

# You're almost 20, Corporations Act

A light-hearted dialogue in which a discontented mother and father implore their son (the Corporations Act) to grow up.

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**Father:** *Corporations Act 2001* (Cth), could you come here please? Your mother and I would like to speak with you.

[Enter *Corporations Act*.]

**Father:** Son, this year you're turning 20 years old. Your mother and I are proud of you – you've achieved a lot: a nationally consistent regulation of basic company law, insolvency, financial markets, products and services, among so much else. However, we are concerned about you. You need to grow up.

**Corporations Act:** What did I do? Was it the *Financial Sector Reform (Hayne Royal Commission Response) Act 2020*?

**Father:** No son, it's nothing to do with that. Please take a seat. And remember, what we're about to say comes from a place of love.

## Oh how you've grown

**Mother:** Your father and I remember when you were just 1866 pages long. You've grown a lot since then, but don't you think you should slow down a bit? You've really been bulking up. You're now over 3,700 pages long, and that doesn't even include your Regulations and other legislative instruments!

**Father:** I can barely get my arms around your primary provisions without opening six PDFs on the Federal Register of Legislation! Your brother, the *ASIC Act 2001* (Cth), only put on 232 pages in the same time period.



And your sister, the *National Consumer Credit Protection Act 2009*, has only grown by 273 pages since she was born in 2009.

**Corporations Act:** That's not fair, I do so much more than them!

**Mother:** That's true, son. But your father and I think you should focus on your strengths. You're trying to do too much. Maybe it's time you gave up insolvency and financial markets regulation, and left them for other Acts to focus on. Please give it some thought.

## You're hiding stuff under your bed

**Father:** I was vacuuming the other day and found over 366 legislative instruments under your bed, and a box of thousands of individual relief instruments. Why are you hiding these from us? We looked on the Federal Register of Legislation and found that many of them weren't on there. How are people meant to find the law? We raised you to be better than that.

**Mother:** I took a look at some and could barely understand them! Many of them were written as 'notional' legislative provisions, obscuring their actual effect. Didn't they teach you to express yourself clearly in school?

**Corporations Act:** It's not my fault – I need instruments to function!

**Mother:** Well, that leads us to our next concern, son ...

## You're addicted to instruments

**Father:** We're worried you might be addicted to legislative and other instruments. You can't just keep putting an instrument on the parts of yourself you don't like. We barely recognise the boy we raised! Just last year, an ASIC legislative instrument 'modified' you so that your Australian Financial Services licence regime would apply in a significantly different way to foreign financial services providers.

**Mother:** We don't think you need all these instruments, honey. Don't you think you should be able to stand on your own two feet and let the nice people at ASIC get on with their other important work?

**Corporations Act:** Whatever, Mum. Everyone's using instruments these days. You just don't understand ...

## You're too complicated

**Mother:** That's not the only thing I don't understand about you! You've become so complex – it's like I barely know you anymore. You've been using all these obscure definitions, like for '*simple corporate bonds depository nominee*' – but there's nothing simple about it!

**Father:** Son, I'm sure you think using all this elaborate language is really cool, but a mark of maturity is expressing yourself clearly. No one talks like you in the real world. We think it's time you were a little clearer.

**Corporations Act:** I think you're being unfair. I've been a huge success, Mum and Dad – I've registered millions of companies and tens of thousands of licensees and representatives, while also punishing bad guys, and contributing to the economic success of our country!

## You're falling behind

**Father:** That's well and good son, but you're falling behind. Even your cousin over the ditch is now machine-readable, while many of your instruments are saved as images!

**Mother:** You really do need to keep up with technology. Why are you still requiring directors to execute documents on a single, hard copy? And requiring meetings to be conducted in person, rather than digitally? You're falling behind the other kids.

**Corporations Act:** But ASIC fixed that for me last year!

**Mother:** We know son. But those modifications are time-limited, and intended simply to deal with the effects of the coronavirus pandemic. Don't you think it's time for a more fundamental review, to ensure you're keeping pace with technological change?

#### It's time to listen to your friends

**Father:** The truth is, son, that people are starting to say unkind things about you. Your uncle Hayne said that you've been 'piling exception upon exception' and 'carving out special rules for special interests'. And Justice Rares said you were starting to look a bit like 'legislative porridge'.

**Mother:** Your teacher, Cally Jordan, said your class-mates thought you were 'unlovely and unloved'.

**Corporations Act:** Ouch!

**Mother:** We still love you son. But we do think it's time you grew up.

**Father:** Your mother is right. It's time you took a good hard look at your definitions and considered consolidating them, using them consistently, and making them clearer. And it's time to consider your legislative design – how you're using regulations and instruments, and how they can be made more accessible.

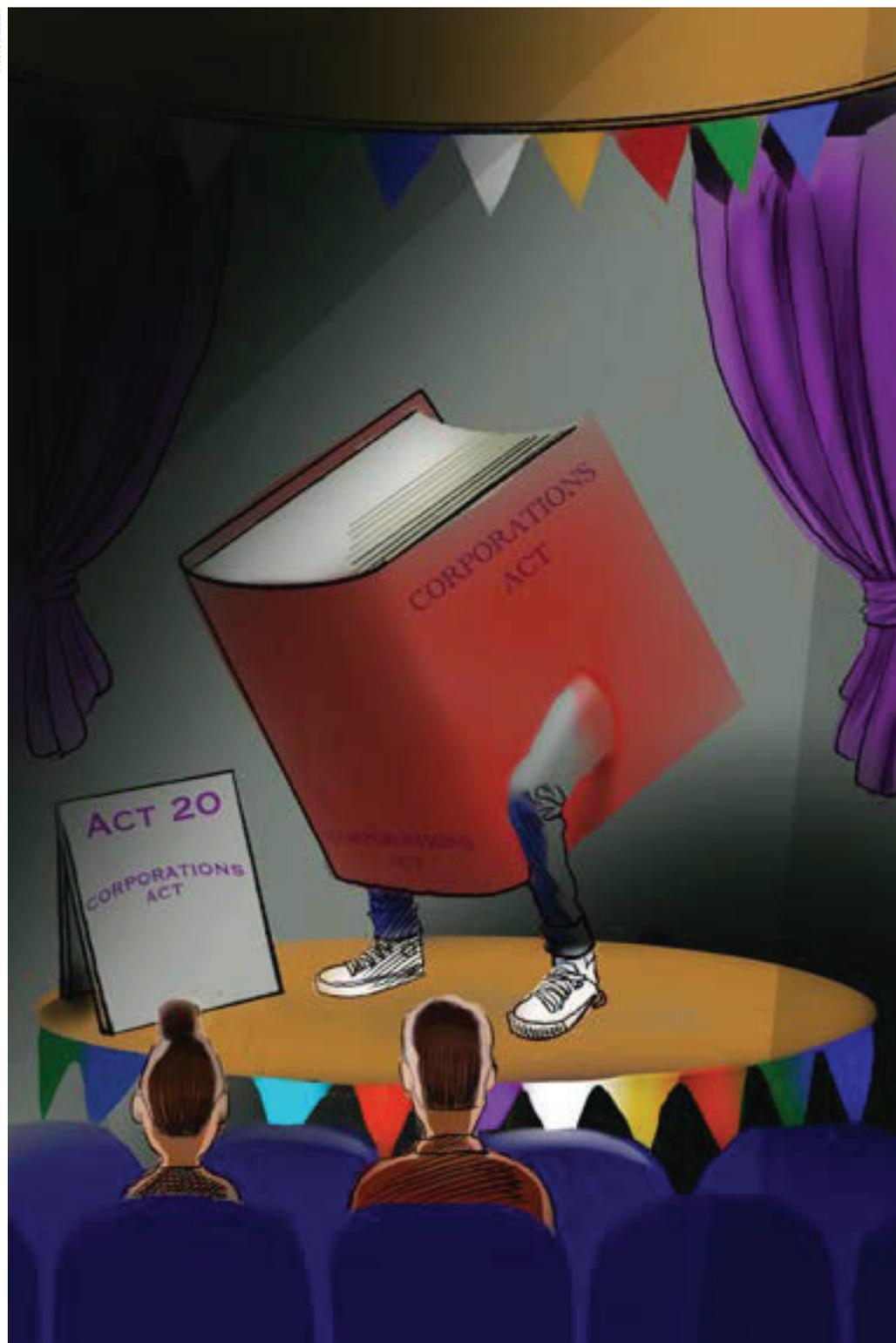
**Mother:** And it's time you ensured that you are clearer about what you're trying to achieve, so that your intent is actually realised.

**Corporations Act:** Ok Mum and Dad. I'll have a think about it. I feel a bit bruised, but I know you're just trying to help me.

**Mother:** Perhaps you should talk to the ALRC, son? I hear they've got some ideas ...

[Fade to black.]

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#### Disclaimer

*The above dialogue is entirely fictional. No feelings of the Corporations Act were harmed in its production. To find out more about the ALRC's Corporations and Financial Services Legislation Inquiry visit: <https://www.alrc.gov.au/inquiry/review-of-the-legislative-framework-for-corporations-and-financial-services-regulation/>*

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