

10 October 2012

Ms Deborah O'Neill MP
Chair
Parliamentary Joint Committee on
Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600

By email: corporations.joint@aph.gov.au

Dear Ms O'Neill

Personal Liability for Corporate Fault Reform Bill 2012

The Australian Institute of Company Directors (Company Directors) welcomes the opportunity to comment to the Parliamentary Joint Committee on Corporations and Financial Services (the Committee) on the Personal Liability for Corporate Fault Reform Bill 2012 (the Bill).

Company Directors is the second largest member-based director association worldwide, with over 32,000 individual members from a wide range of corporations: publicly-listed companies, private companies, not for profit organisations, and government and semi-government bodies. As the principal professional body representing a diverse membership of directors, we offer world class education services and provide a broad-based director perspective to current director issues in policy debates.

In order to assist the Committee with its deliberations we enclose a copy of the three submissions we recently lodged with Federal Treasury on the three tranches of legislative proposals now consolidated into the Bill. The attached submissions (Attachments 1 to 3) comprehensively set out the background to the director liability reform stream under the COAG *National Partnership to Deliver a Seamless National Economy* upon which these reforms are based. The submissions also detail the approach Company Directors would have taken to achieve the reform contemplated by COAG.

Since Federal Treasury consulted on the three tranches of proposed amendments only minor changes to the Bill have been made. As a result, our comments on the three tranches (with minor exceptions such as our comments on section 1302 - the incorrect reference to which has now been removed) are relevant to the Committee's inquiry.

We trust our comments are of assistance.

Yours sincerely,


John H. Colvin
Chief Executive Officer &
Managing Director