

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 328

Topic: Complaints from liquidators and administrators

Hansard Page: Written

Senator EGGLESTON asked:

Does ASIC accept that they took an extensive period of time before reacting to complaints about some liquidators and administrators?

Answer:

Complaints from the public alleging misconduct and breach notifications from industry are extremely important to ASIC. At a minimum, they are a vital part of ASIC's intelligence and information gathering process, along with our direct industry and market liaison. Over the course of 09/10, ASIC has sought to increase the transparency of our complaints handling processes, by increasing the information we publish about complaints we receive and by improving our own communication with complainants.

ASIC receives complaints in a variety of ways, including:

- electronically through ASIC's website (i.e. via e-Complaints and email);
- verbally through ASIC's general enquiry line (i.e. Info-line);
- in writing, by lodging a complaint form or sending ASIC a formal letter. In some cases, a written complaint may be sent directly to the Chairman; and
- in person, by attending one of ASIC's regional offices.

All complaints received by ASIC are referred to ASIC's Misconduct and Breach Reporting (M&BR) team. Each complaint is registered in a national database and acknowledged and we aim to do this within 1 business day of receipt. At this point, the complaint undergoes a preliminary review by a senior analyst, testing significance and priority, is classified as to subject matter (keywords recorded), and allocated to an action officer for assessment. We aim to respond to complainants within 28 days of receiving their complaint; however this process may take longer if ASIC is forced to exercise compulsory powers to collect evidence, or the matter is complex.

ASIC formally assesses every complaint we receive to determine whether there may have been a breach of the law we administer. As part of this process, we gather further information from internal and external sources to test the complaint, examine known history or intelligence about the subjects (have we received previous complaints or considered action in the past?), and we review the law to determine whether there may be a breach and what action is available for ASIC or the complainant to take.

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This may also involve a referral of a matter to an ASIC specialist Stakeholder team, such as our Insolvency Practitioners and Liquidators. Such teams will obviously make enquiries and consider materials and these steps may take time.

On this basis, although ASIC aims to respond to complaints as quickly as we can, complaints alleging misconduct by insolvency practitioners usually require detailed levels of enquiry before action can be taken, and this often involves review of extensive documentary evidence and discussions with persons relevant to the complaint. ASIC agrees that it needs to take all reasonable steps to ensure enquiries are made quickly and appropriately, according to the seriousness of the misconduct alleged.

ENDS