

Mr David Sullivan
Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Mr Sullivan,

Parliamentary Joint Inquiry into Shareholder Engagement and Participation

The Corporations Committee of the Business Law Section of the Law Council of Australia ("the Corporations Committee") welcomes the opportunity to comment on the Committee's Inquiry.


The Corporations Committee is of the view that the Australian corporate governance environment is generally working well. The Committee does not believe there are any impediments to the engagement of shareholders nor from their participation in the corporate governance of companies.

The Committee notes that the Australian corporate community is using electronic platforms for communication as they become available, and this will, over time, include direct voting mechanisms. However, while laws should facilitate these improvements (for instance, recent amendments which permit electronic notification of annual reports rather than requiring paper reports to be delivered to all shareholders), the Committee does not think that there are new steps that need to be taken to mandate any new processes nor to require shareholders to participate in any particular way.

By virtue of the ASX's *Principles of Corporate Governance Principles and Recommendations* and existing legislation, the Australian market already has an excellent platform for good and transparent governance practices. This platform allows account to be taken of the great difference in the size and nature of the business of companies which participate in the Australian market and this is both necessary and appropriate.

The Corporations Committee is of the view that there is no justification for regulatory or legislative change in this area.

Yours sincerely,



Peter Webb
Secretary-General

21 September 2007