

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates 15-18 October 2012

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1.1 Domestic Policy

Topic: COAG - Directors' Liability Reforms

Senator: Senator Payne

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Type of Question: Written

Date set by the committee for the return of answer: 30 November 2012

Number of pages: 2

Question:

What is the status of the COAG Directors' Liability reforms? Please outline the status of legislation across jurisdictions, any remaining actions to be undertaken to complete these reforms, and the expected timeframe.

Answer:

The Commonwealth's Personal Liability for Corporate Fault Reform Bill 2012 was introduced into the House of Representatives on 19 September 2012 and passed in October 2012.

New South Wales introduced the Miscellaneous Acts Amendment (Directors' Liability) Bill 2012 on 17 October 2012 and remaining jurisdictions are working towards introduction of legislation by the end of 2012, in line with the National Partnership Agreement to Deliver a Seamless National Economy.

At its meeting on 25 July 2012, COAG noted this reform was still under consideration by the Queensland Government. The Queensland Government has subsequently announced on 25 September 2012 that it will proceed with directors' liability reform.

Victoria, Queensland, South Australia and Tasmania expect to introduce legislation into Parliament by the end of 2012.

Western Australia, the Northern Territory and the Australian Capital Territory are not expected to introduce legislation until early 2013 with this reform completed thereafter.

In regards to the application of the COAG Principles and Guidelines (the Principles) to future legislation:

- The Commonwealth, New South Wales and Queensland have formally adopted the Principles as Government policy.

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- In South Australia, the Principles are being applied by Parliamentary Counsel and have been incorporated into relevant State guidelines for preparing Cabinet submissions and drafting legislation.
- Victoria and Tasmania expect to formally adopt the Principles as Government policy at the same time as they introduce their legislation, later in 2012.
- The formal adoption of the Principles as Government policy in Western Australia, the Northern Territory and the Australian Capital Territory is expected to be delayed due to the recent (in the case of the Northern Territory and the Australian Capital Territory) or upcoming (in the case of Western Australia) elections.