



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

21 June 2018

Committee Secretary
House of Representatives Standing Committee
Agriculture and Water Resources
PO Box 6021
Parliament House
CANBERRA ACT 2600

By email: agriculture.reps@aph.gov.au

Dear Committee Secretary

INQUIRY INTO SUPERANNUATION FUND INVESTMENT IN AGRICULTURE

We support the drive to attract superannuation funds to invest in agriculture and, more generally, in Australian small and medium sized enterprises (SMEs). Agriculture is of particular significance as SMEs employ over 95% of the workforce.¹

We are currently undertaking an inquiry into **Affordable Capital for SME Growth**.² The report is due for release on 29 June 2018. Affordability is linked to loan terms with patient capital, terms of 5-7 years, required to allow SMEs to grow. Superannuation funds are important sources of patient capital and need to have asset classes that allow them vehicles to invest with confidence.

We are pleased to read APRA's submission that there are no specific regulatory impediments for superannuation funds to invest in Australian agriculture. We agree that relevant and robust data sets together with reliable metrics are needed to support this new asset class. Metrics will enable funds to meet regulatory requirements to have an investment strategy with appropriate governance to measure performance. Standard metrics will also promote competition to drive the attractiveness of this asset class.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact

Yours sincerely

Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

¹ ABS Catalogue No8155.0 Australian Industry

² <http://www.asbfeo.gov.au/inquiries/affordable-capital-smes-growth>