

CORPORATIONS LAW
SIMPLIFICATION PROGRAM

TASK FORCE
PLAN OF ACTION

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Corporations Law Simplification Program

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Objectives

The central objective of the program is to simplify the Corporations Law and make it capable of being understood so that users can act on their rights and carry out their responsibilities.

Immediate Priorities

To provide the community with early benefits and because of the size of the enterprise, the Task Force has identified segments of the current law to tackle first. The selection of these priorities has been influenced by the views put to government by sections of business community when the program was announced initially. The first plan of action encompasses:

- Corporate structure for small business
- Share buy-backs
- Share capital rules
- Annual reporting provisions
- Register- keeping requirements
- Company names
- Company meetings

Implementation

This list of immediate priorities establishes a working plan only. It is flexible and can be adjusted and rearranged to respond to emerging and urgent needs. The goal is to produce a steady stream of results which achieve practical benefits in themselves and which can fit together eventually into a coherent whole.

The plan will be implemented by the Task Force, who will be working closely with a private sector consultative group, representative of the wide range of users of the law.

The Task Force will work very much as a team to make the best use of its members' different skills and experience. The Task Force comprises Ms Claire Grose, a partner of Freehill Hollingdale & Page, who is an experienced corporate lawyer, Dr Robert Eagleson, a consultant to Mallesons Stephen Jaques, who is a plain English expert, Mr Vince Robinson, a senior drafter from the Office of Parliamentary Counsel and Mr Ian Govey, Principal Adviser in the Business Law Division of the Attorney-General's Department.

Directions of activities

The plan has three interlocking components:

Simplification of content

Clarification of drafting

Comprehensive consultation

Simplification

Action to simplify the content will concentrate on those sections of the law where policies:

- Are unclear or uncertain or no longer relevant
- Do not cater for the needs of small business
- Place undue regulatory burdens on business
- Thwart the efficient operation of the law
- Do not achieve their objectives on technical grounds

The objective is to streamline the law, procure consistency and coherence, strip away unnecessary complexities, maintain effective protection for investors, and bring significant cost benefits both to business in complying with the law and to relevant authorities in administer it.

Clarification

The central objective of the simplification program is a law capable of being understood by its users. Vital to this is a reduction in the complicatedness of its language, a reconsideration with users of the current version of the Corporations Law, and a reshaping of drafting principles and practices.

Redrafting will be enlightened by the principles of plain English with a conscious thrust to uncover fresh applications to legislation and to develop approaches which will enhance the whole process of drafting to produce legislation in tune with the community's need and aspiration for clear law.

Drafting practice will focus on:

- Audience
 - the presentation of material so that it meets the needs of a variety of types of users and is in a form that enables them to put it to use immediately; the concentration where applicable on what to do and how to do it rather than the construction of abstract concepts; the introduction of aids to ease the comprehension of abstract or new concepts, such as examples, graphs and tables.
- Purpose
 - the inclusion of purpose statements at the beginning of separate divisions or parts to enable users to grasp their objectives and to make explicit the direction being taken.
- Organisation
 - the coherent arrangement of the information so that it is easy to follow; explicit revelation of the structure across the whole law and in its various segments; the clear signalling of main provisions and a balanced handling of ancillary material so that it neither swamps the major concepts nor is concealed.

- Language
 - the control of grammatical constructions and words to achieve ease of comprehension and efficiency in reading; the choice of terms to match the practice and vocabulary of the main users of different sections; rigorous restriction on resorting definitions.
- Layout
 - the introduction of design features to reveal the hierarchies in the structure of the information, to provide readers with a ready identification of the broad area in which a section they are consulting is located, and is located and to made it easy to find material.

Consultation

Because the Corporations Law is complex and wide ranging, the program calls for a measured approach which embraces extensive consultation. The involvement of individuals from the private sector in the Task Force and the appointment of a private sector consultative group are enlightened components of the desired consultation process. But a far wider activity is intended so that the Task Force can have the vital insights into the daily ramifications of the law from those most closely associated with its operation and administration.

Testing straddles both the drafting and the consultation process. In a sense it is a very active form of consultation. It provides a different opportunity for contact with users and offers them a way to comment penetratingly on how effective proposed changes would be for them.

The drafting process will incorporate qualitative testing at every stage from the planning to the final draft. It will be used to influence the scope and organisation of the material. Testing will also expose whether the drafting strategies adopted achieve a comprehensible text for the primary audience of a particular segment and in what ways changes and refinements need to be made.

Testing will range across all users of the law in both the private and public sectors. In any one area of the law it will concentrate on those most likely to use the law and be affected by it. It will cover not only comprehension but also practical matters, such as how quickly users can find information.

The goal is to produce a law that is readily intelligible to its chief users, that is accessible and that sets a new effective direction for the drafting of legislation, not just in the choice of language and layout principles, but equally in the blending of private as well as public experts in policy and drafting in the process.

Community Participation

The Task Force recognises the critical necessity for contributions from the community. It would welcome comments on any aspect of the simplification program and on this plan of action. It would also be delighted to hear from any one who would be prepared to take part in its testing program.