

# Happy 35th birthday!

Institute can look back on outstanding achievements

*Established in 1966, the Securities Institute of Australia has completed 35 years of service to the financial sector.*

*EDNA CAREW tracks the Institute's progress and successes.*



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Born in the early 1960s as the Stock Exchange Institute, the organisation now known as the Securities Institute of Australia owes its name to Alastair Urquhart, chairman of the Sydney Stock Exchange from 1959 to 1966. Urquhart, in a “flash of brilliance under the shower”, thought up the name Securities Institute of Australia for the embryonic organisation focusing on further education for the Australian financial sector.

Commenting in 1996, when the Institute turned thirty, its managing director Roslyn Allan wrote: “The Institute’s beginnings were truly humble: a handful of people, dedicated to promoting the professionalism of stockbroking, struggled for years to get the first practical educational courses off the ground. Progress since then is nothing short of astounding.”

The first formal course was launched in 1963, in a joint effort by the Sydney Stock Exchange and the Sydney Technical College. The students, a total of eight, graduated in 1965 and became eligible for membership of the newly formed Stock Exchange Institute. Those first courses offered in Australia were produced by a hard-working subcommittee which included Urquhart, Ray Arthur, John Valder, Les Hollingberry, Gerry Garret and secretary Fred Mitchell.

But the infant Stock Exchange Institute wanted a name that reflected a wider focus. An initial suggestion, the Australian Institute of Finance, had to be abandoned because

the letters AIF represent the Australian Imperial Forces, indicating wartime service. In producing the title Securities Institute of Australia, Urquhart – one of many who, over the years, generously volunteered their time and skills to the organisation, thereby helping foster its growth and strength – was recalling a term he had heard a few years previously from G. Keith Fungsten, president of the New York Stock Exchange. When hosting Fungsten’s visit to Australia in 1959, Urquhart had been struck by the American’s reference to courses offered by the New York Institute of Finance which specialised in the “securities industry”.

Thirty-five years ago the very term “securities industry” had little meaning in this country. The Institute itself was vulnerable to competition and its educational function was not widely recognised. The Institute, however, has gone on to outperform even the most optimistic expectations.

Although the Institute formally took its new name in January 1967, the seeds of its activities were sown in the late 1950s when the first exploratory steps had been taken towards courses specifically for those in the finance industry. Education and training has long been a major theme for the Securities Institute.

Then, as now, the emphasis was on creating practical courses. A distinguishing feature of the courses and a factor in their continuing success has been the practice of selecting lecturers from the industry. The early years

of planning were marked by hurdles, prejudices and predatory overtures from rival organisations but those involved were determined to keep control of the courses.

A key turning point in the Securities Institute's history was the relationship forged with the Australian Society of Security Analysts, the original publishers of *JASSA* (Journal of the Australian Society of Security Analysts). Informal discussions between the two groups began in 1971 and the merger, consummated in 1975, was a milestone in the development of the Securities Institute. Merging the two was no easy task. Their activities were complementary but the two groups were undeniably competitors. The analysts feared being overtaken by the stockbrokers and each wanted a high profile. After a couple of skirmishes in the pursuit of dominance, gentlemanly behaviour prevailed and the development of the merged entity progressed smoothly. The addition of the analysts undoubtedly broadened the authority of the SIA.

Lunchtime meetings, a central activity of both groups, continued to draw substantial crowds during the 1970s. More than 600 turned up in 1973 to hear Labor notable Rex Connor, an attendance challenged only by a luncheon addressed by the then federal treasurer Paul Keating in 1987. Jenny Crivelli, federal secretary of the Institute from 1969 to 1980 (except for two years), oversaw the organisation during its formative years, which also covered the hectic period of the mining boom when people worked long hours and played equally hard. On one occasion she was forced to hunt through Sydney's favoured watering-holes to find her lunchtime speaker, prominent mining engineer Norman Shierlaw, who had spent a convivial night drinking and chatting.

Another notable occasion concerned Frank Crean, then federal treasurer, who addressed a lunchtime audience. Before catching his bus back to Kingsford Smith airport he insisted on stopping to buy fish at Wynyard, in Sydney's central business district, then popped the purchase into his briefcase. Gough Whitlam also addressed a lunchtime gathering and, as ever, offered adroit responses to difficult questions. When



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queried, for example, by a member of the audience why he did not change the tax system to help shareholders, he replied that he thought the question had merit, but if the Liberal party had not been prepared to do that, why should Labor?

The Institute now operates as a national body, with considerable interstate interaction. It has also developed a regional role. In 1979 it was a founding member of the Asian Securities Analysts Council (ASAC). Australia has twice hosted the ASAC annual international conference, first in 1982 and again in 1993.

During the 1980s and 1990s, under the energetic stewardship of managing director Roslyn Allan, the Securities Institute went from strength to strength as courses were developed and revised to meet the demands of an expanding finance sector. While the wildness of the mining boom of the late 1960s and early 1970s had fostered considerable public interest in investment markets and saw the Institute blossom as a source of education, the recession of the early 1990s and the intensified focus on documentation and compliance in the aftermath of the excesses of the 1980s again drew market operators to Institute courses to improve their skills and job prospects in an increasingly competitive environment.

Student numbers, which peaked at around 10,000 in the late 1980s before dipping during the recession of the early 1990s, then resumed buoyant growth, jumping by 22 per cent in 1994 to 10,828 and rising further in 1995 to total 11,600. In early 2001 the total was more than 14,000. Membership has risen consistently, with 1992 in particular seeing record membership growth of 17.6 per cent which took numbers above 5,000. In 1995 membership stood at 6,847, reflecting growth of close to 10 per cent. In 2001, members totalled 9,700.

These numbers are all the more impressive when compared with figures for 1980, when the Securities Institute's staff totalled three (now 150), students numbered 600, membership was 1,500 and ventures into training and distance education had not yet been conceived. The Institute's training department, offering customised training courses for companies and industry associations, has grown significantly.

Distance education, launched in 1987, has been enormously successful, swiftly laying to rest early reservations about such an innovation on the grounds that it would not be as effective as lectures. In fact student numbers doubled in the year that distance education was introduced and its continuing success owes much to the efforts of Joan Street, recruited from the UK's Open University. Distance education has helped the Institute become known around the world. In 1992 a Continuing Professional Development (CPD) program was initiated nationally. It achieved healthy growth, prompting the formation of a National CPD advisory committee.

The Diploma and Graduate Diploma Courses have become acknowledged as a standard for a career in the securities industry. The Institute has continued its efforts to meet market demand, for example in 1995 launching specialist streams in the Graduate Diploma course. This innovation was in direct response to the Institute's extensive research which revealed growing demand for more specialised education for professionals operating in the rapidly changing and increasingly complex and globalised finance industry.

The Institute offers students the opportunity to tailor their studies within the Graduate Diploma in one of four different streams:

investment analysis, treasury and investment management were available in 1996 and corporate finance was introduced in 1997.

The launch in 1999 of the Master of Applied Finance and Investment underscored the Institute's position as the premier provider of education in the securities and investment industry.

Another innovation was the split, in 1995, of the Institute into two companies, Securities Institute of Australia and Securities Institute Education, a move that reflected the increased importance of the organisation's role in education and which enables that to grow separately from its membership activities. By this stage the Institute had moved from premises it had outgrown at the Exchange Centre, 20 Bond Street, Sydney, to larger accommodation in the Tower Building, Australia Square. The new premises provided significantly more floor space than the previous location and were a far cry from the early days when the Institute had operated from a space under the staircase in the stock exchange's basement.

In the second half of the 1990s, and particularly following the appointment of a National Policy Manager in 1994, the Institute lifted its profile as a voice on behalf of the securities industry, becoming involved in policy issues and making submissions on a range of topics such as companies and securities law, accounting standards, property, demutualisation, listing rules and corporate governance.

A significant new dimension for the Institute in the 1990s was an increasingly higher profile overseas. This came about partly through the Institute's role in developing the Asian Securities Analysts Federation and partly through mounting demand from Asian countries for the Institute's education and training courses.

ASAF, created as a body representing investment professionals, was established in October 1995 by the eleven members of the earlier Asian Securities Analysts Council (ASAC). The Institute, as a founding member



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of ASAC, played an influential role in moving the Asian cooperative towards a federation structure – which is incorporated in Australia.

Roslyn Allan, elected honorary treasurer of ASAF, said at that time: "A regional federation will not only bind Australian professional investors closer to their Asian counterparts but will also provide the Asian region with a far more effective voice at a global level. And, significantly, ASAF's head office will be in Sydney, which represents an international vote of confidence and recognition in the Australian investment industry."

Enthusiastic demand continues for the Institute's courses, domestically and internationally. Such was the appetite that it was decided at the December 1995 board meeting of the Institute to dedicate a manager, Bill Warner, to develop the Institute's education and training courses overseas. This move was made as a direct response to growing demand from financial institutions and professional bodies and authorities in Asian countries. A key milestone in the

internationalisation of the Institute's course was the launch in 1999 of a joint venture in Malaysia, where the PNB Investment Institute links the leading Malaysian funds management group, Permodalan Nasional Berhad, with the Securities Institute to provide financial services education and training.

Also during 1999, and reflecting the Institute's continuing commitment to raising standards in the financial services sector, it launched an Ethics Advisory Service for members in conjunction with the St James Ethics Centre, providing hotline support for members faced with ethical professional dilemmas.

On 1 January 2000 the Securities Institute of Australia entered not only a new century but a new era in its own history. The Institute had been "reinvented", following an intensive structural review which analysed its business and service orientation. The organisational framework was radically altered, with the organisation shifting from a regionally-based to a functionally-focused mode, operating genuinely nationally instead of as a federation of state-based divisions. Management was streamlined and strengthened; new executive roles, new lines of authority and an up-to-the-minute approach to information technology were created.

During 2000 Roslyn Allan retired after 20 years as the Institute's head and was succeeded by Penny Le Couteur, who had been recruited by Allan and appointed general manager, operations, in June 1999. As acting managing director, Le Couteur led the Securities Institute during a year of major change as the organisation underwent its sweeping restructuring. Her immediate objective for the Institute is to see its technology and management processes improve and, in the longer term, to see the Institute move fully into the global environment of the finance sector as an active and respected player.

The Securities Institute owes much of its success to the time and energy given to it by many people over the years. The Institute would like to take this opportunity, on the occasion of its 35th anniversary, to thank them for their contributions. **J**