



JOINT NEWS RELEASE

ATTORNEY-GENERAL

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**MINISTER FOR FINANCIAL
SERVICES AND REGULATION**

THE HON. JOE HOCKEY MP

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CORPORATIONS LAW AGREEMENT

The Commonwealth, New South Wales and Victoria have today agreed to a package of Corporations Law measures which will restore certainty for Australian business.

The measures refine the detail of a referral of State corporations law powers to the Commonwealth, agreed at a joint meeting of the Standing Committee of Attorneys-General and Ministerial Council on Corporations in August.

Today's agreement came at a meeting in Sydney convened by Prime Minister John Howard and attended by Commonwealth Attorney-General Daryl Williams, Minister for Financial Services and Regulation Joe Hockey, NSW Premier Bob Carr, NSW Attorney-General Bob Debus, Victorian Premier Steve Bracks and Victorian Attorney-General Rob Hulls.

The agreement is a significant compromise designed to overcome the problems arising for business as a result of the High Court's decision in *Hughes*.

To address the States' concerns that the Commonwealth might use the referred powers to assume greater control of workplace relations, it was agreed that the Corporations Agreement will specifically exclude the use of the referred power for the purpose of regulating industrial relations. In addition, the objects clause in the State referral legislation will include a provision to the effect that the referred powers are not to be used for this purpose. This will not prevent the inclusion of provisions in the Corporations legislation necessary for corporate and securities regulation.

It was agreed that no State will be able to unilaterally terminate the reference of the power to amend the Corporations Law and remain in the new scheme. This achieves the Commonwealth's aim of ensuring consistent laws across all States and Territories.

The States' voting power will be increased from two to three jurisdictions for approval of amendments to the Corporations Law in areas where approval of Ministerial Council is required. The current voting requirements for amendments to the Corporations Law will otherwise be retained.

The Commonwealth is confident that this agreement will meet its objective of overcoming the constitutional uncertainty in relation to the Corporations Law, delivering a scheme that is:

- Certain in operation,
- National and uniform,

- Easy and cost effective to administer,
- Responsive to domestic and international policy pressures,
- Capable of seamless enforcement and interpretation on a national basis, and
- Not subject to the demands of one State over all others.

The Australian Institute of Company Directors, the Business Council of Australia, Institute of Chartered Accountants in Australia, the Investment and Financial Services Association, the Law Council of Australia and the Securities Institute of Australia, have urged all governments to agree urgently on a solution to maintain the integrity of Australia's corporate law regime.

Today the Commonwealth, New South Wales and Victoria answered this call. The Commonwealth urges the other States to come on board.

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