



Speech by

Hon. M. FOLEY

MEMBER FOR YERONGA

Hansard 12 November 1998

MINISTERIAL STATEMENT

Corporations Law Reform

Hon. M. J. FOLEY (Yeronga—ALP) (Attorney-General and Minister for Justice and Minister for The Arts) (9.46 a.m.), by leave: Workers' job security and entitlements should not be undermined through company asset-stripping. The recent dispute between the Patrick group of stevedoring companies and the Maritime Union of Australia was an example of this practice in action. This case highlighted the need for reform of corporations legislation.

The issue of protection of employee entitlements also arose recently in two high-profile employer insolvencies in New South Wales, involving a Cobar gold mine and the Grafton South abattoir. According to press reports, 250 workers at the Cobar mine are owed \$9m and another 250 workers from the abattoir are owed \$3m in employee entitlements.

New South Wales Labor Attorney-General, Jeff Shaw, placed the issue of protection of workers' entitlements on the agenda of last month's Adelaide meeting of the Ministerial Council of Attorneys-General, meeting as the Ministerial Council for Corporations, to give its precise title. I shared Mr Shaw's concern that companies could restructure their assets solely to achieve their aim of retrenching a union work force. This Government will continue to press for national legislative reform to ensure corporations laws protect workers from such un-Australian managerial practices.

Australia's corporations legislation should not be used as an escape route for companies wishing to strip workers of their proper entitlements by stripping their companies' assets. During the Adelaide meeting of the ministerial council it was resolved to have legal officers analyse any potential flaws in the Corporations Law which affect employees' entitlements and to identify reform options for the council's next meeting, scheduled for next March. The labour Ministers council also will consider this issue. My colleague the Minister for Employment, Training and Industrial Relations, the Honourable Paul Braddy, has established a tripartite industrial relations task force which also is considering this issue and which will make recommendations to him to address the situation.

The Federal Government has agreed to ask the Australian Securities and Investments Commission to give the council advice on testing the existing provisions in Corporations Law in order to maximise the available protections under those provisions. The ASIC's advice and the labour Ministers council's response will be considered before the next Ministerial Council for Corporations meeting so that options for reform can be developed. Queensland workers can be assured that the Beattie Labor Government will pursue this matter to ensure their job security and due entitlements are not undermined through callous manipulation of Australia's Corporations Law.
