

Title	<u>Economics References Committee</u> 10/10/2012 Effects of the global financial crisis on the Australian banking sector
Database	Senate Committees
Date	10-10-2012
Source	Senate
Parl No.	43
Committee Name	Economics References Committee
Page	1
Questioner	<u>CHAIR (Senator Bushby)</u> CHAIR <u>Williams, Sen John</u> <u>Cameron, Sen Doug</u> <u>Eggleston, Sen Alan</u>
Responder	<u>Mr Englebert</u>
System Id	

Economics References Committee - 10/10/2012 - Effects of the global financial crisis on the Australian banking sector

ENGLEBERT, Mr Mark, Partner, Taylor Woodings

Committee met at 18:06.

CHAIR (Senator Bushby): I declare open the fifth hearing of the Senate Economics References Committee inquiry into the post-GFC banking sector. This inquiry was referred to the committee by the Senate on 14 March 2012 for a report by 31 October 2012. The committee has received over 150 submissions which are available on its website.

These are public proceedings, although the committee may determine or agree to a request to have evidence heard in camera. I ask everyone to ensure that they have switched off their mobile phones. I also ask photographers and cameramen, if we have any, to follow the instructions of the committee secretariat and ensure the senators' and witnesses' laptops and personal papers are not filmed. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. If a witness objects to answering a question the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer a witness may request that the answer be given in camera. Such a request made of course also be made at any other time. A witness called to answer a question for the first time should state their full name and the capacity in which they appear and witnesses should speak clearly into the microphones to assist Hansard to court proceedings.

I now welcome Mr Mark Englebert from Taylor Woodings. The committee has received and considered your submission, Mr Englebert. Would you care to make an opening statement?

Mr Englebert : Senator Bushby and members of the committee, thank you for inviting me today to appear before the committee. I am a partner in the firm Taylor Woodings, a chartered accountancy firm which practices in corporate recovery, restructuring and corporate insolvency. I have worked in this area for 15 years. I appear before you as joint and several receiver of three entities—Lighthouse Beach Holdings, Butler Constructions, and National Hotel Property. In our written submission of 8 October we have attempted to respond to the issues raised by the committee as a result of the submissions, both oral and written, by Mr Sean Butler. In the interests of time I do not wish to repeat everything in those written submissions—I will keep things at a higher level but maybe refer you to the submissions—but I would like to make a few overview observations.

First, I deny that I or anybody else did anything to try to prevent Mr Butler giving evidence to the committee. The committee would have seen my email of 7 August. In the email I did not in any way suggest that Mr Butler did not give evidence before the committee.

I would also like to say some things about the receiverships of the three companies. The receiverships were very complicated. The Lighthouse Beach Resort had to be managed and marketed for sale. This took a great deal of time and effort. The National Hotel in Fremantle was only half owned by the entity to which I was appointed. The building was incomplete. It was not completely repaired. The property had to be marketed and sold despite those difficulties. Again, that process took time and effort. In addition, over and above the time and effort involved in the above, we dealt with Mr Butler's many queries which he requested answers to. Mr Butler was not ignored. My office or my solicitor's office tried to respond to the many issues raised by Mr Butler. This was very time consuming.

Finally, the receivers and managers deny the several allegations that Mr Butler has made to this committee. They are dealt with in our submissions. At all times we acted professionally, as required by law and the code of conduct that applies to the conduct of the receivership of the companies and in an efficient and appropriate manner. I ask that my evidence be given in camera for the reasons set out in paragraphs 6 and 7 of my submission as sent to you on 8 October.

CHAIR: Thank you, Mr Englebert. In terms of going in camera, I propose to give the committee an opportunity to ask some general questions. One of the reasons we have called you along is clearly that the situation involving Mr Butler has provoked us to ask you in particular, but there are broader issues in terms of how insolvency practitioners approach these types of issues which we are interested in as well. I guess Mr Butler meant that you were the one that we invited along to do that. It gives us an opportunity to examine that and certainly we are very happy to move in camera when we discuss the specifics of that, but if you are happy with it, what I intend to do is initially just ask some general questions about insolvency in the context of banking issues in an open hearing before we move in camera. Are you happy with that?