



News from the Centre

Welcome to the third Melbourne Centre for Financial Studies' e-newsletter. It contains details and updates about MCFS activities and events. The various links to our website also allow you the opportunity to delve deeper into topics of greater interest.

Please let us know what you think – we welcome your feedback, to enable us to provide you with the information you find most valuable.

What's in this edition?

1. Syd Bone is the new Chairman of Melbourne Centre for Financial Studies
2. MCFS to run the Melbourne Financial Services Symposium
3. Academic research grants by MCFS set to surpass \$1m
4. Melbourne Mercer Global Pension Index – expert panel appointed
5. MCFS submission to Victorian Bushfires Royal Commission
6. Media for MCFS
7. Upcoming events & papers from past events

1. **Syd Bone is the new Chairman of Melbourne Centre for Financial Studies**

MCFS is pleased to welcome Syd Bone the new Chairman of its Board of Management.

Syd was until recently Chief Executive Officer of the Victorian Funds Management Corporation which manages the State's \$30 billion investment portfolio.

'We are delighted that Syd has decided to join us at a time when the Centre is poised to substantially expand its operations', said Professor Deborah Ralston, Acting Director of MCFS. 'Syd's depth of experience in financial services as well as his government and industry contacts will be important to the Centre in achieving its goals'.

Syd Bone noted that 'As now is such a challenging time for all participants in the financial services sector it is exciting to be able to contribute to an organisation such as MCFS with a real opportunity to make a difference.'

MCFS was established four years ago with the mission to provide a bridge between the academic community, government and the financial services industry. It has become acknowledged for its thought leadership on issues relating to funds management, banking and insurance, and is well known for the quality of both its research and the extensive events programs it conducts.

It has been an exciting year already for MCFS. It has agreed to take over the running of the annual Melbourne Financial Services Symposium (see item below) and will become the publisher of the forthcoming Melbourne Mercer Global Pensions Index when it is released later this year.

Press release

www.melbournecentre.com.au/Syd%20Bone%20Press%20Release%20pub.pdf

If you would like more information on who is involved in what at MCFS, please refer to www.melbournecentre.com.au/people.html

2. MCFS to run the Melbourne Financial Services Symposium

We are proud to announce that MCFS has taken over custodianship of the peak event on the Melbourne financial services sector calendar, the Melbourne Financial Services Symposium.

MCFS undertakes to all stakeholders that it will preserve and enhance the quality of the Symposium dinner, the primary networking occasion for Melbourne financial services sector which is traditionally held in the first week of March. At the same time, MCFS proposes to regenerate the Symposium's professional program. Delegates in 2010 may look forward to a new experience which showcases the best of Australia's capacity in funds management and other financial services, while bringing in industry and academic thought-leaders from offshore.

MCFS takes seriously the responsibility of conducting an event which has been nurtured and developed over 11 years by a broad group of supportive Melbourne stakeholders led throughout by Bradley Treadwell, Managing Director of Osborne Group. We look forward to working with those same stakeholders in 2010 and beyond. Watch this space for more details.

For sponsorship opportunities, please contact David Michell, MCFS Business Development Manager, on +61 (03) 9666 1050 & info@melbournecentre.com.au.

3. Academic research grants by MCFS set to surpass \$1m in 2009

In four grant academic research rounds since 2006, Melbourne Centre for Financial Studies has allocated nearly \$1 million in funding to academic finance researchers from its three consortium universities (Melbourne, Monash and RMIT) and research partners of those academics (from far and wide). Another \$¼ million has been distributed to MCFS-associated academics (including from other states) via commissioned research sourced from government, finance industry and regulatory bodies.

Selection criteria for MCFS Research Grants are modelled on Australian Research Council (ARC) guidelines, amended to reflect the goals of the Melbourne Centre. Selection is undertaken by a panel of at least three assessors nominated by the Board of Management, who will consider budget requests in terms of expected value of outputs for money expended.

The primary assessment criteria for these projects is based on: the Investigator(s); Project content - significance and innovation, approach/methodology, which MCFS priority area is addressed; relevance to Industry.

Following a Board review, the priority areas for MCFS have been broadly redefined as "Funds Management", "Insurance" and "Banking and Financial Markets".

...More detail on this change will be released in future issues of News from the Centre.

Meanwhile, MCFS-associated academics are forewarned that we will shortly issue a call for expressions of interest requiring a response within four weeks!

Discussion and working papers funded by MCFS research grants can be found at <http://www.melbournecentre.com.au/research.html>

4. Melbourne Mercer Global Pension Index (MMGPI) reference group announced

At the Melbourne Financial Services Symposium dinner on 2nd March 2009, Mr John Lenders MLC the Treasurer of Victoria and Minister for Financial Services, announced that MCFS has been contracted by the Victorian Government to undertake a pilot study which will compare pension and superannuation arrangements in ten countries. For the first time an international comparison of private and public retirement income systems is being undertaken.

MCFS has sub-contracted key elements to Mercer in Melbourne which in turn is drawing on its global network for data collection and validation. The study will result in the production of the Melbourne Mercer Global Pension Index. Initial results will be released during October.

The study will highlight the relative robustness of national superannuation and pension systems and their capacity to meet the long term retirement needs of each country's population. Given this brief, MMGPI is expected to stimulate debate and research activity among policy-makers, regulators and the funds management community globally.

A reference group of senior industry and academic experts has been brought together by MCFS to oversee the study:

- Syd Bone, Chairman, Melbourne Centre for Financial Studies
- Jeremy Duffield, Managing Director, Vanguard Investments Australia
- Dr Vince Fitzgerald, Chairman, Allen Consulting
- Assoc Prof Roger Gay, Monash University
- Prof Richard Heaney, RMIT University
- Dr David Knox, Worldwide Partner, Mercer
- Assoc Prof Matt Pinnuck, Melbourne University
- Ian Silk, Chief Executive, Australian Super

They have been joined by other invited experts and by project leader and project manager representatives from MCFS and Mercer.

Following the second meeting of the reference group it was decided to develop three separate sub-indices for each country – adequacy, integrity and sustainability. This pilot study will cover 10 countries including Australia and 9 countries from the Americas, Europe and the Asia Pacific region.

For further information, please contact Prof Deborah Ralston, MCFS Acting Director on +61 3 9666 1050.

5. MCFS submission to Victorian Bushfires Royal Commission

Key points:

- Australian property is chronically underinsured.
- Cost outweighs benefit for young, single and less educated.
- Taxes and levies undermine the affordability of insurance in Victoria.
- It has been demonstrated that people are sensitive to pricing of insurance.
- There is a need for a state tax reform.
- “Failure to do so may well contribute to increasing costs imposed on the public purse through aid to the uninsured and the moral hazard problem will continue to escalate.”

Professor Deborah Ralston
Acting Director, Melbourne Centre for Financial Studies

For the full submission: <http://www.royalcommission.vic.gov.au/SubmissionDocuments/SUBM-002-011-0151>

6. Other media for MCFS

“Disasters highlight the need to fix the tax system”

Opinion article on personal insurance by Deborah Ralston, Weekend Australian Financial Review, 18th-19th April 2009

“The trouble with recession rescues”

By Deborah Ralston and Robert Turnbull (of MCFS's Industry Advisory Committee)
Business Spectator, 15th May 2009

<http://www.businessspectator.com.au/bs.nsf/Article/Deed-of-company-arrangement-pd20090512-RYA3M?OpenDocument&src=sph>

“NAB raising may spell end to guarantee”

By Alison Bell, Sydney Morning Herald, 22nd May 2009

<http://news.smh.com.au/breaking-news-business/nab-raising-may-spell-end-to-guarantee-20090522-bi2w.html>

“Triple B-rated regional banks have cut their lending in response to the high cost of the guarantee, professor Deborah Ralston of the Melbourne Centre for Financial Studies told the conference.” (Finsia Corporate Lending conference in Melbourne 20th May 2009)

“Regulators, rivals, put pressure on EFTPOS”

By Steve Worthington, Professor of Marketing, Monash University and MCFS – associate.
Opinion Article, Australian Financial Review, Tuesday 26th May 2009

7. Events

Upcoming events

Academic Seminar – “The NYU Stern White Paper Series on Origins of the Global Financial Crisis”

Speaker: Stephen J. Brown, David S. Loeb Professor of Finance, NYU Stern School of Business, and Melbourne University

Date: Thursday 30th July 2009, Melbourne CBD, 10.45am – 12.45pm (*venue tbd*)

For background: <http://whitepapers.stern.nyu.edu/home.html>

Price: Academics free; \$99 GST inclusive for non-academics

For a priority booking, send us an email at info@melbournecentre.com.au with the subject line: "Register interest – SBrownNYUSterns"

(Available to sponsor!)

2009 Finsia – MCFS Consumer Finance, Investment & Regulatory symposium and research workshop

Date: Thursday 27th August 2009 (full day)

Venue: Melbourne CBD

Four workshops -

- Scope and impact of recent consumer credit protection amendments
- Responsible lending and financial literacy
- Impact of the GFC on the generational wealth divide
- Current research - reverse mortgages, retirement savings, personal insurance, behaviour

Call for papers, participation:

<http://www.melbournecentre.com.au/Final%20Call%20for%20W'shop%20participation%20Consumer%20finance09v3.pdf>

(Also available to sponsor.)

14th Finsia-MCFS Banking and Finance Conference

Dates: Monday 28th –Tuesday 29th September 2009

Venue: The University of Melbourne, Melbourne

Confirmed speakers include:

- Kevin Stevenson, incoming Chairman and CEO of Australian Accounting Standards Board (AASB)
- Chris Dalton, CEO, Australian Securitisation Forum (ASF)
- John Martin, Head of Infrastructure, Royal Bank of Scotland

Call for Papers:

http://www.melbournecentre.com.au/Finsia_MCFS/2009/Call%20for%20papers%20B&F09%20JASSA%20250309.pdf. The date for academic submissions has been extended to 6 July 2009.

(You guessed it ... available to sponsor.)

Watch out for details and dates for these events: www.melbournecentre.com.au/events.html

- Guidelines for dealing with private equity bids (Melbourne and Sydney)
- 2009 securities lending forum (Melbourne and Sydney)
- 4th International Distinguished Lecture

Past events

14th Melbourne Money and Finance Conference – “Financial Globalization: Implications for Australian Financial Institutions and Markets”

1st – 2nd June 2009, Brighton, Victoria

Generously sponsored by ANZ, APRA, CBA, NAB, RBA

Working papers now available at: [MMFC2009](#)

AIST Superannuation Fund Board Governance conference with MCFS

5th May 2009, Sofitel Melbourne on Collins, Melbourne

[All available presentations](#) on AIST site

[MCFS Research Presentation 1](#)

What do superannuation fund ratings tell trustees?

Speaker: Dr Jerry Parwada, Associate Professor of Finance – Australian School of Business, University of New South Wales

[MCFS Research Presentation 2](#)

Board Quality, Board Structure and the Performance of Superannuation Funds

Speaker: Dr Chander Shekhar, Senior Lecturer, University of Melbourne

MCFS - Janus Capital Funds Forum Series- “Stochastic Portfolio Theory - Using Maths to Generate Alpha”

Speaker: Robert Garvy, Chairman and Chief Executive Officer, Enhanced Investment Technologies (US)

1st May 2009 at Thomson Reuters Markets, 43/80 Collins Street, Melbourne

Presentation here: [Robert Garvy EIT](#)

[Other past events](#)

Questions / comments: Email us at info@melbournecentre.com.au or call +61 (03) 9666 1050

Sponsorship of / partnering with opportunities: refer [Sponsors and Partners webpage](#)

Or, to discuss ideas for working with MCFS, please contact David Michell, Business Development Manager, on +61 (03) 9666 1050 & info@melbournecentre.com.au.

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Please add this site to your research list.