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### From the Chair of the Editorial Board

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### Monthly Seasonality in Currency Returns: 1972-2010

BIN LI, Griffith University  
BENJAMIN LIU, Griffith University

ROBERT BIANCHI F Fin, Griffith University

JEN JE SU, Griffith University

This study examines the monthly seasonality of foreign exchange (FX) returns for eight major currencies (against the US dollar) from 1972 to 2010. It finds that five currencies exhibit significantly higher returns in the month of December and a significant reversal in January. Previous research has focused largely on the daily patterns within FX returns. With global FX daily spot transactions reaching US\$4 trillion dollars, these findings have important practical implications for currency hedgers, arbitrageurs and speculators.

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### An Examination of the Sustainability Disclosures of ANZ, NAB and Westpac

PAUL N. C. TIONG, Multimedia University, Jalan Ayer Keroh Lama, Malaysia

R. N. ANANTHARAMAN, Multimedia University, Jalan Ayer Keroh Lama, Malaysia

This research study examines the sustainability disclosures of the three Australian banks which prepared their sustainability reports in compliance with the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines and Financial Services Sector Supplement. This initiative became obligatory on 1 January 2010 for organisations that wish to achieve the highest level of disclosure. The results indicate that although the three banks achieved the highest level of disclosure, there were several areas that needed improvement.

### Papers from the Melbourne Money & Finance Conference 2011

**Finsia acknowledges the contribution of the papers from the 16th Melbourne Money and Finance Conference to this issue of JASSA. Additional papers will be included in JASSA issue 4, 2011. The conference – Retail and Household Finance: Current Issues – was held in July 2011 by the Australian Centre for Financial Studies.**

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### Introduction to the Conference Papers

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### SMSFs: Can We Do Better?

TOM VALENTINE, UIC Research Foundation and MGSM

Self-managed superannuation funds (SMSFs), also called DIY superannuation funds, are larger than any other single component of the superannuation industry. Their growth has been fostered by the significant tax concessions which they share with other superannuation vehicles. It is, therefore, legitimate to ask whether this arrangement generates benefits sufficient to justify the concessions or whether, as some commentators argue, it is simply a tax avoidance scheme for the wealthy.

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## **Retail Investors and Ethical Investment**

HOWARD PENDER,  
Australian Ethical  
Investment

MARIE BROCCETTO,  
Australian Ethical  
Investment

Ethical and responsible investment markets have experienced phenomenal growth around the world in recent years and were relatively unaffected by the global financial crisis. This paper provides an overview of the framework for, and key issues involved in, ethical investing at the retail level in Australia. Ethical investment in Australia primarily involves screened portfolios, with limited activity occurring in community finance and shareholder advocacy.

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## **Household Saving and Investing for Life-cycle Events: Government Incentives and Insurance Bonds**

KEVIN DAVIS SF Fin,  
ACFS and University  
of Melbourne

ROSS HIGGINS,  
Austock Life Limited

DEBORAH RALSTON  
SF Fin, ACFS and  
Monash University

Individuals face difficulties in developing and executing optimal lifetime savings and investment plans, product complexity continues to grow, and there are increasing demands on government to support individuals' financial needs. Within this context, this paper examines the rationale for government policies aimed at influencing household savings and investment decisions — focusing on the financing of life-cycle events and the design of suitable financial products to achieve desired outcomes.

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## **Tax Distortions and Retail Investors**

GORDON D. MACKENZIE  
F FIN, University of New  
South Wales

While tax distortions are traditionally measured using marginal tax rates, or real effective tax rates (Henry Review Panel), empirical studies have identified six margins where tax affects investment decisions. Measuring selected Australian savings vehicles against those margins highlights tax distortions affecting retail investor behaviour. These findings have significance for tax policy makers and financial institutions, and for the current policy debate about the standards of tax knowledge mandated for financial planners and the exemption from financial advice licensing for tax professionals.

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## **Post-retirement Policy - a View**

ROSS CLARE, ASFA

Much of the recent focus on superannuation policy outcomes and settings has related to the accumulation phase, and considerable work remains to be done regarding the post-retirement phase. Although the Henry and Cooper reports raised a number of important post-retirement issues, their recommendations provided only a partial response to the challenges involved. This paper outlines these challenges and provides potential policy options to address them.

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## **Webmaster recommends**

Update on ETFs and options, mortgage resources and tools, and corporate governance