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Senate Standing Committee on Economics
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Treasury Laws Amendment (2021 Measures No.1) Bill 2021 [Provisions]

Ai Group appreciates the opportunity to comment on the Treasury Laws Amendment (2021 Measures No.1) Bill.

Ai Group is a national employer association that provides services and represents the interests of large, medium and small businesses from a wide range of sectors. Our organisational purpose *is to create a better Australia by empowering industry success.*

We strongly support the changes put forward in Schedule 1 of the Bill:

- Allowing meetings of directors and shareholders of companies and members of registered schemes to be held virtually;
- Allowing for documents related to these meetings to be provided and signed electronically and for minutes to be kept electronically; and
- Allowing the electronic execution of company documents to be in electronic form.

These are sensible and practical changes that will assist in permitting efficiencies to be realised from widely-available digital technologies.

Ai Group also strongly supports the changes put forward in Schedule 2 of the Bill to ensure that contraventions of continuous disclosure and misleading and deceptive conduct provisions require that an entity or officer acted with “knowledge, recklessness or negligence”.

If enacted these changes will:

- Remove an excessive compliance burden on Australian business entities and their officers;
- Remove a barrier to attracting the best talent to positions of governance in Australian business entities;
- Remove some of the discrepancies between the relatively onerous provisions relating to entities and offices in Australia and those in comparable jurisdictions including the UK and the US; and,
- Reduce the risk that Australian-based businesses will look to relocate abroad.



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In addition, if enacted the changes set out in Schedule 2 of the Bill, will be an important step towards addressing the rising concerns over the cost and availability of Directors and Officers Insurance as set out in Ai Group's October 2020 report [Business Insurance: Unaffordable or Unavailable?](#) Some findings referred to in that report (at page 8) included:

- An average increase in premiums in 2019 for Directors and Officers Insurance for ASX200 companies of 118% (including at the higher extreme a rise of 600%); and
- That a number of insurers had recently withdrawn from offering Directors and Officers Insurance and a further number had severely restricted their offers of Directors and Officers Insurance.

Please do not hesitate to contact me in relation to the issues raised in this submission.

Yours sincerely,