

HONOUR ROLL OF LIFE MEMBERS

THE MEASURE OF A CONSUMING INTEREST



by EDNA CAREW

In more than 20 years the status of life membership of The Securities Institute of Australia has been awarded to only four people. The first, Alastair Urquhart, was profiled in the September 1988 issue of JASSA. This article traces the careers of the other three.

At first glance it would seem that a career in stockbroking is the chief thread binding Ray Arthur, Charles Williams and Errol Banks. Merely a career in stockbroking, though, would not have brought them to the point where they have been created life members of The Securities Institute of Australia. What singled them out for that award has been their huge commitment to the securities industry. The three men are among a band of people who, over the past 25 years, have put in a big effort – for no material reward – to improve standards and education in the securities industry. Life members, it is said, are people for whom the Securities Institute and related issues have become a consuming interest.

Stockbroking came to be common ground for Arthur, Williams and Banks, but they did not all follow a direct career path from school to stock exchange. The fourth and most recently appointed life member of the SIA, Errol Banks, came into broking in the 1970s after 14 years in the navy. Ray Arthur, the second life member appointed after Alistair Urquhart, enjoyed a career that ranged over accounting and journalism before he settled into the life of a stockbroker. Charles Williams, third life member and now deputy chairman of the NCSC, has the most conventional background, having headed straight for the Melbourne Establishment firm of E.L.&C. Baillieu in 1955, after leaving school and studying accounting.

Banks came to broking later in life

but the prospect had first appealed to him while he was at the Royal Australian Naval College. However, a 14-year career in the Navy intervened. On graduation from naval college in Australia Banks went to the Britannia Royal Naval College at Dartmouth in England, graduating as a sub-lieutenant in 1961. During his ensuing years with the navy he shuttled back and forth between England and Australia, with activities including a period of flying training which led to two front-line tours with the Australian Fleet Air Arm aboard HMAS Melbourne. Banks completed his flying instructor's course in 1966. By 1967 he had decided to quit naval life. The decision to leave was made that year but it was 1970 before Banks and the navy finally parted company.

At that point the self-confessed frustrated lawyer was torn between a career in law and life as a stockbroker. Fate brought the family to Adelaide, where Banks was offered a position with a law firm and was accepted for law at Adelaide University. Stockbroking still beckoned, though. The outlook for a career in broking was far from auspicious at that time and Banks settled for a job with the Adelaide Stock Exchange as the education and public relations officer.

From then Banks became closely involved with the SIA. Encouraged by the then president of the Adelaide exchange,

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Errol Banks — from the sea to the stockmarket.

Ian Derrington, Banks established the educational courses of the SIA in Adelaide in 1971/72. Banks was an early and outstanding student, sharing the slot of top federal student in 1972. From then he went on to become manager, then general manager, of the Adelaide Stock Exchange, and to be an active teacher of SIA subjects, lecturing in Securities Industry and Company Law until 1981. He was also instrumental in launching the lunch-time investment lecture series.

Banks held the position of general manager of the Adelaide Stock Exchange until 1980, when he was elected a member of the exchange and joined the partnership of Phillips and Henderson, now Phillips Henderson Ward Ltd, an associate company of James Capel Australia Ltd. He is presently an executive director of the company, responsible for corporate finance and mergers and acquisitions. Until recently he was also in a partnership with his wife in a successful angora goat stud; his fondness for animals is now lavished solely on the family's four Irish wolfhounds and eight cats.

An immediate past-president of the South Australian division of the SIA, and senior vice-president of the Federal

Council, Banks was elected a life member of the SIA earlier this year — an event he ranks as a high point in his career, on a par with other moments such as his graduation from Dartmouth and being awarded his wings in the Fleet Air Arm. Ever a supporter of the national image and effective operation of the SIA, he believes the election to life membership of an Adelaide member encourages contributions to the Institute from beyond NSW and Victoria.

Banks' nomination as a life member of the SIA followed that of Melbourne-born-and-educated Charles Williams, now deputy chairman of the National

Companies and Securities Commission (NCSC). Not only does Williams look back on a 30-year career in stockbroking but on a lifetime's commitment to one firm, E.L.&C Baillieu.

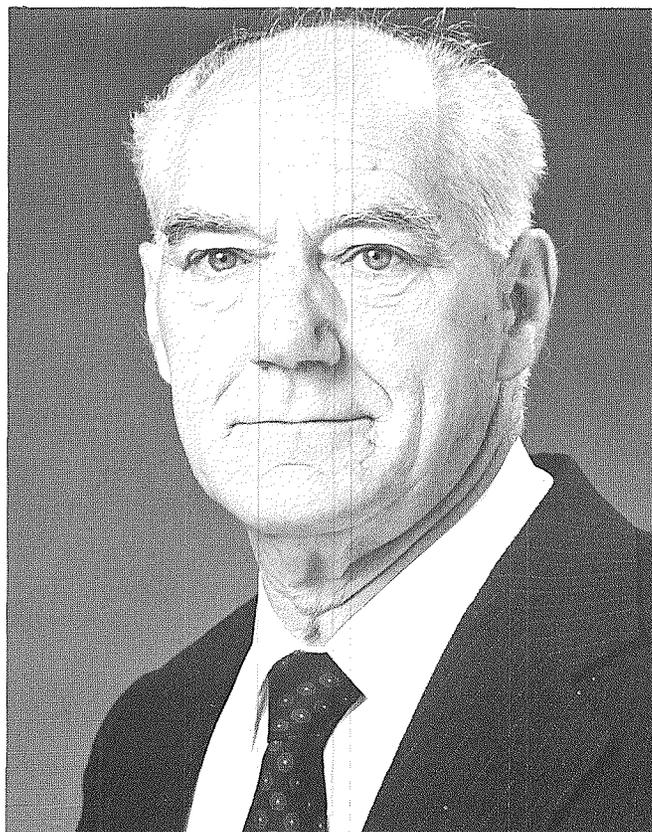
Williams joined the firm in 1955, became a partner in 1970 and a member of the Melbourne Stock Exchange in 1976. His interest in broader industry issues led to his taking an active role in the Society of Security Analysts and subsequently in the Securities Institute following its establishment in 1975. Williams was Victorian president of the SIA from 1979 until 1984, when he became federal president, a post he held until 1985 when he left broking to take up the position of deputy chairman of the NCSC.

Apart from his long-standing interest in the regulation of stockmarkets, Williams is identified as someone who has always been able to take a broad view of issues. He recognised the potential of the SIA from the outset and was one leading light in Victoria who, from the start, rose above the parochial State rivalries to think on a national basis. His stand did not endear him to those in Victoria who, in the early days of the institute, viewed it as a NSW product. Williams had the courage of his convictions.

The SIA was a great training ground for his role with the NCSC, Williams says, and he specifies two points: his work with the SIA stimulated his natural inclination to examine industry issues and, the SIA being a federal organisation, involved him with the challenge of bringing people into harmony. The switch from a trading to a supervisory environment, though, was huge.

Williams was one of those who, some years ago, identified the potential in the now-successful distance education program. "A number of us believed we could service the wider community

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Charles Williams — from broker to regulator.

Ray Arthur — started as a financial journalist.

through distance education without sacrificing the professionally-oriented education program,” Williams says. “We were pushing back in late 1984 and early 1985 for distance education – like the irritant in the oyster that causes the pearl to develop later on.”

Some 20 years earlier, the concept of educational courses specifically designed for the securities industry was just getting off the ground. A catalyst was a visit to Australia by G. Keith Funston, then president of the New York Stock Exchange. Funston’s enthusiasm for the recently established New York Institute of Finance infected Alastair Urquhart, then chairman of the Sydney Stock Exchange. The result was the formation of an education sub-committee that would establish courses in Australia similar to those being offered by the New York Institute of Finance – courses that specialised in education for what Funston called the “securities industry”.

Ray Arthur, who followed Urquhart as the second life member of the SIA, played a leading role in the sub-committee and in establishing the early courses of what grew into the SIA. Arthur’s involvement with the SIA goes back to April 1966 when he was elected an associate member at the second council meeting of what was then the Stock Exchange Institute. He was elected

a councillor at the subsequent meeting in May that year, with his term of office as councillor taking effect from the first AGM held that month.

By 1966 Ray Arthur had founded his own company, R.F. Arthur & Co. Ltd. He had been elected a member of the Sydney Stock Exchange in 1960. This move marked a switch to stockbroking following a 10-year career as a financial journalist, mostly with John Fairfax & Sons, writing for the *The Australian Financial Review* and *The Sydney Morning Herald*.

During the 18 years he was senior partner with R.F. Arthur & Co, Ray Arthur was three times federal vice-president of the institute, in 1975, 1978 and 1979, federal honorary treasurer in 1981 and 1982, and senior vice-president of the NSW divisional council in 1982. Arthur was president of the NSW divisional council at the time the Stock Exchange Institute merged with the Australian Society of Security Analysts to form the Securities Institute. His journalistic skills were a significant help in the production of the early editions of JASSA.

After the demise of R.F. Arthur & Co in 1984, Arthur turned his energies to establishing a new member firm, Trans City Securities Pty Ltd, a 50/50 venture with the investment bank Trans City

Holdings Ltd. Almost three years later, in May 1987, Arthur again moved to new ground, founding McNeil Mantha Arthur Ltd with the Canadian broking firm McNeil Mantha Inc. The subsequent introduction of the Bank of Singapore as a shareholder led to a change of name and the firm is known as BOS Stockbroking Ltd.

Ray Arthur’s involvement in Australia’s growing securities markets has taken him beyond the stock exchange and into the growth area of the Sydney Futures Exchange. He was a director of the SFE from 1979 to 1982 and served as a member of the finance committee of the exchange.

Such has been the success of the Securities Institute that it is easy to forget that in its early days the question of survival was a real worry. A number of tertiary organisations were eager to take over the education courses but the Institute hung on. And it has been quick to extend to new areas. This led to an expansion in the range of courses, to include money markets, foreign exchange and futures.

The Institute’s policy has been one of deliberate growth to take in new fields. That, along with the unselfish contribution of many people over the years, has been the key to its success. □