

© Commonwealth of Australia 2009

978-1-74229-211-3

Printed by the Senate Printing Unit, Parliament House, Canberra

# Members of the Committee

## Current members

Mr Bernie Ripoll, <b>Chairman</b>	QLD ALP
Senator the Hon Brett Mason, <b>Deputy Chair</b>	QLD LP
Senator Sue Boyce	QLD LP
Senator Don Farrell	SA ALP
Senator the Hon Jan McLucas	QLD ALP
Senator John Williams	NSW NATS
Ms Sharon Grierson MP	NSW ALP
Ms Julie Owens MP	NSW ALP
The Hon Chris Pearce MP	VIC LP
Mr Stuart Robert MP	QLD LP

## Other members during this inquiry

Senator the Hon Mark Arbib (until 10.03.09)	NSW ALP
Senator Gavin Marshall (until 24.06.09)	VIC ALP

## SECRETARIAT

Dr Shona Batge, Secretary  
Mr Andrew Bomm, Principal Research Officer  
Ms Emina Poskovic, Executive Assistant  
*With assistance from:*  
Ms Toni Matulick, Secretary  
Ms Sophie Dunstone, Senior Research Officer  
Ms Clare Guest, Executive Assistant

Suite SG.64  
Parliament House  
Canberra ACT 2600

T: 61 2 6277 3583  
F: 61 2 6277 5719  
E: [corporations.joint@aph.gov.au](mailto:corporations.joint@aph.gov.au)  
W: [www.aph.gov.au/senate/committee/corporations\\_ctte](http://www.aph.gov.au/senate/committee/corporations_ctte)



## Duties of the Committee

Section 243 of the *Australian Securities and Investments Commission Act 2001* sets out the Parliamentary Committee's duties as follows:

- (a) to inquire into, and report to both Houses on:
  - (i) activities of ASIC or the Panel, or matters connected with such activities, to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; or
  - (ii) the operation of the corporations legislation (other than the excluded provisions), or of any other law of the Commonwealth, of a State or Territory or of a foreign country that appears to the Parliamentary Committee to affect significantly the operation of the corporations legislation (other than the excluded provisions); and
- (b) to examine each annual report that is prepared by a body established by this Act and of which a copy has been laid before a House, and to report to both Houses on matters that appear in, or arise out of, that annual report and to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; and
- (c) to inquire into any question in connection with its duties that is referred to it by a House, and to report to that House on that question.



# Terms of Reference

On 25 February 2009 the Parliamentary Joint Committee on Corporations and Financial Services resolved to inquire into and report by 23 November 2009 on the issues associated with recent financial product and services provider collapses, such as Storm Financial, Opes Prime and other similar collapses, with particular reference to:

1. the role of financial advisers;
2. the general regulatory environment for these products and services;
3. the role played by commission arrangements relating to product sales and advice, including the potential for conflicts of interest, the need for appropriate disclosure, and remuneration models for financial advisers;
4. the role played by marketing and advertising campaigns;
5. the adequacy of licensing arrangements for those who sold the products and services;
6. the appropriateness of information and advice provided to consumers considering investing in those products and services, and how the interests of consumers can best be served;
7. consumer education and understanding of these financial products and services;
8. the adequacy of professional indemnity insurance arrangements for those who sold the products and services, and the impact on consumers; and
9. the need for any legislative or regulatory change.

On 16 March 2009 the Senate agreed that the following additional matter be referred to the Parliamentary Joint Committee on Corporations and Financial Services as part of that committee's inquiry into financial products and services in Australia, adopted by the committee on 25 February 2009 for inquiry and report by 23 November 2009:

The committee will investigate the involvement of the banking and finance industry in providing finance for investors in and through Storm Financial, Opes Prime and other similar businesses, and the practices of banks and other financial institutions in relation to margin lending associated with those businesses.

In conducting its inquiry, the Committee made a decision to focus specifically on non-superannuation products and services.