



THE HON JOSH FRYDENBERG MP
TREASURER

Mr Tim Wilson MP
Chair
House of Representatives Standing Committee on Economics
Parliament House
CANBERRA ACT 2600

Dear Chair

Thank you for your letter dated 23 July 2021 seeking formal instructions for the House of Representatives Standing Committee on Economics (the Committee) to investigate the implications of common ownership on Australia's legal framework and consumer harm.

Given the potential broader implications for investors and the economy, I share your commitment to ensuring the consequences of capital concentration in our superannuation sector are well understood. I therefore agree to your request that the Committee inquire into matters relating to:

- The extent of capital concentration and common ownership of public companies, and its likely future trajectory in Australia;
- The influence of capital concentration and common ownership on markets, including on investment decisions, market behaviour, competition and any other relevant factors;
- The changing influence between individual investors and small funds, compared to larger funds, as a result of capital concentration and common ownership;
- Any related consequences that flow from capital concentration and common ownership, including international experiences;
- The role of regulators in responding to these consequences; and
- Policy responses to address these consequences, including by government, regulators and public companies.

I ask that the inquiry commence as soon as possible.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'J. Frydenberg', written in a cursive style.

THE HON JOSH FRYDENBERG MP

28 / 7 /2021