

Company directors, principles of law and corporate governance

By Austin, Ford and Ramsay

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In the wake of recent corporate collapses and the prosecution of their high profile directors, the role and responsibilities of directors of corporations has been brought more sharply into focus. These recent events highlight the importance of directors of public corporations being aware of, and abiding by, their legal responsibilities. A failure to do so can cause widespread loss amongst the general public.

The recent release of *Company directors, principles of law and corporate governance* is therefore a timely one. The book, by the authors of *Ford's principles of corporations law*, Justice Robert Austin of the Supreme Court of New South Wales, and Professors Ford and Ramsay of the University of Melbourne, deals comprehensively with a broad range of legal issues affecting company directors. The book is divided into three broad parts:-

- structure and powers of the board of directors;
- the duties of directors;
- remedies for breach of duty and enforcement; with each part having a number of sub-topics.

The treatment of directors' duties is extremely detailed, exceeding 450 pages. In addition to the better known directors' duties, the book deals separately with their duties in relation to meetings of members, and the duties and liabilities of directors in the context of capital raisings.

In addition to the comprehensive manner in which each of the topics are dealt with, the principal advantage of the book is that it gathers together in one place a broad range of topics which were previously dealt with either at a general level in more general corporations law textbooks, or in specialised publications dealing with, for example, meetings.

The book is a must-have for corporate lawyers.

Practitioners should note the disclaimer given by Justice Austin in the preface where it is clearly pointed out that Justice Austin only takes responsibility for the chapters allocated to him. No doubt this is intended to be a warning to any practitioner appearing before his Honour where it cannot be presumed that any submission based on a chapter in the book not written by his Honour, will be accepted.

Reviewed by Ian Pike

Cassidy QC, 50 years at the Bar.



Derek Cassidy in chambers. Photo: Lisa Wiltse / Fairfaxphotos



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