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TITLE: **Time to flex shareholder muscle**

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PUBLICATION: **The Canberra Times**

PUBLICATION DATE: **19/01/13**

LINK: ***http://www.canberratimes.com.au/opinion/time-to-flex-shareholder-muscle-20130118-2cz10.html***

'Mums and dads' seem to be replacing 'working families' as the focus of political concern in Australia. The biggest problem with last week's hoax media release about Whitehaven Coal, many argued, was its impact on ''mum and dad investors''.

The language of mum and dad investors is as widely used as it is meaningless. Gina Rinehart is, of course, a mother of four children. Does that mean she is one of the investors that the commentators and politicians are so concerned about?

What about the adults without children who may have lost money? Are we really unconcerned about them or is it just that the emotive language of ''mums and dads'' is so attractive to all concerned that its inaccuracy is overlooked?

Mining companies in Australia are predominantly foreign-owned but it is unclear from recent commentary whether foreign mums and dads are as worthy of our concern as the ''ordinary Australians'' we hear so much about.

The miners, along with the superannuation industry and the ''big four'' banks, have done a remarkable job popularising the idea that all Australians own a share of all companies thanks to their super. By that logic, anything that hurts any company is ''bad'' for Aussie mums and dads. And that is, of course, the impression that the corporate and political spin doctors are trying to create. But what about when the courts tell the banks they cannot impose punitive charges; is that bad for mum and dad investors as well?

There can be no better argument that Australians are all ''in it together'' than that through superannuation, we are all the common beneficiaries, and common victims, of all acts against corporate Australia. Soaring bank fees and mining profits or cuts to the corporate tax rate, we are told, simply deliver benefits to ''mums and dads''.

Similarly, as we saw last week, anything that hurts a big company is now described as hurting us all.

The biggest problem with the notion that superannuation means we are all in it together is that it's simply not true. As only those who do paid work make superannuation contributions, 50 per cent of Australians have no superannuation at all. These people with no super are disproportionately low-income earners and female. The idea that the more profit the banks make from ATM fees the better off we all are, is Orwellian language at its finest.

Of course, many Australians do have superannuation, but that doesn't mean that corporate pie is shared evenly either. The wealthiest 20 per cent of households own 72 per cent of super while the 20 per cent with the smallest super balances own only 1 per cent of the assets.

While superannuation has done little, if anything, to redistribute wealth from the mums and dads with billions to the mums and dads with nothing, it does have the potential to drive the kind of changes in corporate conduct that the vast majority of Australians think is fair and reasonable.

Most of Australians are concerned about climate change and most accept that you can't tackle climate change by carving out new coalmines. But as with attitudes to same-sex marriage and voluntary euthanasia, the majority opinion doesn't rule in Australia. But it could.

The tiny, tiny shareholdings and super balances that deliver tiny returns to most Australians add up, in most cases, to substantial shareholdings in many of Australia's biggest companies. And the directors of companies, as well as their corporate conduct, are determined by the majority of shareholders.

The problem in Australia is that all of the talk about the benefits of share ownership is dominated by talk of money rather than governance. But a step towards overcoming that problem was recently taken with the establishment of the Australasian Centre for Corporate Responsibility whose goal is to not just put motions for improved corporate governance at shareholder meetings but to shift the vote necessary for such motions to succeed.

While the distribution of Australian shareholdings is more equal than in the United States, the notion of shareholder democracy is much more deeply entrenched in America than it is here. Each year hundreds of motions to restrict companies from using slave labour, report their greenhouse gas emissions and limit their use of contractors as replacements for permanent staff are put forward and debated in the US. The combination of member-owned super funds and member-initiated shareholder motions could be a powerful reforming force in Australia, but only if organisations such as the new centre for corporate responsibility are successful in both drafting implementable motions and convincing the big super funds to focus on the broad interests of members, not just the short-term financial returns on which CEO bonuses are based.

The hoax press release by Jonathan Moylan was designed to highlight the fact that the ANZ Bank says it doesn't lend money to environmentally harmful projects when in fact it does so regularly.

While the hoax's impact on "mum and dad" shareholders was massively exaggerated, the potential power of these shareholders is systematically underestimated. While few Australians own anywhere near enough shares to notice the impact of the daily wobbles in share prices on our incomes, together we all own enough to make most companies do exactly what we want. The challenge is to focus that power through well-crafted motions and to ensure the super funds that manage our money on our behalf are willing to support those motions. The Australasian Centre for Corporate Responsibility will hopefully play an important role in achieving both.

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