



Australian  
Shareholders'  
Association



8 November 2021

Senate Economics Legislation Committee  
Parliament House  
Canberra ACT 2600

Submitted: [Online](#)

**INQUIRY INTO CORPORATIONS AMENDMENT (MEETINGS AND DOCUMENTS)  
BILL 2021 [PROVISIONS]**

Dear Mr Fitt (Mark)

Thank you for the opportunity to make a submission to the Inquiry into Corporations Amendment (Meetings and Documents) Bill 2021 Provisions.

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, primarily individual and retail investors, self-managed superannuation fund (SMSF) trustees and investors generally seeking ASA's representation and support. 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.

ASA has previously submitted comment on virtual meetings and electronic communication of documents in relation to publicly listed companies. In brief, these comments can be summarised as follows:

1. AGMs should be held as hybrid meetings, a combination of physical and virtual, not exclusively virtual.
2. Electronic communications should be the default with an "opt in" for mailed communications.
3. Electronic execution of company documents is welcomed.

In relation to the current inquiry, we make the comments below, also confined to publicly listed companies:

ASA is unable to support the holding of listed public company shareholder meetings in a virtual-only format.

The current technology and practice doesn't allow the majority of shareholders a reasonable and reliable opportunity to participate in meetings. There are glitches in the software, delays in the delivery to the shareholder such that questions typed into the online platform are received by the company after the questions on a topic are closed. We also receive complaints relating to the shareholder's unreliable internet stability, whether chronic, intermittent or temporary in nature, preventing full participation in a virtual-AGM.

We have observed a greater number of shareholders joining the meetings as guests rather than as shareholders at virtual meetings. We have been notified of this being a reaction to experience of difficulties in logging in. This also prevents full participation in the virtual AGM, as guests are unable to vote or ask questions at the meeting.

Digital natives are given privileged access to ask questions of company directors through their tech knowledge and capacity, crowding out shareholders who have less experience.

The addition of sub-section 249R (c) allowing a company to hold a meeting of its members “using virtual meeting technology only, if this is required or permitted by the company’s constitution expressly” has thrown a number of companies proposals to change their constitution in this way into disarray.

Qantas, Brambles, Dexus and Bendigo & Adelaide Bank were amongst the companies that withdrew the resolution to allow virtual-only meetings before AGMs took place. The wording of the Brambles’ 8 October 2021 ASX announcement [“Withdrawal of AGM resolution”](#) summarises the situation well:


“Included in the proposed amendments was a provision to enable Brambles to hold shareholder meetings using virtual technology to the extent permitted by law. As some reservations have been expressed about companies holding virtual meetings, and the proposed amendments are not considered material, Brambles has decided to withdraw item 8.”

There are two elements to the reservation expressed about companies holding virtual-only meetings; technology and trust.

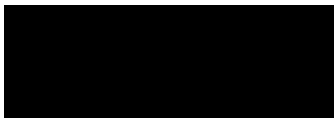
We are also concerned that the inclusion of sub-section 249R (c) will see all newly listed companies including use of virtual meeting technology only on listing.

We consider holding company meetings using the hybrid model (face-to-face and virtual) will facilitate the development of the technology, and that at some point in the future it will be much closer to the physical meeting experience.

ASA advocates for hybrid (physical and virtual) when ever it is safe to do so (e.g., outside pandemics) and for retail shareholders to have the option to receive hard copy company communications. We will continue to recommend retail shareholders vote against virtual only meeting constitutional change.

If you have any questions about these comments, please do not hesitate to contact 

Yours sincerely



Rachel Waterhouse  
Chief Executive Officer  
Australian Shareholders’ Association