

Chapter 4

Conclusion

4.1 In considering this Bill and reviewing submissions lodged on this Bill the Committee has placed a high priority on the protection of creditors who suffer losses from the insolvency of companies.

4.2 The Committee is of the view that if the Bill operates as intended it will contribute to the overall scheme for the protection of creditors of companies in liquidation. It has the potential to add to the pool of monies available to unsecured creditors including employees and subcontractors. It complements other measures in the Corporations Act aimed at deterring the making of unreasonable payments to directors in the period leading up to a company's insolvency protecting creditors.

4.3 The concerns identified in submissions are not considered sufficient to prevent the Bill proceeding.

4.4 The Committee makes the following recommendations on the Corporations Amendments (Repayment of Directors' Bonuses) Bill 2002:

Recommendation 1

The Committee recommends that the Government monitor the application of the legislation with a view to assessing whether appropriate anti-avoidance provisions should be included in the legislation.

Recommendation 2

The Committee recommends that the Bill apply to senior executives who are not directors as well as directors.

Recommendation 3

The Committee reports to the Senate that it has considered the provisions of the Corporations Amendment (Repayment of Directors' Bonuses) Bill 2002 and recommends that the Bill proceed.

