions. The committee received 16 submissions, which are listed at Appendix 1.

1.4 The committee thanks all those who participated in, and assisted the committee with, the inquiry.

Background

1.5 CAMAC is a statutory, research-based, reform body focussed on corporations and financial markets.

1.6 CAMAC provides independent advice to the Australian Government on matters relating to the amendment, administration or reform of the corporations legislation; matters relating to companies or a segment of the financial products and services industry; and proposals to improve the efficiency of financial markets.²

1.7 In fulfilling its functions, CAMAC undertakes reviews, as reflected in the presentation and publication of 46 separate reports and related papers, and also responds to particular requests from the Minister for advice. It seeks to ensure that Australian financial markets and corporations operate in a commercial environment of the highest standard, supported by appropriate legislation.³

1.8 A Treasury Portfolio Minister appoints CAMAC members on a part-time basis and in a personal capacity with regard to their knowledge and experience in

1 *Journals of the Senate*, 2013-15, no. 78 (12 February 2015), p. 2156.

2 Explanatory Memorandum, paragraph 1.4.

3 CAMAC, *Annual Report 2013-14*, pp. 15-17, 19.

business, financial markets, law, economics and accounting. CAMAC is supported by a full-time executive of three staff.⁴

1.9 The decision to cease the operation of CAMAC was announced in the 2014-15 Budget. The decision was made in the context of the broader *Small and More Rational Government* reforms to reduce the number of Australian Government bodies and streamline the shape of government. The abolition and merger of some government bodies, including CAMAC, is expected to improve coordination and accountability, reduce the costs associated with separate governance arrangements and increase efficiency in how public funds are used to deliver services to the community.⁵

Provisions of the bill

1.10 Part 1 of the Schedule to the bill amends the Act.

Replacement arrangements

1.11 Part 2 of the Schedule to the bill provides for following transitional matters:

- the transfer of CAMAC's records to the Department of the Treasury;
- maintaining the confidentiality of information disclosed for the purposes of maintaining the Act; and
- the preparation of CAMAC's final annual report by the Secretary of the Department of the Treasury.

Commencement

1.12 The cessation of CAMAC and all of the other amendments in Schedule 1 of the bill will take effect on the 28th day after enactment.⁶

Financial impact

1.13 The cessation of CAMAC is expected to have a positive impact on the fiscal balance of \$2.8 million and an underlying cash of \$3.1 million over the forward estimates. These estimates make allowances for the costs of shutting down CAMAC, such as employee redundancies and contract termination costs.⁷

4 Explanatory Memorandum, paragraph 1.5.

5 Explanatory Memorandum, paragraph 1.6.

6 Clause 2 of the Australian Securities and Investments Commission Amendment (Corporations and Markets Advisory Committee Abolition) Bill 2014.

7 Explanatory Memorandum, p. 3.