

Dear Sirs---I am very very relieved to have this matter in the Public forum for the first time. Hopefully in time to regain some confidence in our ASX daily operations. As a retired Broker I understand the back room operations and could see us losing complete control of our day to day market movements (to the corporate Trading desks and Market Makers in general) who could just decide on any given day top 20 prices and XJO Index closes just by using borrowed stocks and COVERED SHORTING to match up their derivative and cash collateral accounts--very profitable with knowledge the PUBLIC didnt have . The end result of this would have been the complete withdrawal of public investors due to lack of confidence with NO PUBLICLY AVAILABLE INFORMATION on STOCK LENDING/SHORT POSITIONS/and NO BROKER ID anymore which was our only way to see who was doing the selling and begin our research to find out who had borrowed the stock and give us a chance to take a loss and leave. This total non disclosure allowed share prices to be artificially set on any given day. This avalanche of selling caused the PUBLIC to be MARGIN CALLED instantly which then caused more uncontrolled selling by the MARGIN LENDERS into an already damaged (and now in the news) stock. It was no doubt the massive growth of Superannuation Fund inflows to share holdings in tandem with the parallel growth of stock available for lending and finally the new business of MARGIN LENDING(and this is where the public were hurt most) which caused the destruction of "price discovery "by supply and demand as the world had done for thousands of years. COVERED SHORT SELLING(if we have to allow it) should only allowed on a very small (pre set and publicly announced) percentage of a companies ISSUED CAPITAL and complete disclosure of all details made available to the PUBLIC via ASX ANNOUNCEMENT on a daily basis ie company X has current COVERED SHORT positions totalling X % and the total allowable is X % then we (PUBLIC) can make an informed decision as to hold or sell. This DRAFT BILL on SHORT SELLING is a start of the process to give the public the opportunity to compete with Institutions and Corporate desks on a daily basis and once again enjoy our market challenges. NAKED SHORTS should be outlawed as in many well regulated markets as with no BROKER ID it is too hard to control with high speed computer programmed trading determining price direction on a daily basis. The PUBLIC have been the most disadvantaged since technology took over our markets. The PUBLIC really only have access to information via the ASX ANNOUNCEMENTS online so I trust that all DISCLOSURES will be made available to us before trading commences in a clear and easily understood format each morning. You would by now be aware of some of the poor standard of simple "change in substantial shareholder" notices apart from being very late presented in "computer trade reporting desk format" some 15 pages all designed to have the PUBLIC not really know "what happened" of "when" the major holder "sold". I look forward to even more genuine efforts by our REGULATORS to return the ASX to its previous status as an orderly well run market equal to any in the world. Yours in anticipation.....Richard Cox