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24 October 2014

Joint submission in support of retaining the Corporations and Markets Advisory Committee (CAMAC)

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***'If knowledge can create problems, it is not through ignorance that we can solve them.'* (Isaac Asimov (1920 - 1992))**

To clearly argue why CAMAC is an important and cost effective body it is necessary to set out the context in which it operates.

The announcement that includes CAMAC's abolition in the 2014-15 Budget states:

The Government will achieve savings of \$19.4 million over four years from 2014-15 by abolishing some government bodies and merging other government bodies to reduce duplication, improve coordination and increase efficiency in how public funds are used to deliver services to the community.

The Government will also implement the following reforms [including the abolition of CAMAC] by 1 July 2015, to reduce the number of government bodies and the costs associated with separate governance arrangements

Nowhere is there reference within that list of justifications to a specific reason as to why CAMAC is being abolished. So it must be assumed that the Government is vacating what we consider is an important space within financial markets and corporations law, policy and administration. That space is accurately and succinctly described on page 68 of CAMAC's most recent Annual Report as:

CAMAC seeks to stimulate and lead the debate on the enhancement of standards for corporations and participants in financial markets and propose suitable regulatory reform where necessary. . . . CAMAC's operations and activities that give effect to its role as a corporations and financial markets adviser are summarised [in the following objective]

Informed decisions by Government on issues relating to corporations regulation and financial products, services and markets through independent and expert advice.

CAMAC does this through industry professionals appointed to the Committee on the basis of their knowledge and experience in business, financial markets, law, economics or accounting. The Committee is assisted by a Legal Committee, whose members have expertise in corporate law.

To date CAMAC has produced on average two reports per year. This is a consultative process that involves the generation of discussion papers and seeks input from all interested parties. Over the years these reports have addressed a variety of topics directly relevant to financial markets and corporations law including, by way of example, an enhanced Statutory Disclosure System for listed corporations (September 1991), the reform of Insider Trading laws (November 2003) and a legislative framework for the regulation of Crowd Funding (May 2014).

We consider it is important to have a body such as CAMAC to integrate the perspectives and expertise of market participants and experts outside of government within a standing body to generate new ideas and reflect on current trends in an essential and dynamic area of the Australian economy. Structured independent advice is valuable to government, especially when it comes from those in the market. Thus CAMAC is very good value for money at less than \$950,000 in the 2012-13 year.

These views do not come simply from an academic perspective. Juliette Overland has practised as a senior lawyer in several top-tier law firms and as in-house counsel in a global corporation. Brett Bondfield has been a senior lawyer in what was then the Enforcement Coordination section within the Office of the Chairman of the Australian Securities Commission and before that the senior lawyer in the Australian Stock Exchange's membership area. In each of those roles it was evident that there was and remains an important place for a standing body with the ability to stand above the fray and stimulate debate and generate advice on current corporate and financial market issues and trends.

It is not by reference to past achievements that we consider CAMAC should not be abolished. Rather, it is its relevance to the future shaping of Australia's corporate and financial markets landscape by harnessing input from the expert participants on the Committees and obtaining the views of all interested parties through its deliberative processes.

Accordingly, we urge the Government to retain CAMAC.

Thank you for the opportunity to make a submission of this important issue.

Yours sincerely

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