

A word of welcome

It is fitting that this final *JASSA* editorial for this century should also be a *vale* to the old and a welcome to the newly reshaped Securities Institute of Australia. As Leigh Hall remarks in "Tomorrow's Institute" (page 18 of this issue) the SIA is entering a new era in its own history. In that article Edna Carew writes: "The 33-year-old Institute has been reinvented, following an intensive structural review which analysed its business and service orientation. As a result, the organisational framework of the SIA has changed, shifting from a regionally based to a functionally focused model, with the Institute operating as a genuinely national organisation instead of a federation of State-based divisions."

Many institutions in the Australian financial markets are ending the decade in vastly different shape. The Australian Stock Exchange has itself demutualised and listed; the Sydney Futures Exchange is in the throes of change but meanwhile has shifted from a centuries-old tradition of open-outcry floor trading to transacting business electronically.

Indeed, while financial reforms during the 1980s radically altered the financial landscape, opening up markets and bringing in new players, it is the advances in electronic communications that have turned business practices in financial markets on their heads over the past five years.

The series of public floats in recent years have brought shares into an increased percentage of

Australian households but it is the advent of the personal computer, and the average individual's increasing level of comfort with electronic communication, that has revolutionised the way in which many people now approach financial services offered by their banks and their stockbrokers (if they use one).

Throughout the community, an increased focus on matters financial, specifically the mounting imperative of ensuring adequate savings for retirement, has intensified attention on understanding how investment markets work. This in turn has translated into uninterrupted interest in the Securities Institute's courses from a wide and increasing range of investors, not just those working in or studying the financial markets.

Over the years, the Institute has sought to anticipate and to match demand, tailoring courses and subjects to keep pace with market development and innovation. Recent events have left Australia well placed in the eyes of global investors and fund managers. The reforms put in place during the 1980s served us well during the Asian crisis in 1997 and 1998; the Australian economy proved itself sufficiently resilient and flexible to weather the storm better than most and, indeed, better than had been anticipated for this country.

Not only did Australia's annual growth in gross domestic product increase in the 1990s, it now outpaces that of OECD countries. And, of course, for most of this decade Australia has

shaken itself free of the high inflation that persisted during the 1970s and 1980s, a further welcome development for corporate and individual investors. Gone, too, thanks to Reserve Bank action, is the volatility in interest rates that characterised earlier times and tripped many business and investment plans. We enter the 21st century with several challenges, such as bedding down a new tax regime whose impact on business and individual behaviour is yet to be assessed and continuing to ensure that the correct mix of private savings and public welfare underpins society's financial comfort, especially in retirement.

A goal that remains tantalisingly out of reach but continually on the horizon and up for debate is Australia's status as a regional finance centre. The establishment of the Australian Centre for Global Finance marks a move towards formalising this country's claim to be among the leading financial centres, if not in size then in expertise and choice of products.

A realistic note has crept into some discussions about what constitute the essential characteristics of a global finance centre, and among these are size and proximity to key markets. This works against Australia, but recent experience shows that, despite some disadvantages of distance and population, Australia can still make its mark in global investment markets. And the SIA will continue to have an ever-increasing role in ensuring that this remains so.