

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

#### Australian Council of Superannuation Investors

##### ACSI01QON:

CHAIR: Do you have data of the share of shares or ownership that your members have over publicly listed entities?

Ms Davidson: It varies from company to company, as you would expect.

CHAIR: Sure.

Ms Davidson: Roughly speaking, you could say our members usually own around about 10 per cent of most listed companies.

CHAIR: How do you come up with that number?

Ms Davidson: From time to time we survey our members about what their holdings are.

CHAIR: Obviously, if that's the average, it means there are plenty of entities that own a lot more than 10 per cent, as well as ones that would own less than 10 per cent. That's correct?

Ms Davidson: It doesn't vary that much from 10 per cent, to be frank with you. Ed might be able to give a clearer picture of that. Usually the range is would go from around six to 12. That's more likely.

Mr John: It will often depend on liquidity of the company, as with the index, depending on how many shares are available. As Louise says, in some cases it's lower, and that may be via the company not being widely held, and for others you may get instances where it's 15 per cent or even 20 if there's strong support for a particular stock.

CHAIR: For clarity, you have data on this? Could you give us advice on what the largest shareholding is of the ownership of publicly listed entities amongst your members? You can take it on notice.

Ms Davidson: We would need to take it on notice. I ought to also say that we collect this data once a year just to give us an indication. As you would imagine, the members are trading in and out of stocks all the time, so we don't have up-to-date data all the time.

CHAIR: Let's go with the last five years so that at least we can see what the largest share is. One year the largest is 20 per cent, the next year it might be 22, the next year it might be 18. Fact based data on what the largest share is—I would have thought that's fine.

Ms Davidson: Yes.

CHAIR: And a time stamp of when it's provided. When is that data provided? You survey it when?

Ms Davidson: Ed, I will have to defer to you on that.

Mr John: 31 December is generally the time. As with any market data, the day you collect it, it's already dated depending on where trading moves after that.

CHAIR: Sure. But you accept it as indicative?

Mr John: Absolutely.

**Answer:**

Over the past five years the highest level of combined ownership of ACSI members in a single ASX200 entity based on annual data collection was:

<b>Date</b>	<b>Largest Aggregated ASX200 Holding</b>	<b>Median Aggregated ASX200 Holding</b>	<b>Smallest Aggregated ASX200 Holding</b>
<b>31-Dec-15</b>	Sydney Airport 22.2%	8.1%	0.4%
<b>31-Jan-17</b>	NEXTDC Ltd 24.9%	7.4%	0.4%
<b>31-Jan-18</b>	JB Hi-Fi Limited 25.7%	8.9%	0.8%
<b>31-Dec-18</b>	JB Hi-Fi Limited 30.2%	9.8%	0.8%
<b>31-Dec-19</b>	Reliance Worldwide 29.0%	9.7%	0.8%

The largest aggregated individual holdings are the result of one or more ACSI members owning more than 5% of the relevant entity. Those shareholdings are on the public record and reported by the relevant company. Over the past 5 years there are no ASX200 entities in which individually, or on a combined basis, ACSI members held a controlling stake.

The highest individual shareholdings noted above are not indicative of overall ownership levels of ACSI members with the average combined shareholding of 10-11% across ASX200 companies.

As outlined before the Committee, ACSI provides voting recommendations to its members and does not vote on their behalf. Our ESG engagement activities do not relate to the control or takeover of listed companies. ACSI members are not associates and do not vote together in a co-ordinated way.