

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 60

Topic: Ansett Accounting Relief June 2004 – part 2

Hansard Page: Tuesday 29 May, page 93

Senator WILLIAMS asked:

Senator WILLIAMS: What conditions, if any, did ASIC make for the accounting relief order? For example, was there a condition that the relief order should be made known to Ansett employees? Moving on to another question, why doesn't the accounting relief order not appear on the attached schedule of documents for Ansett Australia Limited from 2008? Are you aware that it does not appear there? Is the attached schedule of documents published on the website or anything like that?

Ms Gibson: I do not know what that refers to. I will need to take that on notice and we will need to look at that.

Senator WILLIAMS: I understand that around the beginning of 2010 ASIC removed the references to accounting relief orders from the schedules of documents for all companies. Is that correct? Do you know about that? You might check out relief orders from the schedules of documents for all companies. Apparently this was public information, and I believe that in 2010 that public information was removed. Can you help us, Mr Price?

Mr Price: Yes. Through an error on ASIC's part some accounting orders were published on our website, but our view is that the way the law is currently written those orders should not have been made public. ASIC had no power to make them public, and therefore we removed them from our website.

Senator WILLIAMS: So they were made public accidentally? Are you saying that?

Mr Price: Yes. I would like to check that, but that is my recollection.

Ms Gibson: That is my recollection, yes

Answer

There were no conditions attached to the relief instrument. When considering the relief application in 2004, ASIC was aware of and considered the non-lodgment of the 2001-2003 financial reports. ASIC formed the view the non-lodgment of accounts should not be an impediment to granting the exemption relief in 2004. We also determined the cost to prepare audited financial reports posed an unreasonable burden to be borne by the creditors of Ansett, and that the relevant users of the financial information were being kept informed through other reporting by the administrators.

The relief was made under a s340 instrument. This instrument is one that is not required to be made public. Through an error on ASIC's part some of these orders were made available through our public database and were able to be identified through our website. As these instruments are not meant to be published, we removed access to them and the website references when we became aware of the error.