

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio

Supplementary Budget Estimates 1 - 2 November 2006

Question: sbt 58 (ASIC)
Topic: Cowra Abattoir – contact with ASIC
Hansard Page: E9

Senator WONG asked:

I just find it somewhat odd that we have an entity of government—the Office of Workplace Services—which investigates, supposedly thoroughly, according to the government, the financial situation and operations of Cowra abattoirs but which at no point advises ASIC, which is responsible for the issues you raise, about a potential suspect transaction of a million dollars.

Mr Cooper—I cannot speak for that agency and I could not categorically say that they had not been in contact with ASIC. If you like, we can take that particular question on notice. I am certainly not aware of contact.

Senator WONG—You are not able to tell me that today? This issue has been raised in the parliament; I am sure you are aware of that, because ASIC is always aware when we ask questions in question time.

Mr Cooper—I am certain that we can answer that today.

Senator WONG—I would appreciate that.

Mr Cooper—We will make inquiries on that. I would stress that this is a very short time frame. This company only went into administration in August, and in the scheme of—

Senator WONG—I am sure the employees who are without entitlements would agree with you! I am being ironic, Mr Cooper.

Mr Cooper—I do not take that as a trivial matter. Certainly that is nearly always the case in administrations.

Senator WONG—Would you agree with the statement that the Cowra abattoir had a clean bill of health at the time that the employees' employment was terminated?

Mr Cooper—I could not comment on that.

Senator WONG—Does the preliminary report from the administrator concur with that view?

Mr Cooper—As far as I am aware it does not deal with that issue. I would stress also the Cowra abattoir is not in liquidation but in administration, which is a different species—the belief is that the underlying business is capable of being resuscitated, unlike a liquidation, where it is in termination.

Senator WONG—Yes, I understand the difference. My recollection of part 5A though is that the fact that it is in administration does not preclude consideration of whether there has been an improper transaction.

Mr Cooper—Certainly not.

Senator WONG—Why is it the case that ASIC has determined not to investigate that transaction?

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Mr Cooper—I guess we have not really made a decision one way or another. This is a matter of interest to us. We have been in contact with the administrators, but we have various mechanisms and risk ratings for determining how we apply our resources.

Senator WONG—How often has there been contact with the administrators; are we talking about one phone call or is there some active discussion?

Mr Cooper—I could not comment on the specific number of interactions, but the normal situation is that the administrators have their job to do under the fairly—

Senator WONG—Perhaps on notice you can indicate to me what contact has been made between the administrators and ASIC. The minister representing your minister in the Senate has indicated that ASIC is working closely with the administration. I would like to know what that comprises.

Mr Cooper—We will take that on notice.

Answer:

ASIC has written to the Office of Workplace Services to request a copy of any information that may assist ASIC in reviewing this matter.

The administrator of Cowra Abattoirs Pty Limited has lodged a confidential preliminary report under section 438D of the *Corporations Act 2001 (Cth)*.

ASIC wrote to the administrator requesting a further written report; following a delay in receiving this report, ASIC has again contacted the external administrators.

Separately, the administrator has provided ASIC with a copy of its Report to the Creditors.