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3 December 2008

Head of Payments Policy Department
Reserve Bank of Australia
GPO Box 3947
Sydney NSW 2001

By Email: pysubmissions@rba.gov.au

Dear Sir

**Consultation on Variation of Financial Stability Standard for Securities Settlement
Facilities: Disclosure of Equities Securities Lending**

I refer to the RBA Consultation Paper dated October 2008 on Disclosure of Equities Securities Lending.

SDIA has consistently supported the disclosure of securities lending. Our Members believe that disclosure of open securities loans is the best proxy for the disclosure of short positions. It would be much more meaningful than the current daily gross position reporting, which suffers from weaknesses including intraday close-outs and use of more than one broker for each leg of the trade.

Accordingly, we support RBA's conclusion, that

...there is a strong case for the publication of data on the aggregate accumulated outstanding on-loan position, by stock.¹

For your information, attached are our submissions to Treasury on the Short Selling Bill, and to the Senate Economics Committee which outline our position in more detail.

Please contact me if you require any further information.

Yours sincerely,

David W Horsfield
Managing Director/CEO

¹ RBA Consultation Paper October 2008 page 1