

To Joint Committee on Corporations and Financial Services, Department of the Senate, Parliament House

Firstly, I want to make the general statement that I believe corporations, particularly transnational corporations, have such power over the lives of Australian citizens that we appear to live as much in what could be described as a corporatist state as a democracy. This stems ultimately from the legal fiction that a corporation is a person. Corporations now have at least as much in the way of Rights as a natural person.

There should be some kind of legal accountability that prevents workers' rights, especially the right to a living wage, being eroded while CEOs can be awarded millions of dollars a year.

Secondly, I would like to endorse the following points which have been suggested by the Australian Free Trade and Investment Network:

- Corporations are powerful players and their decisions impact the broader community and the environment. Corporations should therefore be bound to have regard for human rights, workers rights and the environment and should be legally accountable to the community.
- The existing legal framework is not sufficient to regulate corporations. Corporate directors are not allowed to take account of broader social responsibilities, where they conflict with shareholders' financial interests. The law on directors' duties should be changed to make directors consider the social and environmental impacts of their decisions.
- There has been a large increase in 'corporate social responsibility' initiatives. Unfortunately most of these, at a national and international level, are voluntary and rely on the good faith and honesty of the corporation. Any reporting initiatives or guidelines should be mandatory, should be independently audited and should impose penalties if corporations do not comply.

Yours sincerely,
Mrs Janice Tendys,