



NO.023

PASSAGE OF CLERP 9 SIGNALS NEW ERA IN CORPORATE GOVERNANCE

The passage of CLERP 9 through Parliament is a major step forward in corporate governance that will improve the transparency and efficiency of Australian business, Parliamentary Secretary to the Treasurer, Ross Cameron, said today.

The Bills passed as part of the ninth phase of the *Corporate Law Economic Reform Program include the Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Bill 2003 and the Corporations (Fees) Amendment Bill (No.2) 2004.*

"CLERP 9 contains wide ranging measures to improve corporate disclosure, strengthen accountability of companies to their shareholders, enhance audit independence and protect employees who blow the whistle on breaches of the corporations legislation," Mr Cameron said.

"It progresses CLERP principles of market freedom, investor protection and quality disclosure of relevant information to the market.

"Overall this is a significant milestone in the Government's reform program and will place Australia at the forefront of corporate governance developments.

"This legislation has been subject to extensive public consultation since 2002, and I would like to thank everyone who contributed to its development."

CLERP 9 also responds to the recommendations of the report by Professor Ian Ramsay on the independence of Australian company auditors and takes account of relevant recommendations of Report 391 of the Joint Parliamentary Committee of Public Accounts and Audit. The Bills also incorporate recommendations of the HIH and Cole Royal Commissions.

Mr Cameron also welcomed the report of Parliamentary Joint Committee on Corporations and Financial Service's inquiry into CLERP 9, which was released in two parts on 4 June 2004 and 15 June 2004. CLERP 9 implements some recommendations from the first part of the Committee's report. The Government is still examining the recommendations of the second report and will, where appropriate, implement any new measures through the next appropriate legislative vehicle.

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