

The Greenpeace logo is displayed in white, uppercase letters on a green background. The background features a large green shape on the left that tapers to a point on the right, and a smaller green shape on the right that is rounded at the top and bottom.

100% recycled

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

BY EMAIL TO: corporations.joint@aph.gov.au

Dear Sir/Madam,

**RE: Submission to Parliamentary Joint Committee on Corporations and Financial Services
*Inquiry into Corporate Responsibility***

Please find attached the submission by Greenpeace to the Joint Committee on Corporations and Financial Services *Inquiry into Corporate Responsibility*.

If you have any queries in relation to this submission, please do not hesitate to contact me.

Regards

Jason Collins
Corporate Campaigner

Submission to Parliamentary Joint Committee on Corporations and Financial Services *Inquiry into Corporate Responsibility*

First and foremost, corporate accountability must be obtained through strong environmental legislation that controls the activities of corporations and ensures liability for their actions. From this framework, a series of further actions need to be taken to ensure that responsible corporate conduct can occur and irresponsible conduct restrained. These include (but may not be limited to) the following:

Broadening of Directors' duties

A directors' duty to act in the best interests of the corporation should explicitly include the obligation to consider the interests of all stakeholders. A safe harbour should be established to enable directors to act in the interests of stakeholders other than shareholders without the threat of shareholder suits.

Limiting Limited liability

The corporate veil should be able to be pierced, particularly in the case of group companies, in specified involuntary creditor situations, including human rights violations and serious environmental harm. The economic rationale behind limited liability fails in the case of involuntary creditors and is minimal in the case of group companies where limited liability is placed upon limited liability in order to completely isolate risks.

Removal of Perverse subsidies

A number of government subsidies continue to be made available to corporations despite their perverse environmental (and often economic) impact. Government subsidies that reward socially or environmentally harmful corporate behaviour should be removed.

Improved Disclosure

Disclosure of environmental data and risks should be mandated. Commercial in confidence must not be used as a barrier to community knowledge of corporate conduct that impacts on their environment and health.

Extraterritorial Reach

Control of conduct by corporations that operate both inside and outside of Australia's borders continue to be hampered by the limited extraterritorial reach of Australian laws. Standards such as the United Nations Human Rights Norms for Business should be implemented in Australia and a remedy provided in Australian courts for any persons injured through a breach of those norms, whether or not the injured party is within Australia's borders.

Corporate Donations

Corporate donations to political parties should be banned. Control of corporate conduct is not possible in an environment of political influence through corporate donations.

For more information, please contact:

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