

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2005-2006 ADDITIONAL SENATE ESTIMATES HEARING
16 FEBRUARY 2006
EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

QUESTIONS ON NOTICE

INDIGENOUS BUSINESS AUSTRALIA

Outcome 1: Stimulating the economic advancement of Aboriginal and Torres Strait Island peoples

Output 1.3: Business Development and Assistance

Question Number: W835-06

Question:

Senator Johnston asked at *Hansard* page 41: In relation to the Presspower Insolvency, how much was paid in fees to the receiver manager? From the beginning of the insolvency right through to the date of termination and any subsequent renderings after that to include the full cost to the Commonwealth. Has a review been undertaken about taking action against the liquidator, the administrator or the person who was running the insolvency?

Answer:

While this matter was under the care and control of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the agency known as Aboriginal and Torres Strait Islander Services (ATSIS), the sum of \$982,968.80 was incurred in relation to external legal expenses and receiver manager costs.

With the abolition of ATSIC on 24 March 2005, IBA was responsible for the conduct of the receivership. IBA has incurred in relation to the receivership the sum of \$20,186.10.

Overall this matter has cost the Commonwealth \$1,003,154.90 by way of external legal expenses and receiver manager costs.

On 9 August 2005, IBA terminated the Receiver's appointment, considering that Presspower had no realisable assets and the continued appointment of the receiver manager was not justified.

Considering that the receiver manager was acting for IBA and receiving instructions from IBA, the only action available to IBA against the receiver manager would have

been in the nature of deliberate misconduct or professional negligence. IBA had no grounds to suspect that any such grounds exist.