

1st March 2021

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Members of the Senate Economics Legislation Committee

SUBJECT: Treasury Laws Amendment (2021 Measures No.1) Bill 2021

Solaris Investment Management Ltd (Solaris) is a mid-sized Australian Equities Fund Manager based in Brisbane, Queensland. The Solaris Team consists of 12 investment professionals whose main task is to provide funds management services to a range of clients. Within this role Solaris is actively involved in researching companies for investment purposes with continuous disclosure by companies forming a critical part of this assessment.

- Solaris does not support the permanent adoption of the special provisions applied to company continuous disclosure obligations. These special provisions were introduced in response to the heightened operating environment uncertainty that materialised due to the impacts of COVID-19 and associated restrictions. It is not evident that the intention to make this legislation permanent will have a benefit for investors and we are wary that it is an opportunistic attempt to lessen the onus on entities and their directors to provide transparent and timely updates.
- As investors, we rely on transparent and factual disclosures of operating conditions and anything that encourages companies and their directors to provide fulsome disclosure should be maintained, not reduced.
- The requirement that aggrieved parties must prove “that the corporation had knowledge of, or was reckless or negligent with respect to whether information they did not disclose would have had a material effect on the price or value of that entity’s securities” does not, we believe, improve the transparency of company disclosures.

Yours faithfully

William Earnshaw
Managing Director
Solaris Investment Management Limited