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including 2015 JASSA prize winners**

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**Long-run performance of
backdoor-listed firms**

PETER LAM and KELLY CHAN

We examine the long-run performance of a sample of firms going public through backdoor listing on the ASX during the 1994–2013 period. When benchmarked with a control sample of IPOs, backdoor-listed firms underperformed in the aftermarket. Over the three years after listing, they raised less equity capital and were less profitable and more financially distressed than their IPO counterparts. They also performed poorly in terms of buy-and-hold returns against the matched IPO firms and broad-based market indices. Our results tend to corroborate findings in the US and Canada but are inconsistent with their assertion that lax regulatory oversight is the major cause of underperformance since Australian backdoor listings have to comply with essentially the same listing requirements as IPOs.

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**Long-run survival and performance of
Australian dotcom IPOs**

ADAM STEEN and JAMES MURRAY

This paper explores the long-run survival and share market performance of companies which made an Initial Public Offering (IPO) around the time of the share market correction in 2000, widely known as the dotcom or internet crash. We find that dotcom stocks failed no more frequently than non-dotcom stocks and our results were not sensitive to listing pre- or post-correction. Further, we find that non-dotcom stocks did not significantly outperform those of dotcom stocks. These findings challenge the conventional wisdom on the dotcom bubble.

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**Problems with using EBITDA-based
valuations in capital-intensive industries**

WAYNE LONERGAN SF FIN and
HUNG CHU SF FIN

In view of the significant commercial, tax and regulatory implications of the valuation outcome, this paper alerts valuers and market participants to the inherent dangers in the uncritical use of the EBITDA multiple-based method in valuing capital-intensive businesses. We show that equity valuations of established capital-intensive firms by EBITDA multiples are more susceptible to distortions than those based on NPAT multiples. These distortions arise from the inherent tendency of the former to overlook idiosyncratic, value relevant, differences below the EBITDA line between the subject company and the ‘comparables’ from which multiples are derived.

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**Protecting retirement wealth: A survey of
Australian products**

ANTHONY VASSALLO, LANCE FISHER and
GEOFFREY KINGSTON

With the changes to the age pension assets test thresholds set to take effect in January 2017, we examine possible features of an ideal Comprehensive Income Product for Retirement. This paper provides a survey of the long-term derivative instruments (warrants) being offered by Australian institutions to elderly Australian investors. We focus on products other than plain vanilla life annuities, and there are currently four active products, with varying guarantee terms. Early exercise is typically permissible yet subject to penalties. Benefits are mostly lump sum but can be income streams.

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Superannuation drawdown behaviour

THOMAS SNEDDON, ANDREW REESON,
ZILI ZHU, ALEC STEPHENSON,
ELIZABETH V HOBMAN and
PETER TOSCAS

This paper provides a longitudinal study of withdrawals from account-based pensions from superannuation savings to provide a better understanding of drawdown patterns in retirement. Our analysis of the data indicates that most retirees in their 60s and 70s draw down on their account-based pensions at modest rates, close to the minimum amounts each year. Indeed, if these drawdown rates were to continue, most retirees would die with substantial amounts unspent. These findings are consistent with empirical evidence to date that suggests retirees are inclined to draw down their wealth relatively slowly.

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Investment strategy on retirement savings: An analysis of the experience of fund members

PAUL GERRANS, MARIA STRYDOM,
CARLY MOULANG and JUN FENG

This paper examines the extent to which demographic and social factors are associated with changes to individual wealth accumulation trajectories in retirement savings. Specifically, we investigate member-initiated investment changes to their superannuation accounts, distinguishing between investment changes to future contributions and the accumulated balance. Our findings indicate large gender differences across both types of investment changes and that members with higher balances, larger contributions and greater time in the fund are more likely to make changes.

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Patterns of voluntary contributions to superannuation: A longitudinal analysis

JUN FENG and PAUL GERRANS

This paper is the first to provide an empirical analysis of long-term trends in voluntary contributions to superannuation in Australia using employer-level administrative data. We assess the role of demographic and socio-economic factors in predicting contribution behaviours. We also examine participation in pre-tax (salary sacrifice) and post-tax savings separately, and explore the interrelationship between both choices. Our results indicate a decline in participation in both pre-tax contributions and post-tax contributions between 2002–03 and 2011–12 due to lower participation among new members. Participation in pre-tax contributions is higher for males and increases with age and income, whereas participation in post-tax contributions reduces with income and is lower for males.

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Modelling the macroeconomic effects of an increase in superannuation contributions

JAMES A GIESECKE, PETER B DIXON and
MAUREEN T RIMMER

In this paper we describe a new type of computable general equilibrium (CGE) model that integrates detail of the economy's financial sector with a traditional real-side CGE model. We use the model to explore the macroeconomic effects of the superannuation sector in Australia by simulating a one percentage point increase in the ratio of superannuation contributions to the national wage bill. This simulation has relevance to current policy debate on the merits of further increases in the compulsory contribution rate. Our results indicate that a rise in the superannuation contribution rate increases long-run real GDP, largely via an increase in the savings rate. At the same time, the structure of the superannuation sector's activities, relative to other savings vehicles, boosts short-run employment and housing investment.