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This is the full index of articles that have appeared in 2010. It includes papers from the papers from the 15th Melbourne Money and Finance Conference: ‘Assessing the Impact of Changes in Financial Regulation’, conducted by the Australian Centre for Financial Studies (formerly the Melbourne Centre for Financial Studies) in June 2010 and published in *JASSA*, Issues 3 and 4, 2010. The conference was sponsored by ANZ, APRA, Commonwealth Bank, NAB and RBA.

Index entries are grouped under general subject headings and each entry contains the title, author, the issue (Issue 1, Issue 2, Issue 3 and Issue 4) in which the article appeared and a brief summary of the content. Some entries appear more than once, where the content is appropriate to more than one category. Following the subject index is an author index listing the names of authors, the titles of their articles and the issues in which they appear.

Accounting standards

IFRS 9, impairment and procyclicality: is the cure worse than the disease? by Jane Hronsky, *JASSA*, Issue 4, pp. 55–59.

After examining the conceptual issues underlying the debate on provisioning and procyclicality, and assessing possible financial statement impacts, this paper indicates that the accounting treatment of loan loss provisioning provides only a delayed, second-order effect on procyclicality. It also suggests that the introduction of IFRS 9 may result in some perverse consequences due to the level of subjectivity and modelling complexity involved in assessing the level of expected future credit losses.

Active management

Active Money — providing another level of insight into portfolio risk, by Scott Bennett and Vivekananda Lal Sondhi, *JASSA*, Issue 4, pp. 12–22.

After testing the efficacy of Active Money (degree of activeness) as a predictor of excess returns and risk, we find that Active Money provides a valuable addition to understanding portfolio risk but it does not drive alpha. We recommend that investment professionals consider the level of Active Money in their clients’ portfolios as a means to better identify, understand and manage risk.

Agribusiness

Managed Investment Scheme regulation: lessons from the Great Southern failure, by Christine Brown F Fin, Colm Trusler and Kevin Davis SF Fin, *JASSA*, Issue 2, pp. 23–28.

In April/May 2009, two large ASX-listed companies which dominated the agribusiness Managed Investment Scheme sector were placed into administration, leading to significant losses for investors in those companies and the schemes they operated. We provide a concise overview of the demise of one of these companies, Great Southern Limited, to identify a number of inadequacies in current investor protection arrangements.

Asset management

The performance of value and growth portfolios in Australia: implications for asset management, by Paskalis Glabadanidis, *JASSA*, Issue 3, pp. 12–17.

Using three financial ratios as value and growth determinants, this study indicates that the value premium in the Australian stock market is highly significant, both statistically and economically, especially between 1991 and 2007. New evidence is also provided, which suggests that the value premium is driven by positive loadings of value portfolios and negative loadings of growth portfolios on a zero-beta factor portfolio.

Banks and banking

Banks' use of the wholesale guarantee, by Susan Black and Carl Schwartz, *JASSA*, Issue 3, pp. 29–34.

At the peak of the financial crisis, the Australian Government announced that it would offer to guarantee financial institutions' wholesale funding. The guarantee enabled banks to access funds at a reasonable cost and at longer terms at the height of the turbulence in markets. Banks' use of the guarantee diminished as market conditions improved. Following the closure of the guarantee scheme, banks have continued to have good access to funding.

Size does matter: empirical evidence from ISE-listed banks, by Önder Kaymaz, Mustafa Pehlivan and Özgür Kaymaz, *JASSA*, Issue 3, pp. 18–28.

This study of ISE-listed commercial banks operating in Turkey indicates that the larger [smaller] the bank size, the lower [higher] the deposit interest rate (funding cost) and, therefore, the higher [lower] the bank credit margin will be. Also, loan interest rates do not explain why larger banks have higher credit margins than those of their smaller counterparts.

Technology and strategy risk in banking, by David Chan F Fin, *JASSA*, Issue 4, pp. 23–28.

Over the past three decades technology has had a profound effect on the way in which banks conduct their business, with technology decisions concerning bank legacy systems, technology outsourcing and financial innovation exposing banks and, in some instances, the wider financial system, to significant technology and strategy risks. The quality of early-stage planning, communication between management, and IT and systems implementation, can have a significant bearing on the level of technology and strategy risk to which the banks are exposed.

The future for deposit insurance, by David G. Mayes, *JASSA*, Issue 3, pp. 35–38.

Attitudes to deposit insurance have changed since the financial crisis and authorities in most countries now believe that almost all bank deposits should be insured. All schemes, even those in which deposits are uninsured, need to give customers virtually uninterrupted access to their banking facilities. There is clearly a need for credible funding arrangements and a clear basis for handling cross-border banks.

Behavioural finance

Behavioural finance issues and the bank client, by Jocelyn Pixley F Fin, *JASSA*, Issue 1, pp. 36–40.

In the wake of the global financial crisis, public debate about the financial sector has been less restrained than it has for many years. Within this context, my research on how Australians feel about financial investment is based on theoretical insights from Frank Knight and Joseph Schumpeter. This research suggests that consumers may be seen less as customers than clients, and highlights the importance of financial professionalism.

Lifecycle investing: is it more about behavioural finance than risk management? by John Livanas F Fin, *JASSA*, Issue 2, pp. 17–22.

While 'lifecycle investing' has been a marketing success, this paper demonstrates the fallacy of this approach when sold as a gradual risk reduction strategy, and argues that lifecycle investing is rooted more in behavioural finance than in lifetime risk management. A more appropriate approach would be to assess lifetime risk assumed and manage this according to the investor's risk profile.

Central clearing

Central counterparties, by David Love, *JASSA,* Issue 3, pp. 46–50.

With perceived settlement risks in markets for over-the-counter (OTC) derivatives seen as a key contributor to the global financial crisis, revisions to the regulatory framework are being widely examined, including a requirement for these contracts to be cleared through a central counterparty. This paper examines the risks being managed through central clearing, the proposed benefits of central counterparty clearing for OTC derivatives, and the factors that may limit the ability of a central counterparty to reduce the systemic risk resulting from these transactions.

Cooper Review

Reviewing Cooper, by Howard Pender, *JASSA*, Issue 4, pp. 43–48.

In a well-known joke in which a traveller asks, 'How should I get to x?', the answer is, 'If I were you, I wouldn't start from here'. This paper examines the direction of Australian public policy in relation to superannuation, particularly the regulation of the industry. It is as much about 'Where is here?' as the attributes of the desirable destination.

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From the Chair of the Editorial Board, by M. Scott Donald SF Fin, *JASSA*, Issue 2, pp. 4–5.

With financial markets facing another significant round of uncertainty and de-risking in recent months, this issue of JASSA addresses a number of very topical and ongoing issues for policy makers, practitioners, academics and investors.

From the Editorial Board, by M. Scott Donald SF Fin and Kevin Davis SF Fin, *JASSA*, Issue 3, pp. 4–5.

The first three articles in this issue of JASSA span credit markets, the 'value premium' in Australian shares and bank finance. The remainder of this issue of the journal is devoted to papers from the 15th Melbourne Money and Finance Conference: 'Assessing the Impact of Changes in Financial Regulation'.

From the Editorial Board, by M. Scott Donald SF Fin and Kevin Davis SF Fin, *JASSA*, Issue 4, pp. 4–5.

We are pleased to present a range of very topical and insightful papers in the final issue of *JASSA* for 2010. The first three papers address some important issues within the superannuation and banking sectors in the areas of outsourcing, governance, risk management and transparency.

Finsia news and views — JASSA Prize

Announcing the 2009 JASSA Awards, *JASSA*, Issue 1, pp. 7–8.

The 2009 *JASSA* Prize winner is Dr Norman Sinclair F Fin of St Clair Financial Services for his article, 'A perfect storm' in retirement savings', published in Issue 1 2009. A Merit award for 2009 was awarded to **Lujer Santacruz**, Lecturer in the School of Accounting Economics and Finance, Faculty of Business, University of Southern Queensland for his article, 'Investor risk tolerance and general economic mood', published in Issue 1, 2009.

Finsia news and views — Webmaster

Webmaster recommends, *JASSA*, Issue 1, pp. 58–60.

Financial markets research, dynamic asset allocation, European Commission, risk management, asset management, regulation, Gen Y, Generation Y, generational issues, information and communications technology (ICT), employment, digital marketing, responsible lending, credit unions, micro-finance, indigenous financial services, low-income programs, global credit crisis, global financial crisis.

Webmaster recommends, *JASSA*, Issue 2, pp. 50–51.

Terrorism; risk; crime prevention; consumer protection; unfair trading practices; cross-border disputes; hedge fund strategies; sovereign debt; financial stability; financial literacy; ethical finance; ethical investment; social performance measurement.

Webmaster recommends, *JASSA*, Issue 3, pp. 58–59.

Financial well-being, post-GFC resilience, fair value, asset management and risk management in focus.

Webmaster recommends, *JASSA*, Issue 4, p. 68.

Numerical algorithms, outsourcing, dark liquidity pools, human development and risk management.

Franking credits

The valuation of franking credits to investors, by Aaron Minney, *JASSA*, Issue 2, pp. 29–34. See abstract under Dividends.

Funding costs

Banks' use of the wholesale guarantee, by Susan Black and Carl Schwartz, *JASSA*, Issue 3, pp. 29–34. See abstract under Banks and banking.

Size does matter: empirical evidence from ISE-listed banks, by Önder Kaymaz, Mustafa Pehlivan and Özgür Kaymaz, JASSA, Issue 3, pp. 18–28. See abstract under Banks and banking.

Goodwill

The valuation of specialised operational assets — unbundling enterprise and asset value, by Roy Farthing, *JASSA*, Issue 2, pp. 35–40.

The measurement of goodwill is not a precise science and valuation professionals continue to have difficulty in making a clear distinction between enterprise and asset values. This paper explores this important distinction, as valuations completed for acquisition accounting, tax and stamp duty purposes are all affected by these considerations, and a number of high-profile stamp duty cases have arisen where these issues have been in dispute.

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Hedge funds

Cloning hedge funds: a factor-based approach, by Wang Chun Wei, *JASSA*, Issue 1, pp. 22–30.

Recent research and institutional experience dispute the notion that absolute returns are uncorrelated to traditional markets and that hedge funds' high fees are justifiable. We demonstrate how to construct liquid and transparent hedge fund clones from a set of various asset-based style factors to provide a cheaper alternative and comparable returns for investors.

Henry Review

Tax and super — unfinished business, by Hazel Bateman and Geoffrey Kingston, *JASSA*, Issue 4, pp. 49–54.

The Henry Review acknowledges the adverse-selection and supply-side problems stunting the Australian market for longevity insurance. We propose a resolution that would give workers a choice between either or both of two kinds of super account, one taxed under the current arrangements (or those proposed in the Henry Review) and the other only in retirement and at the marginal rate of the retiree. The new accounts would be reserved for the purchase of lifetime annuities.

Investor protection

Managed Investment Scheme regulation: lessons from the Great Southern failure, by Christine Brown F Fin, Colm Trusler and Kevin Davis SF Fin, *JASSA*, Issue 2, pp. 23–28. See abstract under Agribusiness.

JASSA

JASSA in the period 1999 to 2009: a retrospective paper, by David R. Gallagher F Fin and M. Scott Donald SF Fin, *JASSA*, Issue 1, pp. 9–14.

This study examines the evolution of JASSA over the 11 years to 2009. It confirms the growing sophistication of many JASSA articles over these years, with contributions being provided by more than 300 authors and co-authors, from academia or financial institutions. Four of the top 16 contributing authors were industry professionals, and 12 were academics.

Law

Merger control during the GFC, systemic risk issues and failing banks, by Dave Poddar F Fin and James Marshall, *JASSA*, Issue 2, pp. 11–16.

While the global financial crisis has resulted in more compressed timetables for merger reviews in order to minimise financial systemic risk, regulators have been reluctant to accept failing firm arguments. And, now that the global maelstrom appears to be receding, competition regulators are again tightening their assessments.

Lifecycle investing

Lifecycle investing: is it more about behavioural finance than risk management? by John Livanas F Fin, *JASSA*, Issue 2, pp. 17–22. See abstract under Behavioural finance.

Liquidity

The Reserve Bank of New Zealand's new liquidity policy for banks, by Jeremy Richardson, *JASSA*, Issue 3, pp. 39–45.

The Reserve Bank of New Zealand introduced new prudential liquidity requirements for registered banks on 1 April 2010 after concerns about the low level of liquid assets in the New Zealand banking system, its strong reliance on short-term offshore funding and the inability of existing bank disclosure requirements to address these concerns. The paper summarises the policy's three minimum ratio requirements (one-week and one-month mismatch ratios, and a one-year core funding ratio), and the rationale behind their design.

Mergers and acquisitions

M&A target prediction in Australia, by Eben Van Wyk and Anh H. Nguyen, *JASSA*, Issue 1, pp. 15–21.

Our model indicates that takeover announcements are predictable, to some extent, in the Australian market. It combines existing academic theories about the typical characteristics of takeover target firms with our observation that information is often leaked before such events. This suggests that fund managers are able to be proactive about this significant risk source by integrating our recommended prediction model with their investment process.

Merger control during the GFC, systemic risk issues and failing banks, by Dave Poddar F Fin and James Marshall, *JASSA*, Issue 2, pp. 11–16. See abstract under Law.

Outsourcing

Australian superannuation outsourcing, by Kevin Liu and Bruce Arnold, *JASSA*, Issue 4, pp. 6–11.

This paper describes the outsourcing landscape of the Australian superannuation sector, and provides context for further examination of the outsourcing-related challenges that it faces. Our findings indicate that outsourcing is widespread within the sector, and a substantial number of outsourcing arrangements are with related parties. Not-for-profit funds are generally more likely to outsource than their retail counterparts, and when retail funds outsource, they are more likely to use affiliated service providers.

Over-the-counter (OTC) derivatives

Central counterparties, by David Love, *JASSA*, Issue 3, pp. 46–50. See abstract under Central clearing.

Private information

Firm characteristics and information risk, by Chuan Liao, Chien-Ting Lin and Lei Xu, *JASSA*, Issue 2, pp. 41–47.

Following the work of Easley et al. (2002) in documenting the effect of private information on cross-sectional stock returns, we examine the relationship between a firm's fundamental characteristics and its probability of information-based trading (PIN). We find that asset turnover and dividend yields are important firm characteristics that influence a firm's PIN. The findings also offer an alternative explanation as to why firm characteristics are informative about asset prices.

Procyclicality

IFRS 9, impairment and procyclicality: is the cure worse than the disease? by Jane Hronsky, *JASSA*, Issue 4, pp. 55–59. See abstract under Accounting standards.

Portfolio management

Active Money — providing another level of insight into portfolio risk, by Scott Bennett and Vivekananda Lal Sondhi, *JASSA*, Issue 4, pp. 12–22. See abstract under Active management.

Prudential supervision

Bad and doubtful debt reporting — are banks disclosing contradictory information? by David Tripe SF Fin, Richard Kirkland and Azira Abdul-Adzia, *JASSA*, Issue 3, pp. 51–57. See abstract under Credit risk.

Bank remuneration rules: a case study of post-GFC regulation reform, by Justin Douglas, Tanzila Fatema and Phillip Hawkins, *JASSA*, Issue 4, pp. 31–36.

Following the global financial crisis, reform of remuneration and compensation practices within the financial sector has been an important aspect of the global reform agenda. With reforms to the rules governing compensation one of the first areas to be implemented under the new international institutional framework, this experience highlights potential issues for other parts of the reform agenda. These include: the importance of international consistency to prevent regulatory arbitrage; finding the optimal balance between regulation and supervision; the scope of prudential regulation; and the extent to which the effectiveness of reforms is determined by their implementation.

The Reserve Bank of New Zealand's new liquidity policy for banks, by Jeremy Richardson, *JASSA*, Issue 3, pp. 39–45. See abstract under Liquidity.

Reform

Grappling with systemic risk, by Jaime Caruana, *JASSA,* Issue 2, pp. 6–10.

This paper analyses systemic risk and considers appropriate policies to reduce it. It examines systemic risk as a negative externality in two dimensions: the cross-sectional and the time dimension. The paper further argues that financial regulatory policies are not enough to address systemic risk. Other policies — especially monetary and fiscal policy — also have a role to play. It also argues that policy coordination is essential, nationally among monetary, fiscal and macro- and microprudential policies, as well as internationally.

Regulation

Framework for securities regulation post-GFC, by Alex Erskine, *JASSA*, Issue 4, pp. 37–42.

Following the global financial crisis, the conceptual framework that underpins securities regulation needs to be adjusted to take into account what we have learned from the crisis and how agency, network and behavioural theories can inform our understanding of markets and their participants. The main challenges for regulators are to set a realistic definition for financial stability and to find ways to achieve it at reasonable cost.

Remuneration

Bank remuneration rules: a case study of post-GFC regulation reform, by Justin Douglas, Tanzila Fatema and Phillip Hawkins, *JASSA*, Issue 4, pp. 31–36. See abstract under Prudential supervision.

Risk

Behavioural finance issues and the bank client, by Jocelyn Pixley F Fin, *JASSA*, Issue 1, pp. 36–40. See abstract under Behavioural finance.

Grappling with systemic risk, by Jaime Caruana, *JASSA*, Issue 2, pp. 6–10. See abstract under Reform.

Systematic risk, CDS spread and market integration: an empirical investigation, by Jiri Svec and Maurice Peat F Fin, *JASSA*, Issue 3, pp. 6–11. See abstract under Credit default swaps (CDS).

S&P/ASX 200 Index

Australian Implied Volatility Index, by Bart Frijns, Christian Tallau and Alireza Tourani-Rad F Fin, *JASSA*, Issue 1, pp.31–35.

Volatility implied from option prices is widely regarded as the market's estimate of future expected volatility of the underlying asset. We construct an implied volatility index for the S&P/ASX 200 Index, the AVX, which we find contains important information for predicting volatility of the ASX and significantly outperforms other predictors commonly used.

Securities industry

Framework for securities regulation post-GFC, by Alex Erskine, *JASSA*, Issue 4, pp. 37–42. See abstract under Regulation.

Stock market volatility

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Trust and the financial planning relationship, by Neil Hartnett F Fin, *JASSA*, Issue 1, pp. 41–46. See abstract under Financial planning.

Valuation

The valuation of specialised operational assets — unbundling enterprise and asset value, by Roy Farthing, *JASSA*, Issue 2, pp. 35–40. See abstract under Goodwill.

Yields

The performance of value and growth portfolios in Australia: implications for asset management, by Paskalis Glabadanidis, *JASSA*, Issue 3, pp. 12–17. See abstract under Asset management.

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