

COMMITTEES
Corporations and Financial Services Committee
Report

[Mr ROBERT](#) (Fadden) (8.45 p.m.)—I rise to support the report from the Joint Standing Committee on Corporations and Financial Services, *Better shareholders—better company*. I commend the report to the government. The report has 21 recommendations that cover a raft of issues to do with shareholders and improving shareholders' work within corporations and the Corporations Act. A number of the clear recommendations that came through include abolishing the 100-member rule, where 100 shareholders can call for an annual general meeting.

A range of evidence was heard with respect to the electronic proxy voting system and the need for such a voting system to be rigorous, to be electronically based and to have a strong audit trail to enable those who wish to use a proxy for voting to do so securely and quickly without the hassle and the contentious issues with current paper based voting systems. Likewise, the committee heard evidence that strongly looked to stop the cherry-picking of proxy voting, whereby someone at the meeting may have a range of proxy votes but may elect to use only some and not all of them. The issue of vote renting also needs to be addressed.

Participants in the review also raised the issue of market manipulation through naked short-selling and the need for full disclosure of those who actually hold stock within a company. Currently, if you own more than five per cent of stock in a company, the Corporations Act requires disclosure of that unless the stock is held in sophisticated derivatives, whereby companies and company owners may actually not know who holds substantial amounts of their stock. Likewise, I support the chair in saying that director-shareholders should not be voting for their remuneration. I commend the report to the government. It will bring better shareholders, better engagement and stronger corporations within the nation. I thank the many people that contributed. I thank those who attended the public hearings and those who put in lengthy submissions and explained and spent time with the committee. I commend the report to the government.