



NEWS RELEASE

— **ATTORNEY - GENERAL** —

— THE HON DARYL WILLIAMS AM QC MP —

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STATES DERAIL CERTAINTY OF CORPORATE REGULATION

The Government has been working hard to restore certainty to the Corporations Law by securing a referral of State powers.

But the Labor States derailed the process at the joint meeting of the Standing Committee of Attorneys-General and Ministerial Council on Corporations in Sydney last night. They attempted to force the Commonwealth into accepting a referral that would leave Australia with a corporate regulation system riddled with problems.

Over the course of negotiations, the Commonwealth and the States have reached agreement on a substantial range of issues. The Commonwealth has given repeated assurances to the States that we will not misuse the referred power. The Prime Minister has reiterated this commitment in a letter to Premiers and Chief Ministers last week.

However, it is clear that the process has become bogged down by rhetoric and political point-scoring.

The Labor States - with the support of Federal Labor - are trying to create the impression that the referral of Corporation Law powers to secure the scheme is designed to be used by the Commonwealth for industrial relations reform. This is a complete furphy and political mischief making.

The States do not need a three page long section inserted in the Bill at the 11th hour in order to guarantee that the Commonwealth cannot use their referred power to regulate industrial relations. Such a provision would not give any greater protection than the arrangements to which the majority of the States had previously agreed.

But it can create great uncertainty and vastly increase the potential for legal challenges to the Bill by those who would thwart its operation or seek to challenge the actions of the Australian Securities and Investment Commission and the Director of Public Prosecutions. These are real risks which the Commonwealth takes seriously even if Labor does not. The provision promoted by the States - and supported by Federal Labor - are a political play at best that will prove to be a headache of the same sorts of dimensions as we are currently trying to rectify by obtaining appropriate referral.

Added to this is the further absurd proposal that we should agree to let States unilaterally decide which amendments of the Corporations Law will or will not operate in their jurisdiction. The package offered by the States is unworkable. It is no solution.

While the Commonwealth's door remains open to the States to engage in a sensible discussion of a reasonable package, the States' continued intransigence suggests this is unlikely. We will go back to the drawing board to consider all our options.- Among those options is the possibility of national legislation using the Commonwealth's existing powers.

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