

# Institute policy successes

Influencing government policy is never an easy task but as SIA President **MIKE WILLIS** points out, the Institute has had a number of successes.

**T**he Institute has developed a strong credibility among regulators and stakeholders for representing best practice industry views in policy matters, and has achieved wins for the improvement of our industry standards and regulation. Consultation with the industry on key regulatory and policy matters will continue, as part of our ongoing push for greater transparency and more effective and efficient markets in Australia.

Significant policy initiatives ahead include superannuation reform, legislative reform to introduce capital gains rollover relief for company demergers, participating in a review of the Trade Practices Act, and developing policy on key accounting issues. The Institute has an enviable track record in achieving positive outcomes on policy reform for its members and we will maintain this record in the year ahead.

## LAUNCH OF BEST PRACTICE GUIDELINES

The highly successful launch of joint SIA/SDIA Best Practice Guidelines for Research Integrity was held on 19 November 2001. These industry-supported Guidelines will assist analysts and their firms manage potential conflicts of interest that may influence research reports and investment recommendations. International guest speaker, Tom Bowman, CEO of the Association of Investment Management and Research (AIMR), spoke at the launch, which was combined with the inaugural luncheon for NSW Fellows. The Institute was pleased with the positive media coverage associated with the launch of the Best Practice Guidelines.

## PROFESSIONAL DEVELOPMENT

ASIC Speaks seminars were held

nationally during February with an attendance of over 3,000. Thirteen industry associations joined with the Institute to enable their members to keep abreast of progress with the implementation of the Financial Services Reform Act and its regulations.

A major initiative this year will be the Australasian Investment Managers Conference, which the Institute will run in conjunction with the AIMR in September. We will have some prestigious international and domestic speakers whose global insights will be of interest to our members, particularly analysts and portfolio managers.

Financial Advising seminars are being offered in most regions as part of our ongoing professional development, in order for our members to comply with the continuing education requirements of PS 146.

A lively program of seminars, luncheons and corporate showcases is planned in all regions over the next quarter. Check the members' area of the Institute's website for details.

Please note that the ASAF 2002 Annual Conference, which was to be held in Sydney later this year, is now expected to take place in Mumbai, India, in October.

## MEMBERSHIP MOVES

National Council has supported a number of recommendations on membership related issues, including the adoption of guidelines for practitioners' entry as Associate members of the Institute and full CFA Charterholders being eligible for Associate member status. Interested candidates are reminded that the Institute is conducting CFA preparation courses in Sydney and Melbourne for the AIMR.

Associate membership status will be granted to graduates of the Master of



**MIKE WILLIS**  
PRESIDENT

### A one-stop shop for PS 146 solutions

The Institute now has in place programs to suit all types of PS 146 compliance needs. They include the following:

- Formal subjects counting towards a Graduate Diploma
- Formal subjects counting towards a Diploma (some available by challenge test)
- PS 146 compliance kit for the implementation of the FSRA requirements for those needing to demonstrate competence or broaden their skills
- Gap training to bring pre-1995 qualifications up-to-date
- Financial Advising seminars to ensure that industry participants keep their professional development current on an ongoing basis.

Various options are available to suit your circumstances. For long-time industry participants, formal recognition of prior learning may be appropriate. Delivery modes are flexible. Contact any of our regional offices for details.

Applied Finance degrees from Macquarie University, the University of Melbourne and Monash University.

Affiliate membership for graduates of the New Zealand Stock Exchange Diploma has also been approved. This is a Securities Institute award course packaged to enable successful candidates to apply for membership of the New Zealand Stock Exchange.

### QE2 COMPETITION AND THE WEBSITE

There was enthusiastic support for our QE2 competition from members, practitioners and students. The winner was Mr Chi Pang Chan ASIA, from Eastwood, NSW, who works for National Australia Bank. We wish him and his travel partner a very happy time enjoying their prizewinning holiday.

Targeted online newsletters are being trialled for NSW members, as a means of keeping them up-to-date with interesting links and relevant information. If you have not yet registered your interest in this service, please do so by emailing [members@securities.edu.au](mailto:members@securities.edu.au)

### EDUCATION

Summer School semester across the country was very successful, and many students seem to have viewed this time as a springboard to move their studies ahead at a faster pace.

Masters enrolments are running at record levels. The steady growth of this program shows the high level of recognition of the industry

practitioner-based approach to applied finance education and of the Institute's educational standing in the finance and securities marketplace.

A core offering of 12 online subject rooms have been launched for 2002, and offer a variety of resources online that will enable students (irrespective of mode of study) to practise and improve their areas of study. Resources include:

- Frequently Asked Questions
- Sample exam paper questions and answers
- Examination and assignment dates and details
- Self assessment questions and activities

- Discussion boards
- Forums for online chat
- Links to relevant web sites
- Notices and updates on the course
- Video or flash resources explaining key learning areas.

The number of subject rooms will gradually increase over 2002.

Graduation ceremonies will be held around the country during March. Nationally, nine new Masters graduands will be presented with their degrees, making a total of 15 graduates from this program since it commenced in the second half of 1999. A total of just over 2,000 postgraduate and open entry students will be eligible to graduate at these ceremonies.

### SPONSORSHIP FOR PROFESSIONAL DEVELOPMENT AND MEMBERSHIP

The Securities Institute will be expanding the sponsorship opportunities available to membership services and professional development events. The sponsorship program will allow us to:

- Continue to raise standards by greater involvement in industry issues
- Assist in promoting the Institute as the leading voice in financial services
- Assist us in expanding services to our members
- Increase awareness of the Institute's services to a larger corporate audience.

### Institute active on prudential supervision of Super

The Institute (through its Retirement Incomes subcommittee) has made an important submission to the Government's Superannuation Working Group concerning its issues paper, "Options for Improving the Safety of Superannuation".

The issues paper canvasses options for reform in two main areas: updating the prudential and legislative framework and fund governance including enhancing trustee accountability to fund members.

A key point made in the Institute's submission is that it is essential that high standards of prudential regulation and market conduct are mandated and enforced. However, it is also important that market efficiency is not impeded by overuse of prescriptive regulation where market mechanisms could achieve the desired results.

The submission also states that efforts taken to address problems identified by the regulator that relate to several thousand smaller corporate funds (which manage less than \$4 billion) should not lead to significant inefficiency for the rest of the \$500 billion industry. However, the Institute supports a base level of universal licensing on the grounds that all participants in the financial sector will be required to hold a licence under the Financial Services Reform Act from March 2002.



*QE2 competition prize winner Mr Chi Pang Chi (left) ASIA, of Eastwood, NSW with the Institute's Head of Marketing, Robert Swinton.*

The Institute now has a policy of accepting sponsorship of a limited range of professional development events and membership services, including advertisements in JASSA.

Guidelines for JASSA advertising have been developed by the Institute, in conjunction with the JASSA Editorial Board, to protect the independence and integrity of JASSA. To advertise in JASSA, please contact Cathy Wagstaff, Hardie Grant Publishing, Tel (612) 9980 1275, Fax (612) 9484 9983, Email [cathywagstaff@signaturemedia.com.au](mailto:cathywagstaff@signaturemedia.com.au)

**PS 146 AND COMPLIANCE**

The Securities Institute has released a new modularised PS 146 compliance kit covering all the PS 146 knowledge areas. This is particularly appropriate for members who have been working in the industry and just need to demonstrate compliance with ASIC competencies rather than undertaking the Institute's more comprehensive subjects offered within our formal courses.

The modularised compliance program is a self-study and assessment program. Modules can be selected as required, and online assessment is available each month. Each module is concise, focusing specifically on ASIC's requirements, while the assessment is by a 50 minute multiple-choice exam for each module.

During 2001, the Institute trialled individual assessment against PS146 requirements. The experience, both from a candidate's perspective and from the assessors' perspective, was that this took far longer than a quick exam. **J**

**2001 JASSA PRIZEWINNERS: OUTPERFORMING A DISTINGUISHED PACK**

The JASSA Prizewinners for 2001 are Phillip Dolan, Patrick Hodgens and Geoff Wells for "Rating the performance of active equity fund managers" published in the Summer 2001 issue. Phil, Patrick and Geoff all work for Macquarie Bank. The merit award winner is David Gallagher for "The characteristics and strategies of Australian investment managers" in the Spring 2001 issue. David is now a member of the academic staff at the University of New South Wales, but will continue to carry out research for SIRCA. We congratulate all of these prizewinners on the high standard of their articles.

Australasian Investment Management Conference  
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**Hosted by the Securities Institute of Australia  
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Sheraton on the Park  
Sydney, Australia**

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