
What might be best described as an alternative news source is Crikey.com.au, which is an independent news website with a member email service. The interests are broad ranging, covering the categories of politics, media, business, columnists and whistleblower.

Not forgetting the shareholder
When shareholders ring wanting a copy of a liquidator's declaration, refer them to http://www.delisted.com.au for details. deListed.com.au was established some five months ago to keep shareholders in failed companies informed of developments after their companies are delisted from ASX. It also covers a few of the more prominent companies suspended from quotation, but not yet delisted.

The Australian Shareholders’ Association and other bodies like the Institute of Public Administration Australia, ASX and ASIC handle many calls from shareholders anxious to know about the fate of their companies. ASX has recently provided a direct link through from its own site. The website provides a brief summary of the key events from the date of suspension to the present. Only where legal actions are underway or being considered is the record maintained beyond the issue of a liquidator’s declaration.

The tax position for some 500 companies delisted from ASX since 1990 is provided. Various messages appear depending on the company and the date of delisting.

The main categories listed are: delisted companies, suspended companies in administration, in receivership, in liquidation, liquidators’ declarations, capital losses and tax, legal & class actions and outstanding matters. There is also about six months of news items on the companies referred to on the site.

Corporate governance updates
There are many sites offering advice and guidance on corporate governance.

Key ones to note are those of the regulators. ASIC released a discussion paper in December 2002 which can be found on the ASIC site (http://www.asic.gov.au) under ‘Media and information releases’ for December.

ASX plans a website for the guidelines prepared by the Corporate Governance Council. Check the ASX homepage (http://www.asx.com.au) for updates.

IIFSA issued its revised Blue Book in December 2002, which is available via its website (http://www.iifsa.com.au) under ‘About our industry’, ‘Standards and guidance notes’. It’s also available at present via the New button on the homepage. The Group of 100 (G100), the representative organisation for CFOs of Australia’s leading enterprises (http://www.group100.com.au), published a code of ethics for corporate governance in December 2002.

The Webmaster links are to be found on the Institute’s membership pages (http://www.securities.edu.au/members) under ‘Directory of links’ in the left navigation bar.

Do you have any websites that you would like us to cover in this column? Please email JASSAcontent@securities.edu.au with your comments and suggestions.

Reading room Book Review by *Neil Cole

Project finance in Asia Pacific: Practical case studies
by Richard Tinsley

The author of this volume, Richard Tinsley, is well known to many SIA members.

Tinsley’s group, International Advisory & Finance, was most recently ranked fourth among 24 listed Asia Pacific project finance advisers by Project Finance International. The book comprehensively details 16 recent Asia Pacific project financings, across a wide range of sectors, including a variety of infrastructure projects, LNG, minerals and a metal refinery, across 11 countries with up to USD1 in debt.

The infrastructure cases reviewed include power plants, telecoms, ports, a tollroad, toll bridges, water treatment and railways, including the Brisbane Airtrain project.

For each of the projects reviewed, there is a thorough coverage of risk analysis, a useful coverage of problems encountered and lessons learned, and a complete list of reference sources. The project financing failures, or defaults, are given no more emphasis than the successes: how good is 20:20 vision for those who always knew better about Murrin Murrin?

Some of the cases presented are cutting-edge, state-of-the-art examples of innovative financial engineering.

One of the more complex cases covered, the 30,500-kilometre optic fibre cable Southern Cross Cable Network, taking in Australia, New Zealand, Fiji and the United States,
Survey shows advisers taking responsibility for disclosure failures

Financial planners are taking responsibility for consumers’ lack of awareness about the costs of financial planning, a new Securities Institute survey has found. Sixty-nine per cent of advisers believe that confusion about fees is due to a combination of advisers failing to explain and clients failing to ask, while a further 26% place the blame squarely on advisers.

“The Securities Institute survey of 171 financial planning professionals reveals that the industry accepts the wake-up call about past failings and that improving advisers’ practical skill—particularly in the areas of disclosure and communication—is crucial if the new disclosure rules are to be effective,” says the Chief Executive Officer of the Securities Institute, Brian Salter.

According to Salter, it doesn’t matter how much knowledge a financial planner has; if he or she can’t communicate effectively with clients, there is every likelihood the advice will be compromised.

The survey also found that the vexed question of changes to disclosure rules under the Financial Services Reform Act (FSRA) appears to be resolving itself, with 89% of firms already following FSRA disclosure obligations and 95% of respondents claiming they understand their obligations under the FSRA regime.

Moreover, there is a high level of support for them, with 76% believing they provide sufficient protection for consumers, and only 13% saying they are too onerous. Eleven per cent think they are not strict enough.

Heightened media and industry attention has already become a call to action, with 71% of firms more focused on disclosure as a result (43% have increased their focus a lot, and 29% a little). Only 21% said they have not increased their focus on disclosure at all.

However, advisers are split on the impact they believe improved disclosure will have on consumers’ choice of a fund or product. Forty-three per cent say it will have a minimal impact, but 40% think it will have a reasonable impact. Seventeen per cent think it will affect their choice significantly.

“While government can legislate for, and the industry promote, higher standards, consumers cannot abdicate responsibility for checking their advisers’ credentials and reading the fine print. And the new rules mean the fine print is there to be read,” Salter says.

The survey also found there are diverse views on industry body plans to improve their own disclosure guidelines. Forty-two per cent believe the FSRA will cover the same area, or more, than current guidelines. Forty-two per cent believe the new rules mean the fine print is there to be read, but 38% believe it is unnecessary because FSRA will cover the same area, or because the current guidelines are sufficient.

According to Salter, the industry is facing a crisis of confidence and the Securities Institute will be working closely with the industry to restore confidence by raising standards through better education and skills-focused professional development.

“Educating financial planning practitioners is not just about imparting knowledge. It is also about giving practitioners the practical skills they need to apply this knowledge.

The Securities Institute has re-engineered all of its open-entry and postgraduate courses to incorporate practical skills-based learning.

Students now learn how to listen to clients as well as how to understand and respond to their needs and expectations,” Salter says.