

DEPARTMENT OF THE SENATE
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Murray Edman



The Parliament of the Commonwealth of Australia

**COMMITTEE EXCHANGE
WITH THE
NEW ZEALAND PARLIAMENT**



**PARLIAMENTARY JOINT COMMITTEE ON
CORPORATIONS AND SECURITIES**

NOVEMBER 1993

The Parliament of the Commonwealth of Australia

**COMMITTEE EXCHANGE
WITH THE
NEW ZEALAND PARLIAMENT**

**PARLIAMENTARY JOINT COMMITTEE ON
CORPORATIONS AND SECURITIES**

NOVEMBER 1993

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PARLIAMENTARY JOINT COMMITTEE ON

CORPORATIONS AND SECURITIES

MEMBERS

Senator Michael E. Beahan, Chairman

Senator Ian G. Campbell, Deputy Chairman

Senator Barney Cooney

Mr Peter Cleeland, MP

Senator Julian McGauran

The Hon. Ben Humphreys, MP

Senator Sid Spindler

The Hon. John Moore, MP

The Rt. Hon. Ian Sinclair, MP

Mr Lindsay Tanner, MP

Secretary

**Mr A Snedden
The Senate
Parliament House
CANBERRA ACT 2600**

DUTIES OF THE COMMITTEE

Section 243 of the Australian Securities Act 1989 reads as follows:

The Parliamentary Committee's duties are:

- (a) to inquire into, and report to both Houses on:
 - (i) activities of the Commission or the Panel, or matters connected with such activities, to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; or
 - (ii) the operation of any national scheme law, or of any other law of the Commonwealth, of a State or Territory or of a foreign country that appears to the Parliamentary Committee to affect significantly the operation of a national scheme law;
- (b) to examine each annual report that is prepared by a body established by this Act and of which a copy has been laid before a House, and to report to both Houses on matters that appear in, or arise out of, that annual report and to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; and
- (c) to inquire into any question in connection with its duties that is referred to it by a House, and to report to that House on that question.

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ACKNOWLEDGMENTS

The Committee would like to express its thanks to the following people and organisations who were responsible for making the Committee's visit to New Zealand a success.

Mr Geoffrey Bowes, Executive Director, Institute of Directors in New Zealand.

Professor John Farrar, University of Melbourne.

Mr Bill Foster, Managing Director, New Zealand Stock Exchange.

Honourable Doug Graham MP, Minister for Justice.

Honourable Robin Gray, Speaker of the House of Representatives.

His Excellency Mr Ray Greet, Australian High Commissioner to New Zealand.

Mr Norman Johnston, President, Auckland Regional Chamber of Commerce and Industry.

Mr Roger Kerr, Executive Director, New Zealand Business Roundtable.

Mr Warren Kidd, Chairman, Commerce Select Committee, New Zealand House of Representatives.

Mr John King, Chairman, Takeovers Panel Advisory Committee.

Mr Peter McKenzie, Chairman, Securities Commission.

Mr Rob Munro, Chairman, Justice and Law Reform Select Committee, New Zealand House of Representatives.

New Zealand Sugar Company.

Mr K J O'Connor, Chairman, Market Surveillance Panel, New Zealand Stock Exchange.

Mr Max Simmons, Distinguished Visitors Branch, Department of Internal Affairs.

Mr Ralph Stockdill, General Manager, Industrial Relations, Department of Labour.

Mr Charles Sturt, Director, Serious Fraud Office.

Professor Richard Sutton, Commissioner, New Zealand Law Commission.

His Excellency Mr Ted Woodfield, New Zealand High Commissioner to Australia.

COMMITTEE EXCHANGE WITH THE NEW ZEALAND PARLIAMENT

Introduction

1. In May 1993 the New Zealand Parliament extended an invitation to the Parliamentary Joint Committee on Corporations and Securities to visit New Zealand as part of the ongoing program of exchanging Committees between the two Parliaments. It was proposed that the visit entail a series of meetings commencing on Monday 26 July 1993 and concluding on Friday 30 July 1993. The Committee accepted this invitation with pleasure. The Committee considered that the visit presented a valuable opportunity to discuss matters of mutual interest with its counterparts in the New Zealand Parliament.

2. The overall theme for the Committee's visit was the harmonisation of business law between the two countries. Both countries are currently involved in an extended and comprehensive program of corporate law reform and this was the main focus of discussions. The Committee was hosted during its visit by the Justice and Law Reform Select Committee and the Commerce Select Committee of the New Zealand House of Representatives. The program for the visit also included meetings with government agencies and business groups with an interest in company and business law.

New Zealand Parliament

3. The Committee called upon the Honourable Robin Gray, Speaker of the House of Representatives. Mr Gray welcomed the Committee to New Zealand on behalf of the Parliament. He later introduced the Committee to the House and invited it to view the House in session during Question Time. The Committee would like to thank Mr Gray for the warm welcome he extended to the Committee.

Justice and Law Reform Select Committee

4. The Committee was met Mr Munro, Chairman of the Justice and Law Reform Select Committee, and other Committee members. The two Committees then held a joint meeting to discuss the corporate law reform process in Australia and New Zealand and the harmonisation of corporations law between the two countries.

5. Mr Munro welcomed the Committee and provided Committee members with extensive material on the law reform process in New Zealand and new Companies Bill. He outlined the procedures to be followed during the joint meeting. Senator Beahan then made an opening statement in which he outlined the background and recent history of corporate law reform in Australia.

6. Mr Munro outlined the status of the New Zealand legislation and the role of the Justice and Law Reform Committee in the law reform process. When the decision was made to review the Companies Act the Government examined a number of Acts from countries with a similar background and business structure. It eventually decided to base the new legislation on a Canadian model. The original bill was introduced into the House and referred to the Committee two and a half years ago.

7. Since then the Committee has been involved in detailed examination of the legislation and has called for and considered public submissions on the legislation. The Committee is independent of the government but government members do take note of the views of the Attorney-General when considering legislation. All four bills which make up the reform package were back before the house for further consideration. The Committee has now completed its examination of all of the substantial provisions of the Bills and is now tidying up the final details of the legislation. The Bills will then be considered during a full debate in the House. It was intended that they would be passed before the House rose at the end of the current session. There were some major areas which were yet to be finalised. Company tax provisions were still being considered and consultation was continuing on the takeovers code. It was expected that the new Act would come into effect early next year. The joint meeting then discussed a wide range of issues relating to corporations law.

8. New Zealand does not have the detailed provisions on directors' duties set out in the Australian Corporations Law. The provisions in the Bill were developed as a result of submissions received by the Committee and community debate. They are contained in sections 109 to 125 of the Bill. Instead of the detailed law contained in the Australian Corporations Law the duties of directors are largely to be found in the common law. The Commerce Commission has suggested that they could be codified in approximately four pages and this proposal has received some support. However there is no suggestion

that New Zealand should go down the same track as Australia and produce 50 pages of 'black letter' law.

9. There then followed considerable discussion on relative effectiveness of 'black letter' approach usually adopted in Australia and the more general principled style of drafting used in New Zealand. Australian Committee members presented the view that Australian courts had tended in the past to adopt a strict interpretation of legislation and that open drafting may leave too much of the law making process to the courts. The New Zealand Committee members expressed the view that no matter how careful you were in drafting legislation it was impossible to cover every eventuality in 'black letter' law. Principled drafting produced legislation which was more accessible to the public and New Zealand had experience few problems with this style of drafting.

10. The meeting also discussed a range of other issues including the extra-territorial application of laws, mutual recognition of companies registered in the two countries, the business judgement rule, minority shareholder rights, the takeovers code, insolvency test, valuations and expert reports, prospectus provisions, the Australian Committee's proposal on private companies, simplification of the Australian legislation, the legislative process, the respective roles of civil and criminal actions, the abolition of the Articles of Association under the New Zealand legislation and the bodies responsible for investigation and prosecution of corporate crime in both countries.

11. Committee members were very impressed with the careful and thorough approach to reform being taken in New Zealand. The draft Bill displays a commitment to simplified drafting by the Parliament, a view supported by the apparent willingness of the New Zealand judiciary to interpret generally expressed legislation according to the intention of Parliament. The review of some of the outmoded concepts in the draft Bill was also of considerable interest. The Members of the Corporations and Securities Committee regard this meeting as having been very valuable in terms of improving their understanding of the reform process in New Zealand and in considering the way in Australia's Corporations Law has been developed.

New Zealand Law Commission

12. The New Zealand Law Commission was responsible for the 1989 report entitled *Company Law Reform and Restatement*¹ and the later report entitled *Company Law Reform: Transition and Revision*² which recommended that the Companies Act be updated. The Bills currently being considered are based on the proposals of the Law Commission in those reports.

13. The Commissioners explained that they began their examination of company law with an open mind, although there was no great enthusiasm for the existing Act. They looked at North American models including California, Delaware and several Canadian provinces. In developing their proposals they did have some discussions with the Australian Attorney-General. However, at that stage the Australian legislation was tied up in constitutional difficulties and contained little substantial reform. They also examined the English model but they felt that this was mainly directed at large public companies whereas most companies in New Zealand are small private companies. Their recommendations were largely a synthesis of the North American models they examined and really contained nothing radical by those standards.

14. The focus of their proposals was on 'core' company law, not on securities law, and adopted a principled approach to drafting. The Commissioners have a high regard for the judiciary and its ability to interpret legislation. In their experience principled drafting does not create any more cases than 'black letter' law and is not necessarily less precise. Their report proposed that the memorandum and articles of association of a company be replaced by a constitution and that a model constitution be included in the Act. They also recommended that the par value of shares be abolished, a company be allowed to buy back its own shares and that the provisions dealing with directors duties, protection of minority shareholders and insolvency be revised.

¹ Law Commission, Report No. 9, *Company Law Reform and Restatement*, June 1989, Wellington, New Zealand.

² Law Commission, Report No. 16, *Company Law Reform: Transition and Revision*, September 1990, Wellington, New Zealand.

15. Following this outline of the background to the development of the new Bills there was a more general discussion of law reform issues. The discussion focused on the role of superannuation funds, directors duties, nominee directors, the protection of minority shareholders, derivative actions by shareholders, the presentation of complex cases to the courts and committal hearings.

16. The Committee members consider that the detailed briefing and discussions on the role of the Law Commission and New Zealand's corporate law reform process was one of the most valuable sessions of the Committee's visit. The Committee would like to record its appreciation of the Law Commission's assistance.

Minister of Justice

17. The Committee met the Honourable Doug Graham, Minister of Justice, for informal discussions on corporate law reform and a range of other issues. Mr Graham advised the Committee that he anticipated that the corporate law reform package would be passed by the New Zealand Parliament in late August or early September. The majority of the legislation had been finalised and good progress was being made with the takeovers code by the Panel. He expected that the new legislation would come into effect in April or May 1994.

18. The Government still had to finalise its proposals on personal property securities and on some form of Chapter 11 bankruptcy protection. These matters are to be dealt with in 1994. He was interested in the Australian Committee's report on Close Corporations, particularly the recommendation that the requirement for small companies to keep accounts be removed, and Committee members outlined the background to that report and the Committee's recommendations.

19. The role of the stock exchanges in corporate regulation was discussed. The harmonisation of regulations between the exchanges was considered to be desirable although there were some concerns expressed about the value of the sanctions available to the stock exchange as a regulator. Delisting could be an effective sanction but ultimately it is the shareholders who suffer the penalty, not the officers of the company responsible for the offence.

20. Discussions were also held on the responsibility of the Serious Fraud Office for investigating and prosecuting corporate crime, the role of the crown solicitor, reforms to the legal aid system, the availability of derivative actions in New Zealand and the government's review of the regulation of superannuation funds. The background to the forthcoming referendum on the New Zealand electoral system, which will propose replacing first past the post voting with a multi member proportional system, was also outlined.

Commerce Select Committee

21. Wayne Kimber, Chairman of the Commerce Select Committee, opened the meeting and warmly welcomed the Australian Committee members. He outlined the Agenda for the joint meeting and the role of Commerce Committee. In recent years the Committee has considered the Consumer Guarantees Bill, Broadcasting Amendment Bill, National Provident Fund Bill, New Zealand Tourist Board Bill, Patents Amendment Bill as well as reviewing the Department of Finances estimate procedures and reporting on wholesale and retail electricity prices.

22. Senator Beahan thanked Mr Kimber for his warm greeting and outlined the role of the Corporations and Securities Committee. The joint meeting then went on to discuss a range of issues of interest to both Committees. A copy of the Agenda for this meeting is attached as Appendix III.

Trans-Tasman Shipping

23. The meeting discussed a wide range of shipping issues. The process of waterfront reform in both countries was discussed in some detail. New Zealand Committee members outlined the industrial relations reforms which had occurred in that country and the recent improvements in efficiency. Australian Committee members explained that progress in Australia was slower but real gains were being made. The number of waterside workers had been reduced by 8,000 but problems still existed in the stevedoring industry and Australia's federal system made it difficult to rapidly improve the management of ports which were controlled by the states. The Australian Government is now emphasising improving efficiency on the interface between land and sea transport.

24. There was also considerable discussion of cabotage, the access of overseas shipping to New Zealand and Australian ports and the trans-Tasman trade. Officers from the New Zealand Ministry of Transport outlined the Bill before the New Zealand Parliament which would remove cabotage on New Zealand coastal routes. Australian Committee members outlined the findings of the House of Representatives Standing Committee on Transport, Communications and Infrastructure in its Ships of Shame and Warehouse to Wharf reports.

Competition Policy

25. Ms Susan Lojkin, Chairman of the Commerce Commission, outlined for the Committee the role of the Commerce Commission. The Commission is responsible for regulating competition policy and deals with issues relating to newly privatised or de-regulated industries. The Commission also has coverage of the professions and public utilities. Statutory marketing boards are exempt from its control but this exemption has been narrowly interpreted by the Privy Council. The major area of deregulation has been in the telecommunications industry. Although there are differences in the responsibilities and powers of the Commerce Commission and the Trade Practices Commission the two bodies co-operate closely where possible and exchange staff.

Dumping

26. Mr Hugh McPhail, Manager, Trade Remedies, Ministry of Commerce, outlined the anti-dumping regime in New Zealand. The New Zealand system is similar to that operating in Australia but is administered by the Ministry of Commerce instead of Customs. The two organisations have established a good dialogue and regularly exchange information. The meeting then discussed a range of issues relating to dumping.

Mutual Recognition of Standards

27. The meeting discussed a range of issues relating to the mutual recognition of standards between the two countries. Some progress has been made on this issue in recent years and Committee members expect this to be an ongoing area of interest to both Governments.

Taxation

28. Officers from the New Zealand Inland Revenue Department briefed Committee members on the current status of harmonisation between the taxation regimes of the two countries from the New Zealand viewpoint. Existing taxation agreements between Australia and New Zealand are to be renegotiated at the end of the year or early next year. There has been considerable discussion in the past about the mutual recognition of imputation and franking arrangements but no agreement has been reached. This issue was to be discussed further at meetings between the two trade ministers in the following week.

29. The Committee members consider that this meeting was particularly informative and rewarding, and were very pleased with the wide range of issues which were discussed in a relatively limited period of time. The Committee was able to gain valuable insight into a wide range of issues affecting both countries and believe that the discussions held will bring benefits to both countries in the future.

30. The Committee would also like to note its appreciation of the co-operation and assistance received by the Committee from the Commerce Committee's secretariat and from Departmental staff.

New Zealand Business Roundtable

31. The Committee held an informal meeting with the executive director of the New Zealand Business Roundtable. The meeting was organised in response to a request from Committee members to meet with the Roundtable to discuss business conditions in general, any difficulties which were being experienced as a result of differences between the regulatory regimes in the two countries and the Roundtable's views on the company law reform Bills.

32. The view of the Roundtable is that the existing Act, although in need of some changes, is generally adequate. The most important priority is to ensure that the new legislation dealing with core company law is correct. The proposed takeover code, for example, is far too regulatory. Rather than relying on costly enforcement actions the government should concentrate on getting the underlying law right and then allow private litigants to enforce their rights. The Roundtable feels that the reaction to the sharemarket crash has damaged the quality of

companies and securities law. One specific concern to the Roundtable has been the refusal of the Australian Stock Exchange to automatically recognise compliance with the listing rules of the New Zealand Stock Exchange as being sufficient to satisfy its listing rules.

New Zealand Stock Exchange

33. The Committee met with Mr David Whale, Chairman of the New Zealand Stock Exchange, Mr Kevin O'Connor, Chairman of the Market Surveillance Panel and other Panel members and executives. The Committee was briefed about the membership and role of the Panel.

34. The Panel has been operating for four years and consists of three members of the New Zealand Stock Exchange and six members from the general business community. Its main function is to monitor compliance with the listing requirements of the exchange. Last year the Panel dealt with 84 separate matters, 30 of which were requests for waivers from the listing requirements of the exchange. Many other matters are dealt with by the Panel during discussions before they are formally brought to the Panel's attention. The Panel also monitors market activity and has the power to suspend or delist companies and to investigate unusual price movements referred to it by the Exchange. The Panel is funded through an allocation of part of the stock exchange listing fees and by recovering the cost of investigations from the companies involved.

35. The timeliness of disclosure is seen as an important current issue in New Zealand. New Zealand does not have the type of continuous disclosure regime being considered in Australia. However, the listing requirements impose upon directors the requirement to announce 'relevant information'. The Panel has noticed that in recent years companies are more frequently informing shareholders of significant changes in trading prospects as they occur.

36. Another important current issue which was discussed is the listing of New Zealand Companies on the ASX. Currently the NZSX recognises compliance with the ASX listing rules as being sufficient for listing in New Zealand. However the ASX requires New Zealand companies to comply with the ASX listing rules before allowing them to list in Australia. This matter has been the subject of extensive discussion between the two exchanges.

37. The meeting also discussed the possibility of two exchanges combining to form an Australasian exchange, the cost of professional indemnity insurance, the increasing cost of prospectuses, insider trading, foreign investment in listed companies and financial reporting requirements under the new Companies Bill.

Auckland Regional Chamber of Commerce

38. The Auckland Regional Chamber of Commerce hosted an informal meeting between the Committee and New Zealand business executives in the boardroom of the New Zealand Sugar Co's Chelsea Refinery. The meeting was organised in response to a request from Committee members that they meet with New Zealand business executives, particularly those involved in business on both sides of the Tasman, to discuss business conditions in general and any difficulties which were being experienced as a result of differences between the regulatory regimes in the two countries. A wide range of issues were discussed including de-regulation of the New Zealand sugar industry, the New Zealand forest products industry, the impact of the Employment Contracts Act and improved human resource management, shipping reform, air cargo, harmonisation of taxation regimes, harmonisation and possible merger of stock exchanges, corporate law reform, recent developments in primary industries, unemployment, electoral reform in New Zealand, privatisation of government enterprises and the status of international trade negotiations.

39. The Committee members found these informal discussions to be very informative and consider that they contributes significantly to the Committees understanding of business conditions in New Zealand and the common problems being faced by the two countries.

Takeovers Panel Advisory Committee

40. The Committee met with Mr John King, Chairman of the Takeovers Panel Advisory Committee. That Committee was appointed by the Minister for Justice to develop a takeovers code while the new Companies Bill was being developed and introduced into Parliament. In 1992 the Committee released a draft code for comment and is now in the process of finalising the code.

41. When the new legislation is passed the Committee will become the Takeovers Panel, a statutory body under the Ministry of Justice, and the code it has developed will be adopted as regulations under the Act. The Panel will have enforcement and exemption powers under the legislation including the power to seek restraining orders where the Code has been breached.

42. Committee members discussed the details of the proposed code with Mr King. The code will require that a shareholder who controls between 20per cent and 50per cent of a company's shares and wishes to increase that shareholding will be required to make a takeover offer. The offer period must be for a minimum of 30 days and a maximum of 90 days. In addition to establishing the Panel and setting out its enforcement powers the legislation establishes the principles on which the code is based. New Zealand courts have shown in the past that they are not receptive to purely technical arguments which do not have other merits.

Securities Commission

43. The Committee met with Mr Peter McKenzie, Chairman of the Securities Commission and Mr John Farrell, the Chief Executive. The Committee was provided with a detailed briefing on the role and activities of the Securities Commission in administering and enforcing securities regulations.

Serious Fraud Office

44. The Committee was provided with a briefing on the history and role of the Serious Fraud Office by its Director, Mr Charles Sturt, and General Council, Mr Jim Beattie. The Serious Fraud Office was established following an examination of the SFO in England. New Zealand adopted the same basic structure with some changes to the way in which staff were recruited. The SFO deals with all types of white collar crime including corporate crime. It usually investigates matters which involve more than one million dollars but some smaller cases are considered. In the last three years the SFO has conducted 35 prosecutions of which 19 have been successful and only one has failed. The remaining cases are still before the courts.

45. Investigations are conducted by teams consisting of a lawyer, accountant and investigator. Progress on each case is reviewed monthly during the investigation phase. At the conclusion of each investigation a brief is prepared by the SFO for barristers who have experience in this field. The SFO believes that this process is more effective than having a separate investigator and prosecutor as in Australia.

46. One area of concern to the SFO is the growing internationalisation of serious fraud and the difficulty of obtaining assistance from some overseas jurisdictions.

Institute of Directors in New Zealand

47. The Committee attended the opening session of a conference on Company Law Reform as guests of the Institute of Directors in New Zealand. The objective of this conference was to explain to company directors the changes contained in the new bill, the transitional provisions and how they would affect company directors. The Committee members also took advantage of the opportunity presented to meet with executives and members of the Institute for informal discussions on the law reform process. The conference was of considerable benefit to Committee members as it allowed them to extend their understanding of the practical implications of company law reform in New Zealand for company directors.

Department of Labour

48. Mr Ralph Stockdill, General Manager Industrial Relations, Department of Labour, provided the Committee with a briefing on the changes to New Zealand industrial relations resulting from the Employment Contracts Act and the impact of those changes. At the time of the meeting there was insufficient evidence to fully assess the outcome of the changes on the pay and conditions of workers. However, the results of a detailed survey on this subject were expected to be available in early November.

Conclusion

49. The Committee believes that its visit to New Zealand was very informative and contributed greatly to the understanding of Committee members on a range of issues affecting both countries. The knowledge

gained by the Committee will be of considerable benefit to Committee members during the ongoing reform of Australia's corporate law.

50. The arrangements made for the visit by the New Zealand Parliament were excellent and the Committee would like to express its appreciation of the effort taken by its hosts to ensure the success of the visit. In particular the Committee would like to record its thanks to Mr Max Simmons of the Distinguished Visitor's Branch for the care taken with the Committee's arrangements and his congeniality.

A handwritten signature in cursive script, reading "Michael Beahan".

MICHAEL BEAHAN
CHAIRMAN

November, 1993

ITINERARY

Monday 26 July 1993

Australian High Commission

Securities Commission

Tuesday 27 July 1993

Department of Labour

Speaker of the House of Representatives

Justice and Law Reform Commission

House of Representatives

New Zealand Law Commission

Minister of Justice

Australian High Commission

Wednesday 28 July 1993

Commerce Select Committee

New Zealand Business Roundtable

New Zealand Stock Exchange

Thursday 29 July 1993

Auckland Regional Chamber of Commerce

Takeovers Panel Advisory Committee

Serious Fraud Office

Friday 30 July 1993

Institute of Directors in New Zealand



THE SENATE
CANBERRA, A.C.T.

APPENDIX II

MEETING NO. 37/4

Joint Meeting Between:

**JOINT PARLIAMENTARY COMMITTEE
ON CORPORATIONS AND SECURITIES, Australia**

**JUSTICE AND LAW REFORM
SELECT COMMITTEE,
New Zealand House of Representatives**

**MINUTES OF MEETING HELD ON
WEDNESDAY, 27 July 1993**

Australia

Present: Senator M Beahan (Deputy Chairman)
Senator I Campbell
Senator J McGauran
Rt Hon. I Sinclair MP
Mr P Cleeland MP
Hon B Humphreys MP
Hon J Moore MP

Apologies: Senator B Cooney
Senator S Spindler
Mr L Tanner MP

New Zealand

Present: Mr R Munro (Chairman)
Hon D Caygill
Ms L Dalziel
Mr H Hancock
Mr G Reeves
Mr C Simich

Apologies: Mr S Maharey

1. Meeting

The Committees held a joint meeting from 10.30 am till 12.30 pm in Parliament House, Wellington, New Zealand.

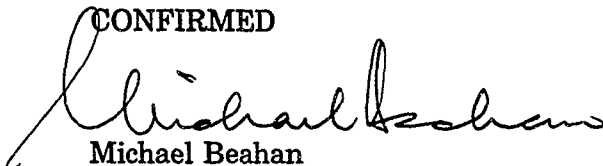
2. Discussion

The Committees discussed corporate law reform in Australia and New Zealand.

3. Resolution

It was agreed that each Committee would report on the discussions and the value of the meeting to their respective parliaments.

CONFIRMED



Michael Beahan
Chairman



THE SENATE
CANBERRA, A.C.T.

MEETING NO. 37/5

Joint Meeting Between:

**JOINT PARLIAMENTARY COMMITTEE
ON CORPORATIONS AND SECURITIES, Australia**

**COMMERCE COMMITTEE,
New Zealand House of Representatives**

MINUTES OF MEETING HELD ON
WEDNESDAY, 28 July 1993

Australia

Present: Senator M Beahan (Deputy Chairman)
Senator I Campbell
Senator J McGauran
Rt Hon. I Sinclair MP
Mr P Cleeland MP
Hon B Humphreys MP
Hon J Moore MP

Apologies: Senator B Cooney
Senator S Spindler
Mr L Tanner MP

New Zealand

Present: Mr W Kimber (Acting Chairman)
Hon P Dunne
Mr J Robertson
Mr G Thorne

Apologies: Mr W Kyd
Mr J Wittaker

In Attendance: Ministry of Transport
Mr A Patrick, Co-ordinator, Maritime Transport.
Mr N Public.

Ministry of Commerce
Ms K Smith, General Manager, Business Policy
Division.
Ms S Lojkine, Chairman, Commerce Commission.
Mr M Steele, Manager, Intellectual Property and
Business Law.
Mr H McPhail, Manager Trade Remedies.
Ms K Adair, Adviser, Business Policy.
Mr P Mumford, Senior Adviser, Innovation.

Inland Revenue Department
Mr T O'Dea, Senior Policy Analyst.

Ministry of Foreign Affairs and Trade
Mr H Cooper

1. Meeting

The Committees held a joint meeting from 10.00 am till 12.55 pm in Parliament House, Wellington, New Zealand.

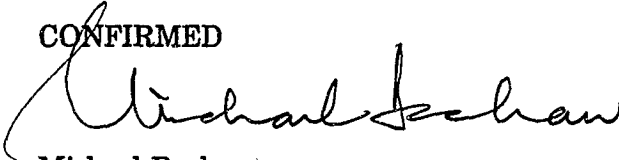
2. Discussion

The Committees discussed a variety of issues affecting the harmonisation of business law between the two countries.

3. Resolution

It was agreed that each Committee would report on the discussions and the value of the meeting to their respective parliaments.

CONFIRMED

A handwritten signature in black ink, appearing to read "Michael Beahan". The signature is written in a cursive style with a large initial 'M'.

**Michael Beahan
Chairman**



HOUSE OF REPRESENTATIVES

COMMERCE COMMITTEE

AGENDA

DATE: Wednesday, 28 July 1993
TIME: 10.00am - 1.00pm
VENUE: Room 10.05, Bowen House
(morning tea will be served in Room 10.03 at 10.00am.)

CHANGES IN PERSONNEL

Warren Kyd to be replaced by John Robertson
Jeff Whittaker to be replaced by Grahame Thorne

APOLOGIES

Apologies were received from Warren Kyd and H V Ross Robertson.

BUSINESS

1. Introductions and opening statement by Wayne Kimber (Acting Chairman of the meeting) (open to the public and news media)
2. Opening statement by Senator Michael Beahan (Deputy Chairman of the meeting) (open to the public and news media)
3. Consideration of business harmonisation issues
- 3.1 To be tabled

Extract from the Journals of the House of Representatives of 20 July 1993 granting leave to the committee to meet on Wednesday, 28 July with the Joint Statutory Committee on Securities and Corporations of Australia.

Extract from the Journals of the House of Representatives of 22 July 1993 granting leave to the Commerce Committee to have authority to meet during the sittings of the House to meet with the

Joint Statutory Committee on Securities and Corporations of Australia.

Report from the Ministry of Foreign Affairs and Trade on Closer Economic Relations with Australia

Procedures for the joint meeting.

3.2 Adoption of committee procedures

3.3 Trans-Tasman shipping

Ministry of Transport

Alastair Patrick Co-ordinator, Maritime Transport

3.4 The different regulatory environments

Competition law

The removal of anti-dumping laws and the extension of competition policy to Trans-Tasman trade

Countervailing against subsidies

Interaction between New Zealand Commerce Commission and the Australian Trade Practices Commission

Mutual recognition of products standards and occupational regulation

Taxation

Ministry of Commerce

Kathy Smith	General Manager, Business Policy Division
Mark Steele	Manager, Intellectual Property and Business Law
Nigel Hubbard	Senior Advisor, Business Policy
Peter Mumford	Senior Advisor, Innovation
Hugh McPhail	Manager, Trade Remedies
Anna Sagan	Advisor, Business Policy
Karen Adair	Advisor, Business Policy
Geoff Connor	Senior Advisor, Competition Law

Inland Revenue Department

David Partington	Manager, International Tax
Terry O'Dea	Senior Policy Analyst
Dr Patrick Caragata	Chief Policy Advisor

Commerce Commission

Susan Lojkine	Chairman
John Feil	General Manager