



13 February 2020

Committee Secretary
Senate Standing Committee on Economics
Department of the Senate
Parliament House
CANBERRA ACT 2600

By email: Mark.Fitt@aph.gov.au

Dear Sir/Madam

Australian Business Growth Fund Bill 2019 ("BGF bill")

The Australian Shareholders' Association (ASA) represents its members to promote and safeguard their interests in the Australian equity capital markets. The ASA is an independent not-for-profit organisation funded by, and operating in the interests of, its members. These are primarily individual and retail investors and self-managed superannuation fund (SMSF) trustees. ASA also represents those investors and shareholders who are not members, but follow the ASA through various means, as our relevance extends to the broader investor community.

The Australian Shareholders Association refers to and supports the proposed amendment contained in OnMarket BookBuilds submission to the Senate Enquiry into the Australian Business Growth Fund (BGF) bill.

We are concerned the BGF could lead to the disenfranchisement of retail investors by excluding them from investing in SMEs that otherwise would have conducted an Initial Public Offering (IPO) on ASX.

We advise that in our experience, retail investors range in investing education and experience and participate in IPOs with appropriate disclosure documents. ASA supports initiatives which lift retail shareholders' access to high quality capital raisings and makes the capital raising process fairer and more transparent.

Excluding retail shareholders' access to SME IPOs, which may result from the BGF bill, is unfair to the retail investor.

We note that we have only been provided with 6 days to make a submission to the Senate Enquiry, at a time of many requests for comment from Treasury. Consequently, we have not drafted a separate submission.

If you have any questions about this submission, please do not hesitate to me on (02) 9252 4244.

Yours sincerely,

John Cowling
Chief Executive Officer
Australian Shareholders' Association