



Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Manager
Corporate Governance and Reporting Unit
Corporations and Capital Markets Division
The Treasury
Langton Crescent
PARKES, ACT 2600

By e-mail: corporations.amendments@treasury.gov.au

16 May 2014

Dear Sir

Re: Corporations Legislation Amendment (Deregulatory and Other Measures) Bill 2014

We appreciate the opportunity to respond to the Exposure Draft “Corporations Legislation Amendment (Deregulatory and Other Measures) Bill 2014” (“ED”).

Overall, we support Treasury’s intention to improve Australian companies’ remuneration disclosures, reduce the regulatory burden on companies and amend the operation of the dividends test under the Corporations Act. In particular, we strongly support the proposed extension of the jurisdiction of the Remuneration Tribunal to include determinations with respect to the FRC, AASB and AUSB reflecting the fundamental importance of high quality financial reporting and auditing standards to the Australian economy.

However, we have certain concerns in relation to the practical application of the amendments proposed under the ED, which we set out below.

1. The test for payment of dividends (section 254T)

We acknowledge that the proposed amendments are not designed to change existing taxation law arrangements, as the taxation arrangements with respect to dividends are dealt with under the Income Tax Assessment Act 1936. However, in light of the proposed amendments, assuming they are enacted, we recommend that the taxation law with respect to the taxation of dividends and with respect to the conditions for the payment of frankable dividends be reconsidered in light of the proposed amendments to the Corporations Act 2001.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

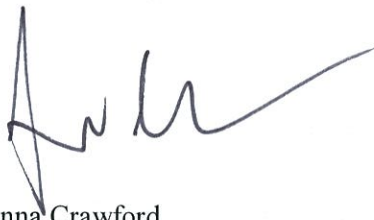
2. Improving disclosure requirements in Remuneration Reports for disclosing entities (section 300A)

Requiring disclosure of a general description of the company's remuneration governance framework

Given that the proposed requirement replicates the existing practice of many listed companies, we do not believe that requiring the disclosure of the 'remuneration governance framework' will enhance the quality of the disclosures or assist users in their understanding of key management personnel remuneration. We are not supportive of remuneration disclosure requirements being lengthened any further as this creates unnecessary clutter.

We look forward to providing future input to the Treasury as you continue your reforms to the corporate regulatory framework. If you have any questions concerning our comments, please contact me on (02) 9322 7177.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Anna Crawford', with a long, sweeping tail extending to the right.

Anna Crawford
Partner
Deloitte Touche Tohmatsu