



# MEDIA RELEASE

**SENATOR NICK SHERRY**  
Minister for Small Business  
Minister Assisting on Deregulation and  
Public Sector Superannuation  
Minister Assisting on Tourism

**DAVID BRADBURY MP**  
Parliamentary Secretary to the Treasurer

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## NEW WAY FORWARD FOR DIRECTORS' LIABILITY REFORMS

The Gillard Government has welcomed COAG's agreement on a new way forward on the delivery of Directors' Liability reforms - one of 27 regulatory reforms under the National Partnership to Deliver a Seamless National Economy.

At its previous meeting last February, COAG asked its Business Regulation and Competition Working Group (BRCWG) to review progress on COAG's harmonisation objectives to determine whether they were likely to be met, and if not, what further action was required.

Minister Assisting on Deregulation and Co-Chair of the BRCWG, Senator Nick Sherry, said that on the basis of the BRCWG's review, COAG has renewed its commitment to the reform and agreed a new way forward.

"The Gillard Government wants to ensure there is a truly national approach to directors' liability," Senator Sherry said.

"All States and Territories will be required to re-audit their laws against COAG's agreed principles and more specific and detailed guidelines - and then will have to amend their individual laws.

"Significantly, COAG agreed that jurisdictions will apply the principles and guidelines to all new legislation, where directors' liability provisions apply. The BRCWG will report to COAG on the mechanism that will be used to do this by July next year.

"The vast majority of the relevant directors' liability provisions are in State and Territory law.

"The States and Territories need to prioritise the delivery of these reforms in order for them to be implemented successfully," Senator Sherry said.

The Parliamentary Secretary to the Treasurer, David Bradbury MP, said the reform process presents some challenges, but there is an expectation that all jurisdictions need to work to deliver real reform outcomes.

"The final milestone in the Seamless National Economy Implementation Plan will be to introduce legislation by December next year and I'm sure the States and Territories acknowledge that business expects them to have legislation passed by this time."

Under the National Partnership to Deliver a Seamless National Economy, \$450 million of reward payments to States and Territories are dependent on them implementing agreed reforms and delivering real outcomes. This includes directors' liability.

CANBERRA

19 August 2011

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