



**CHARTERED SECRETARIES
AUSTRALIA**

Leaders in governance

31 May 2005

Mr M Rawstron
General Manager
Corporations & Financial Services Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Mr Rawstron

***Proposed regulations modifying the Corporations Act in relation to the reporting of
director and executive remuneration information***

Chartered Secretaries Australia (CSA) welcomes the opportunity to comment on the draft regulations modifying the *Corporations Act 2001* in relation to the reporting of director and executive remuneration.

CSA is Australia's peak membership body for governance and compliance and in Australia has over 8,500 members and affiliates representing the majority of public companies listed on the Australian Stock Exchange (ASX). Members of CSA have a thorough working knowledge of the issues relating to disclosure and reporting.

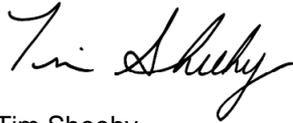
CSA welcomes the introduction of these regulations. They seek to address the issue of duplication, by providing for the reporting of audited information about the remuneration of executives and directors in a single place, namely the annual directors' report. Currently, as is acknowledged, the interaction of section 300A of the *Corporations Act* and the Australian Accounting Standard AASB 1046 – *Director and Executive Disclosures by Disclosing Entities* means that information on executive and director remuneration needs to be reported in both the annual directors' report and the annual financial reports.

We do note, however, that simply removing the requirement to also disclose the information on executive and director remuneration in the annual reports does not remove the requirements to have the report audited. The proposed regulations therefore act as a means of preventing duplication in publishing terms, but do not streamline the process.

We also note that the professional accounting bodies, while supportive of the of the proposed regulations, have some reservations in relation to the drafting. They note that the proposed regulations still require listed companies to disclose under the overlapping requirements of section 300A of the *Corporations Act* and Accounting Standard 1046.

In preparing this submission, CSA has drawn on the expertise of the members of our national Legislation Review Committee, all of whom are engaged with reporting processes.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tim Sheehy". The signature is fluid and cursive, with a large initial "T" and a long, sweeping underline.

Tim Sheehy
CHIEF EXECUTIVE

cc The Honourable Chris Pearce MP