

# A new name and a new organisation

Following the approval of the merger on 29 June work is progressing to finalise a new name for the combined institutes.



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The past three months have been extremely busy for the new Board and staff as they work towards full integration of functions, activities and databases. A major part of this has involved working through the new business rules that will eventually be voted on by members at the Annual General Meeting in April 2006.

The interim legal name, the Institute of Securities Finance and Banking (ISFB) will shortly be changed to a more permanent name, and a full rebranding campaign and process will be undertaken to firmly establish the identity of the new Institute. Feedback has shown how widespread the feeling of 'ownership' of the Institute is in the financial marketplace.

Our goal is to have all databases integrated as soon as possible. PD events and member communications have already been fully coordinated in each region, and our two member databases will be integrated by the end of October. Shortly after that, all members will have access to all member services and benefits via the rebranded website.

## POLICY AND ADVOCACY

Two important issues have been recently identified. These are the analysis of reporting season trends, and retirement incomes and the behavioural attitudes of Australians towards saving for retirement.

### Retirement Incomes

The adequacy of retirement incomes is a major issue affecting Australians and one in which the Institute can be an independent and credible voice to government.

On 12 May 2005 the Minister for Revenue and Assistant Treasurer, The Hon Mal Brough MP, asked the Standing Committee on Economics, Finance and Public Administration (chaired by Hon Bruce Baird MP) to inquire into improving the superannuation savings of people under 40. A public hearing has already been held in Sydney, with more proposed for October at which the Institute should be called as a witness.

To date, however, politicians, industry bodies and academics have conceded that there is a lack of new research in this area. The Institute has been in consultation with key stakeholders on the issue such as Minister Brough's office, ASIC, the Financial Literacy Foundation and the Office for Women, and has embarked on a project researching attitudes and behaviours towards retirement incomes among Generations X and Y in response to the current House of Representatives Committee into Retirement Savings of the Under 40 Age Group. The project might also be considered as part of the wider financial literacy initiative encouraging people to assume more responsibility for funding their retirement.

The polling phase of the project aims to gauge the attitudes and perceptions of young Australians in regard to planning for their retirement. This research — being conducted through the Institute's Consumer Affairs Taskforce (which includes high-profile members from industry, academia and government) — has particular reference to the under-40 age cohort and includes comparative analyses between men and women.

It is proposed that the project will have five elements, namely:

- Focus groups;
- Polling;
- Policy exposition paper;
- National symposium; and
- PD direct and education initiatives.

The research will be conducted in two phases. The first is independent polling by Crosby|Textor and the second is an exposition paper by a highly respected academic from the Economics Department at the University of NSW. Some of the findings of the initial focus groups, held in Sydney on 6 July, will also be articulated in a submission to the House of Representatives inquiry.

The research will include forward projections based on economic modelling and issues such as:

- an ageing population (life expectancy rates);
- low rates of participation by women in the workforce and how this will affect retirement incomes;
- trends regarding investment products;
- attitudes towards risk; and
- attitudes towards superannuation and the aged pension.

The key objective is to contribute to thought leadership and public debate on the major issues surrounding retirement incomes and financial literacy in Australia. The Institute also participated in a national forum of key stakeholders on financial literacy at Parliament House on 16 September.

### Reporting Season Trends

The Corporate Reporting Subcommittee is conducting a research survey to provide feedback from market analysts on the current reporting seasons trends.

The survey will obtain feedback from over 100 financial analysts and seeks to identify the emerging compliance trends. The impact of these trends on the usefulness of corporate information will provide a framework for recommendations to improve the information flow through the marketplace. Key areas of research will be the impact on reporting of the transition to International Financial Reporting Standards, segmental reporting and earnings disclosure.

Survey responses were collected from

the end of the reporting season on 12 September and it is expected that the key findings and recommendations will be released around mid-October. We fully intend that the reporting season trends survey and report will become an annual feature of the company reporting landscape, with tracking features that will enable comparisons between periods.

### Anti-Money Laundering Ministerial Meetings

The Institute has been the venue for three intensive anti-money laundering round-tables involving the Minister for Justice and Customs, Senator Chris Ellison and representatives of the financial services sector.

The Australian Government will be releasing legislation in the near future as a requirement for the implementation of the international recommendations of the Financial Action Taskforce (FATF) on money laundering and counter-terrorist funding.

By providing an opportunity to facilitate the mutual understanding between the Government and the financial services industry, the ISFB is ensuring that the integrity of Australia's financial system can be enhanced with the smallest possible additional compliance burden.

### FSR Refinements

In our submission to Treasury, the ISFB welcomed the Government's commitment to refine the FSR framework as contained in Chapter 7 of the Corporations Act and Corporations Regulations to:

- (i) ensure that consumers receive information that is relevant to their needs;
- (ii) reduce the compliance burden on industry; and
- (iii) clarify the intent of the legislative and regulatory framework that applies to the financial services industry.

We acknowledge the Government's efforts and we generally support the proposals contained in the proposals paper.

However, we are concerned that Government, Treasury and ASIC should continue to work in partnership with industry and commit to a more

thorough review of FSR implementation and, in particular, test the effectiveness of regulatory reform in raising consumer awareness and protection. It is hoped that these "tweaking" reforms do not replace or delay more comprehensive independent consumer testing and industry consultation. The Institute has participated in industry round-tables in recent months and also consulted with ASIC and Treasury on the major issues of concern.

The Institute acknowledges the Government's providing of further refinement and clarification of some 'bugbears' in the initial phase of FSR implementation, but also looks forward to contributing to a more comprehensive review.

On 31 August the Australian Securities and Investments Commission published its example SOA, which is one of eight projects that ASIC is undertaking as a result of the federal Government's Proposals Paper on FSR which was released on 2 May 2005. In late July the Institute participated in an industry round-table regarding ASIC's example SOA project.

In short, ASIC's Deputy Chairman, Jeremy Cooper, stated that its example SOA "has been designed as an illustrative aid. We encourage industry to become familiar with the example SOA and to adapt its style and approach in their SOAs (as appropriate)".

### The Role of Accounting Standard-Setters and their Relationships with the IASB

In our submission to the AASB, we broadly supported the proposals contained in the Invitation to Comment, which are designed to ensure that Accounting Standard-Setters work cooperatively and effectively in achieving ongoing International Accounting Standards. To this end, the Institute endorses the need for:

- a Memorandum of Understanding between the IASB and other Accounting Standard-Setters;
- Accounting Standard-Setters to take the prime responsibility for dealing with domestic issues on adoption and convergence with IFRS and encouraging National/Regional Regulators in their participations with IFRS;

- Proposals for the IASB to utilise the resources of Accounting Standard-Setters for Projects; and
- Proposals for the IASB to continue to provide reasonable lead times for the promulgation of Standards and the obligations on Accounting Standard-Setters not to modify IFRS in such a way that there are areas of non-compliance with the IFRS framework.

## EDUCATION NEWS

### Diploma of Financial Services (Banking)

The new Diploma of Financial Services (Banking) is set to become the industry standard in education for banking and other retail financial services institutions. Developed in consultation with the industry and based on nationally recognised competency standards, it meets an identified need for effective leadership and management skills and training.

The course has been designed for those in banking or retail financial services environments with team and business responsibilities in branch environments, small business banking, and commercial and retail lending. The key management capabilities developed within this course are also transferable to other industry sectors.

Students complete three core modules addressing the day-to-day challenges of managers, team leaders and supervisors, and develop the fundamental skill set required to perform effectively in these roles.

In addition, students select one of two elective modules to develop their skills

in either sales and marketing or credit management and processing. Meaningful case studies and learning activities reinforce the key concepts of each module, while comprehensive learning materials provide all the essential tools for students to succeed. On completion, graduates are encouraged to become members of the Institute.

The Diploma can be integrated into existing in-house leadership programs and customised to address the specific needs of an organisation. A Business Development staff member in your region can help with any specific queries about the course.

## EMPLOYMENT OPPORTUNITIES

### JobReady Online

Members and students can now access jobs targeted directly at them and their financial services skills through a new recruitment service offered on the Institute's website.

The new JobReady Online service is designed to connect high-profile recruiters with a talent pool of job-ready candidates. In its two months of operation, industry response to the service has been extremely positive. The JobReady Online site now has almost 400 jobs listed and has had more than 90,000 hits displayed to inquirers over the past month. Recruiters love it, as do corporate advertisers.

Members and current students — both nationals and internationals — include specialists in: financial planning, retail and mortgage banking, portfolio management, derivatives, equity analysis, foreign exchange, futures and options, corporate and structured finance; mergers and acquisitions, technical analysis and accountancy.

## ENROLMENT PERIOD STILL OPEN

### Trimester 3 Enrolment

Enrolment for Institute award courses for trimester 3 is open until 14 October and online enrolment is available using your personal ID and password. If you are also applying for membership this

## UPCOMING EVENT NEW ZEALAND ANNUAL DINNER

All members are invited to attend the AIBF/SIA New Zealand Annual Dinner, which will be held on 10 November 2005, starting at 6.30pm for cocktails, at Langham Hotel, Symonds Street, Auckland. The speakers will be Air Vice Marshal Bruce Ferguson, Chief of Defence Force and Jim Hopkins, Comedian. We gratefully acknowledge the support of our sponsor, EDS New Zealand Limited. Registration details are to be found on the AIBF website ([www.aibf.com/events/PDAuckland\\_NZ.htm](http://www.aibf.com/events/PDAuckland_NZ.htm)).

trimester, please allow 48 hours for your membership application to be processed before enrolling.

## NEW ONLINE FUNCTIONALITY

### Online Transaction Receipts

Institute members and students can now obtain receipts for online payments for award courses or membership renewals. Select the 'Online Transaction Receipts' button listed in left-hand-side menu of the Members and Students web pages. This service is retrospective to 2002.

## PROFESSIONAL DEVELOPMENT UPDATE

### Third Annual F&I Week: where the industry comes to be inspired, informed and involved

The Securities Institute and Australasian Institute of Banking and Finance rolled out the third annual Finance and Investment Week from 25–29 July 2005. This national event highlighted the recent merger of the two Institutes.

Both organisations invited their members, students, practitioners and the wider business community to 30 events attracting 2,403 participants across Australia. A line-up of distinguished speakers inspired, informed and involved the industry in a program of corporate briefings, luncheons, breakfasts, seminars, industry showcases and special member events.

### Regional Highlights

- In New South Wales, members and guests ended the F&I week at the 'Successful Women in Banking and Finance' breakfast held at the Tattersalls club on Elizabeth Street.

Other events included the JobReady Online launch in Sydney, an Adviser Update on Cashing Out or Rolling Over ETPs, and a Transurban Corporate Briefing. In total, nine events were conducted.

- Queensland hosted a total of six events including the most successful 'Women in Finance Great Debate' breakfast, our Annual Members and Practitioners Cocktail Function as well

## REVIEW OF ISFB PUBLICATIONS STRATEGY

As a result of the merger, we are reviewing all types of member communications, both hard- and softcopy. B+FS will be renamed to adopt the Institute's new branding and will in future carry the bulk of Institute news and views. JASSA will continue to provide a more in-depth coverage of policy and advocacy issues. JASSA will also continue its primary role of making available submitted papers reviewed via industry experts and academics, plus other regular features to be confirmed.

This issue of JASSA is being mailed as hardcopy to all members of the

new Institute. From the Summer issue on, you will be asked to opt in to receive a hardcopy version. B+FS (renamed) will include a synopsis of JASSA articles and the Institute's website will carry PDFs of articles in the current issue. The JASSA Online index will be available to all members at any time.

We are making every effort to ensure that you receive only one copy or one email of every piece of communication, and ask for your patience as we work on the membership database integration project over the next couple of months.

as a series of professional development workshops and seminars, including a Commercial Lending workshop which attracted great interest in the mortgage industry.

- South Australia hosted the six events, the highlight being the 'Women in SA' breakfast on Wednesday 27 July.

- Victoria's program for F&I week featured six events. The highlight of the week was the opening lunch with a panel including Alan Kohler, Mike Goodall, Kevin Bailey and Bernard Salt who discussed 'The Future of Financial Advice'. There was also a successful careers night, a number of workshops and a lunch with the guest speaker, Kim Edwards, Managing Director of Transurban.

- Western Australia's 'Investing in Shares' seminar drew a large audience on Thursday 28 July.

The WA launch of JobReady Online attracted great interest, as did the Biotechnology Showcase.

### PD Direct Online Expands

Meet your professional development compliance needs with the Institute's PD Direct Online program. Content is structured, current and practical — directly accessible and 100 per cent online to suit all Tier 1 and Tier 2 advisers and responsible officers. In addition, PD Direct tools let you manage the selection, tracking and reporting of individual or group

training, providing the opportunity to more easily manage your professional development needs and meet licensee obligations as determined by ASIC.

PD Direct Tier 1 provides an online, structured professional development program that maintains, updates and develops the knowledge and skills of advisers, stockbrokers and accountants in taxation, regulation and legislation; and topical issues concerning financial planning, securities, derivatives, superannuation, managed investments and risk insurance.

PD Direct for Tier 2 is a two-part online, interactive continuing education program that maintains, updates and develops the knowledge and skills of advisers giving limited advice. It provides a review of current knowledge through an online diagnostic test and easy-to-understand new content to enable advisers to provide accurate and appropriate advice to clients.

PD Direct for Responsible Officers and Responsible Executives is an online professional development program that allows ROs and REs to maintain and update and develop their knowledge and skills as required by their Australian Financial Services Licence and the Australian Stock Exchange, respectively. Content covers the impact of legislative and regulatory change on business systems, procedures and processes; developments in risk management, compliance and business ethics. **J**