

Committee Secretary
Parliamentary Joint Committee on
Corporations and Financial Services
Department of the Senate
Parliament House
Canberra ACT 2600
Australia – Attention: Anthony Marinac

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This Oct. 13th 2005, Addendum relates to or our Submission to the Parliamentary Committee Inquiry into “Corporate Responsibility” which was dated 29th Sept. 2005.

1. The Terms of Reference for this inquiry are somewhat concerning as any party lodging a counter-view to today’s clamor for “more corporate responsibility” runs the risk of being accused of being against “corporate responsibility”, which our Foundation is certainly not.

We are careful about such terms as Corporate Responsibility or Social Responsibility, or Social Justice, as these terms mean entirely different things to different people and there is never a scarcity of people or groups who are keen to spend other people’s money.

“Corporate Responsibility” is like “government” or “fire”.

Each of them, in limited form, can be quite useful but when “out of control” can be destructive.

History is unfortunately littered with many examples of this.

2. On page 2 of our submission we drew attention to the Philosophy and Business Seminar operated by Dr. Yaron Brook in California.

We have since been advised of a Sydney-based group Enterprise Ethics Pty Ltd (www.enterpiseethics.com.au) where Nigel Richards and colleagues offer Motivating Through Ethics and Enterprise Ethics Consultancy and Training.

3. Another excellent Australian resource for this topic is “Deconstructing Corporate Social Responsibility” by Gary Johns. Corporate Social Responsibility is a political ideology that wants private interests to be subsumed by public interests, narrowly defined. Choosing the right balance of equality, meritocracy and market orientation for a corporation is a difficult and a never ending job. At best, CSR provides no guide as to how to achieve the right balance, at worst it provides a biased guide.

Downloadable from http://ipa.org.au/publications/publisting_detail.asp?pubid=441

4. CFO magazine (www.cfoweb.com.au) in their Oct. '05 edition (page 14) features an interesting article “Lawmakers Raise the Stakes – Boards are weighing the possibility of corporate social responsibility becoming a legal requirement” by Ann-Maree Moodie, which points out the potential conflicts facing directors resulting from any

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new legislation which may follow the current Parliamentary Joint Committee recommendations. "Under both the Corporations Act and common law, directors have a duty to act in the best interests of the corporation. In this regard, directors are required to consider the interests of shareholders."

We hope this additional information can be submitted along with our original letter of Sept. 29th, 2005.

Yours sincerely,

Ron Manners,
Chairman
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13th Oct. 2005

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