
Book Review

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**John Gooley, *Corporations and Associations Law Principles and Issues*, 4th ed, Butterworths
Sydney, 1999, 631pp**

This book is primarily directed towards undergraduate students studying Corporations and Associations. These courses normally focus significantly on corporations, but also provide some consideration of structures such as partnerships and joint ventures. Thus a large proportion of the book is focussed on companies; partnerships receive a less detailed examination; other structures such as joint ventures, trading trusts, co-operatives and sole traders are examined briefly. This would reflect the approach of many undergraduate courses. The book also includes chapters on unincorporated and incorporated non-profit organisations.

Chapter 1 examines some of the forms of business organisation available and considers some of the factors which may be relevant to the choice of organisation – for example taxation liability, the availability of limitation of liability for members, management structure, the expense of forming and operating the organisation and its regulation. This provides a very useful introduction to the range of business organisations and facilitates the comparison of some of the features of the different organisations.

Chapter 2 examines sole traders – their methods of formation, liability to third parties, cessation of business and advantages and disadvantages of the business structure.

Chapter 3 follows a similar approach with respect to Partnerships – defining them, examining methods of formation, exploring liability to third parties, the partners' relationship inter se, and dissolution. The chapter also includes an examination of the limited liability partnership which may be formed in a number of jurisdictions.

Although the material on partnerships is brief, it provides a competent overview of the basic principles of partnership law. Some more complex areas are not explored in any depth – for example dormant partners and their liability; the potential liability of a retired partner for post-retirement debts. This work would have benefited from the inclusion of references to other works to assist students researching aspects of

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partnership law. The *Partnership Act* has been enacted in various jurisdictions and while the various provisions are, in substance, similar, provision numbering varies. The author has provided an index of the legislation from the different jurisdictions and also included footnotes providing references to the provisions in the *Partnership Act* of each jurisdiction, which will be useful to readers.

Chapter 4 examines unincorporated non-profit organisations and follows the pattern of defining them, explaining their formation, constitution, management, relationship with third parties, members' rights and liabilities and dissolution. This serves as a useful background and introduction to Chapter 5 which covers the incorporated non-profit organisation and the usefulness of this structure in resolving many of the difficulties and shortcomings of the unincorporated structure.

A brief examination of trading trusts is provided in Chapter 6. The material on the classification and creation of trusts will assist students who have no background study of trust law. The remaining material covers many of the basic principles governing the duties and liabilities and rights of the trustee, the position of creditors and the liabilities and rights of beneficiaries. The provision of an example of the operation of the trust structure, with a corporate trustee, to run a family business, provides students with a practical opportunity to examine the use of trusts in business ventures.

The material on joint ventures in Chapter 7 focuses on the unincorporated joint venture, and covers the basic steps of defining the joint venture, its comparison with partnerships, its characteristics and use, the nature of the relationship between venturers inter se, its management and termination. As with the material on trading trusts, this is a brief overview of some of the main features. However, the inclusion of a brief examination of the operation of default mechanisms in the joint venture agreement and the role of equity where such provisions may be subject to the doctrine of granting relief against forfeiture and penalties, would have been helpful. The references provided by the author to other material will provide assistance to students wishing to research the area.

The material on co-operatives in Chapter 8 is introductory only and refers readers to a website for further detail.

Knowledge of the Law of Agency is fundamental to the understanding of the operation of many business organisations and the means by which liability to third parties may arise. This book provides a very useful basic explanation of agency law in chapter 9, covering definition, classification, creation, the authority, duties, rights and liabilities of agents.

The treatment of companies in Chapters 10 to 26 comprises the major part of the book. The material covered includes the concept of incorporation, administration of company law in Australia, formation of the company, law governing its constitution, membership, directors, protection of minority members, corporate financing, prospectuses, securities regulation and takeovers. Most of these topics would be studied in any undergraduate corporate law course. Corporate law in Australia has been the subject of significant change over the past decade, and the author provides a helpful chart of the reforms since 1990 and outlines proposals for future reform. Although the book has clearly been prepared as a text for undergraduate students, its treatment of company law would be

effective for any practitioner wanting to re-acquaint with company law and update on its recent developments. In this area, the author also includes references useful for those who are seeking a more detailed examination of particular areas.

This book, now in its fourth edition, has expanded the material on some business organisations; provided more commentary, discussion of relevant case law and additional references. While there are a number of texts covering corporate law, the usefulness of this text is enhanced by the inclusion of an examination of a number of other commercial structures in addition to companies. The author's approach to include a basic explanation of fundamental principles, for example of trusts and of the law of agency, also enhances its usefulness as a comprehensive basic text for students. An index of cases and of legislation is included. A student workbook to accompany the text is also available. The writing style is easy to read. In some areas it would have been useful to include more references to assist the reader in further research of particular topics.