



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

COMMITTEES

**Corporations and Financial
Services Joint Committee**

Report

SPEECH

Thursday, 26 February 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker Robert, Stuart, MP	Question No.

Mr ROBERT (Fadden) (11.14 am)—I also commend to the House this report of the Parliamentary Joint Committee on Corporations and Financial Services, *Statutory oversight of the Australian Securities and Investments Commission*. ASIC forms one of the four pillars that have kept our financial system held in such regard and such standing over the last decade. ASIC, APRA—which was pulled out of ASIC in 1998—the Reserve Bank and the ACCC have provided a sound regulatory framework that has held us in very, very good stead, as seen through the strength of our banking and financial system whilst other banks around the world continue to find themselves in significant difficulties.

The committee's hearing with ASIC on 28 November raised a range of issues that should be raised to ensure that the regulatory function of one of those four key pillars continues to receive the proper and due parliamentary scrutiny. A number of issues were raised, including ASIC's decision to ban short selling to reduce market volatility. Issues such as disclosure of short selling and the ownership of short sales, the transparency and reporting of short selling—both naked and covered—received due attention. The hardship exemptions for frozen mortgage fund redemptions also were considered, as were new licensing and reporting arrangements for credit-rating agencies.

A range of other issues were discussed with ASIC that have been included, or shown interest in, at previous ASIC hearings, and they may feed into further hearings within the financial services area. These include ASIC's investigative capability—noting that the Storm Financial collapse occurred after the hearing with ASIC. But ASIC's investigation and subsequent action surrounding the collapse of Storm and responsibility for that will be watched by the committee with some interest. Likewise, the regulation of insider trading, market manipulation and false rumours to affect a share price will receive some due attention.

The strategic review of ASIC, as well as its funding arrangements, its financial arrangements and the impact of efficiency dividends and the like, will continue to come under review, as will workload and further budgetary issues. Financial literacy, including the transition of the Financial Literacy Foundation across to ASIC and how ASIC will use its services and the literacy programs that the foundation is bringing across to it, will also continue to undergo scrutiny, as will professional indemnity insurance for financial planners. The proper parliamentary oversight of ASIC, and the four pillars that have held up our banking and financial systems so well, is proper, is due and must continue. I commend the committee for its work. I thank the secretariat for their support and I look forward to further review of ASIC and its work to help support the economy and the nation.

Debate (on motion by **Mr Secker**) adjourned.