

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
Department of the Senate Parliament House Canberra ACT 2600

Dear Secretary

I would like to make a submission to the Parliamentary Joint Committee on Corporate and Financial Services inquiry into corporate responsibility.

While some companies are voluntarily trying to improve their environmental and social performance, the current system of laws and regulations often discourages active ethical behaviour by corporations. Corporate regulation should reinforce the operation of laws to protect the environment, not undermine them.

For example, the current system of limited liability should be wound back to ensure that companies cannot use layers of legal technicalities to shield themselves from the environmental and social consequences of their actions. James Hardie's avoidance of asbestos liabilities is the most famous recent example of this, but there is potential for very similar scandals in the way that biotech companies are hiding from potential future liabilities associated with genetically engineered crops.

I also think that it is important that the duties of company directors are extended to recognise responsibilities to the environment and the public. The current system of exclusive responsibility to shareholders means that directors are forced to focus on profits above all, even where it is clear that there are opportunities to improve environmental and social outcomes.

Finally, I would like to support tightening laws to make Australian companies responsible for the environmental damage they do in other countries. While there have been some good examples of this, such as the case on behalf of Papua New Guineans affected by the Ok Tedi mine, Australian laws need to be much stronger to make sure that Australian companies are not profiting from environmental destruction in other companies.

Thank you for taking my views into account.

Yours sincerely,