
Book Review

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LBC Nutshell Corporations Law, 3rd ed.,
The Law Book Company Limited, 1995,
by Christopher J Bevan, i–xi, 123 pp.

The LBC Nutshell Corporations Law provides a synopsis of corporate law in Australia — a difficult task in view of the burgeoning character of this area of the law. The goal of such a book would be to provide a reliable overview of the main areas of corporate law which are likely to be relevant to undergraduate students, for example in business, law and accountancy faculties.

The Table of Contents covers the main areas relevant to a basic understanding of corporate law, moving from the preliminary topics of an explanation of the legislative scheme, process of incorporation, types of companies, separate legal entity doctrine, to a consideration of the law with respect to corporate legal capacity, the corporate constitution, dealings with outsiders, the rules governing directors, and finally to receivership and liquidation. It would be a challenging task to select the areas of law most appropriate to be covered in a book of this nature and it would be difficult to decide the topics to exclude. However, it is surprising that the book appears to omit even a brief examination of the Voluntary Administration scheme inserted by amendments taking effect in 1993. This topic would have been relevant to the author's coverage of directors' duties and insolvent trading.

The writing style of this book is both succinct and clear which would be a strong attraction for its targeted reader population. It is unfortunate that full case

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citations are not included — instead readers are referred to other sources for case citations. Similarly, an index of legislative provisions — or ‘legislation finding list’ would be useful for readers who have limited acquaintance with the Corporations Law.

In a book written with the goal of providing the reader with an overview of the law, there can be a danger of over-simplification particularly where readers are not referred to sources of more detailed analysis or alerted to the fact that the area of law may be complex or unsettled. A technique used occasionally by the author, to refer the reader to sources providing a more specialised examination of a topic — for example in the examination of insolvent trading — could have been effectively used in other areas of the book.

Although the author has noted where there are proposed changes to the law — for example the Corporate Law Simplification Bill — in some areas, the book does not appear to cover significant recent developments. The material on a director’s duty to avoid a conflict of duty and interest does not clarify that, following amendments in 1993, different statutory regimes affect proprietary companies (s231 Corporations Law) as opposed to public companies (s232A and Part 3.2A Corporations Law). A further area which would have benefited from an examination of recent case law developments, is that of the duty of care of directors. Recent cases such as *Statewide Tobacco Services Ltd v Morley* demonstrated in the ‘insolvent trading’ context that the present law imposes a stricter and objective standard; in a different context, both the first instance decision and that of the Court of Appeal in the case of *AWA Ltd v Daniels et al* reflected a similar approach.

Similar problems with updating appear to have been experienced with respect to the material on available names of a body corporate — the Commission no longer is required to examine and reject a proposed name if it so closely resembles another as to be likely to be mistaken for it. Further the constructive notice provision with respect to documents lodged with the Australian Securities Commission only operates with respect to documents recording charges.

In conclusion, this book provides a concise and clearly expressed overview of corporate law. As such, it is useful for students commencing studies in this area. However, the treatment of some areas could be updated both in respect to case law and to legislation, and the inclusion of references, where appropriate, to a more specialised or detailed examination of particular topics would contribute to the usefulness of this book.