

**Standing Committee on Finance and Public Administration**

**ANSWER TO QUESTION ON NOTICE**

**Budget Estimates Hearing – May 2008  
Australian Reward Investment Alliance  
Finance and Deregulation Portfolio**



**Outcome 1, Output 1**

**Topic: Share Lending Practice for Voting Purposes**

**Question reference number: F3**

**Type of Question: Written**

**Number of Pages: 1**

**Senator Murray asked:**

Specifically, is ARIA concerned at the practice of lending shares for voting purposes-giving away the rights of shareholders without their permission, when those shares are held in trust, either directly or indirectly?

**Answer:**

ARIA's securities lending program provides for the recall of stock for any vote required.

IFSA (Investment & Financial Services Association) and ACSI (Australian Council of Super Investors Inc.) are firmly opposed to the practice of 'vote renting', whereby an investor borrows shares in order to vote to secure a desired outcome. ARIA's proxy voting policy is to vote on all resolutions at all meetings of companies in which it has an interest. See also the response to Question F1c in relation to voting rights.