

Progress—that's his policy

John Green's invaluable contribution in guiding the Institute's policy activities has earned him the rare honour of Life Membership. Edna Carew interviewed the Institute's newest Life Member.

In recognition of John Green's contribution to the Securities Institute for more than a decade—as a member and President of the NSW Regional Council and Vice-President of the National Council, and Chair of the Markets Policy Group—the Institute has conferred on him the status of Life Member.

In Green's view, the most important reforms achieved during his tenure as Chair of the Markets Policy Group were the Institute's success in lobbying for capital gains tax rollover relief for mergers and acquisitions and CGT rollover relief for company demergers, the reconstitution and enhanced powers for the Takeovers Panel and the removal of the application of Section 52 of the Trade Practices Act (covering misleading or deceptive behaviour) to dealings in securities.

"These were by far the most important and exciting achievements," says Green, adding that he would also nominate as policy milestones the CLERP reforms to streamline fundraising provisions and CLERP takeover reforms, including expansion of compulsory acquisition provisions, and the simplification of corporate law.

In reflecting on a further radical proposal for a mandatory bid rule, which did not get through parliament, Green says, "That was not a major setback". "Putting it into context, we helped secure a package of much-needed reforms such as CGT rollover relief and much improved operation of the Takeover Panel. The mandatory bid rule was left on the back burner and it is being revisited."

Says the Institute's Chief Executive Officer, Brian Salter: "John has been an outstanding and tireless advocate of legislative and regulatory change for the benefit of both members and the



John Green
FSIA
Executive
Director,
Macquarie
Bank Ltd

wider securities and financial services industry. Through his representations to politicians, regulators, bureaucrats and parliamentary inquiries he helped raise the Institute's profile as a responsible and active industry body."

Elaborating on the positive consequences of CGT rollover relief for mergers and acquisitions, Green says: "Before this was introduced, mergers were much more constrained. CGT rollover relief has helped free the system up and from a market point of view that campaign by the Institute has been very successful".

Commenting on the campaign to get a Takeover Panel, Green says the process "took years and years". "The impetus for this was a view that takeovers had become excessively tripped by litigation with the result that many did not occur; many companies did not want to run the risks, costs and time of court processes."

Years of research and surveys culminated in the Institute launching a campaign to form the Panel effectively to take over as much of the Court role in disputes as possible. While it took time, and there were many sceptics initially, Green recalls that the campaigners were ultimately delighted to see bipartisan support for this reform, which ensured its success.

"So far, the Panel has been stunningly successful, vindicating the

efforts of all those who promoted the concept", says Green. "Earlier fears have proved not to be justified. Vested interests had to be dealt with as well as strong opposition from some quarters, initially, in the legal profession. But even those views changed late in the 1990s as the economic and market benefits to be gained from changing the system became better understood. Altruism prevailed."

Part of the Institute's campaign involved bringing to Australia the head of the London Takeover Panel, who gave evidence to the Australian Joint Parliamentary Committee. "The UK experience, which stretches back over several decades, provided an extremely useful example", says Green.

Overall, the Takeover Panel, whose expertise is called on when a dispute arises, provides a less expensive and less time-consuming mechanism for resolving a dispute than the previous regime, which facilitated tactics that could produce irritating delays for an opponent. And even more importantly, says Green, the Panel regime enables the market to keep moving, rather than disrupting corporate activity.

Green adds that during the long campaign, the Institute benefited from the time and effort of an enormous number of people in the markets who freely gave their time, as well as from its staff. "Overall, the staff of the Institute have been fantastic, especially the policy division, in achieving all these reforms which have produced a more efficient environment for the markets", he says. Macquarie Bank, where John is an executive director, has been invaluable in the time and resources it has been prepared to commit to the Institute's work through people like John.