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RETAIL INVESTOR
DIVISION



15 February 2013

The Manager
Disclosure & International Unit – Retail Investor Division
The Treasury
Langton Crescent
PARKES ACT 2600

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Dear Sir/Madam

**Corporations Amendment
(Simple Corporate Bonds And Other Measures) Bill 2013**

The Group of 100 (G100) is an organization of chief financial officers from Australia's largest business enterprises with the purpose of advancing Australia's financial competitiveness. The G100 is pleased to provide comments on the proposed amendments to the Corporations Act.

The G100 considers a strong domestic market for corporate bonds to be an important funding platform which would have significant positive impacts for Australian corporates and the broader economy by:

- providing a means to further diversify funding sources through enhanced access to long-term funding from the local market where Australian corporates can better leverage strong brand recognition;
- creating a resilient domestic market that reduces exposure to offshore market volatility and removes inefficiencies associated with raising funds offshore by enabling Australian corporates to raise long-term funds in Australian Dollars;
- providing greater stability to the investment returns of Australian investors through the neutralisation of the current investment bias towards higher investment allocations to equities; and
- providing the ever-growing self-managed superannuation sector with a greater range of investment opportunities that enable them to participate in a wider range of fixed income alternatives.

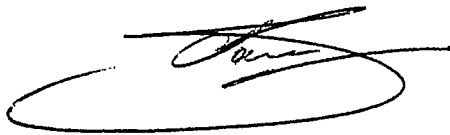
The G100 strongly supports initiatives to encourage the development of a deep and liquid listed corporate bond market in Australia and is encouraged by the moves to simplify the prospectus content requirements and to largely removing deemed civil liability of individual directors.

The G100 is generally supportive of the proposals in the Exposure Draft but we are concerned with the matter outlined below which was previously raised (*in the G100 submission dated 9 February 2012*):

- Auditor's report: The G100 does not support this proposed requirement. Audit reports are modified in response to a wide range of circumstances and in many cases would not in any way impinge on the credit worthiness of the company. In the event of a modification the reasons are disclosed and explained and potential investors are able to make an informed judgment.

The G100 also believes that retail investors should be allowed to buy existing wholesale corporate bonds. The corporate bond market would be enhanced by allowing retail and wholesale bond investors to participate in the same market. This would provide greater liquidity, pricing transparency and alternative investments. However, for this to be effective, we are also of the view that any move to establish a retail corporate bond market should wait until there is a deep and efficient wholesale market.

Yours sincerely
Group of 100 Inc

A handwritten signature in black ink, appearing to read 'Terry Bowen', is written over a large, hand-drawn oval scribble.

Terry Bowen
President