



Armidale Dumaresq Council

Phone: (02) 6770 3600

Local call: 1300 136 833

Fax: (02) 6772 9275

ABN 63 781 014 253

Address correspondence to the General Manager

135 Rusden Street

PO Box 75A

ARMIDALE NSW 2350

Date Friday 3 February 2012 Your Ref Our Ref A09/4378

Australian Federal Government
The Treasury
Langton Crescent
PARKES ACT 2600
AUSTRALIA

SUBJECT: A SUBMISSION ON THE FEDERAL GOVERNMENT'S PAPER ON THE LIQUIDATION INDUSTRY PROPOSALS

The Armidale Dumaresq Council has been at the forefront of Local Government on this issue. The Council made a submission to the Senate Inquiry into the Liquidation and Administration Industries and I went before the Committee when it visited Newcastle in 2011. Council has also raised the matter at the NSW Local Government Conference for the past few years and its motions have been passed unanimously. Council has witnessed first-hand the devastation to a community arising from the criminal behaviour of Liquidators and Administrators. The YCW Rugby League Club in Armidale is no more, thanks to the administration of one Stuart Ariff, who is now serving time in prison for another illegal administration. The community of Armidale has lost a wonderful sporting and social facility, employees have lost their jobs and entitlements and creditors have suffered significant losses. Council contends that there are many more cases that should be pursued by the authorities in relation to Stuart Ariff. Council also believes that there are other Stuart Ariffs out there wreaking havoc upon families, businesses and community organisations, while regulatory authorities and the federal government do little, if anything, to bring this criminal behaviour to heel. The Proposals fall short of seriously addressing the problems besetting the Liquidation and Administration industries.

Council is disappointed that in the face of the findings and recommendations of the Senate Inquiry, that the federal government and its regulator, ASIC, have not seized the opportunity to engage in real reform. These industries are infiltrated by criminal elements and regulation, be it industry-based review or ASIC regulation, has proven incapable to deal with this cancer. The Proposal Paper does not address the significant concerns expressed in submissions to the Senate Inquiry regarding ASIC's incompetence to deal with the criminals who have set up shop in these industries.

Armidale Dumaresq Council is concerned that the Proposal Paper has not been given the attention it deserves in the media nor in the parliament, which raises concerns regarding process transparency. More time should have been given for community discussion and input

www.armidale.nsw.gov.au
council@armidale.nsw.gov.au

thrive
in Armidale



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before the government considers these submissions. Council reserves the right to present further information and would be only too happy to elaborate on this submission.

Nothing short of a Royal Commission into white collar crime will do. These industries need a real cleanout in order to protect families, businesses and community organisations from criminals in these industries. Future reviewers of this government's performance and the broader community will judge it badly if it does nothing to address this cancer which is eating away at the fabric of Australian society.

CR JIM MAHER, DEPUTY MAYOR PH. D
ARMIDALE DUMARESQ COUNCIL