How technology decisions can expose banks to technology and strategy risk
DAVID CHAN F Fin

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.
Bank remuneration rules: a case study of post-GFC regulation reform
JUSTIN DOUGLAS, TANZILA FATEMA and PHILLIP HAWKINS
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.

Framework for securities regulation post-GFC
ALEX ERSKINE
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.

Tax and super — unfinished business
HAZEL BATEMAN and GEOFFREY KINGSTON
The Henry Review acknowledges the adverse-selection and supply-side problems stunting the Australian market for longevity insurance. This paper proposes 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.

IFRS 9, impairment and procyclicality: is the cure worse than the disease?
JANE HRONSKY
After examining the conceptual issues underlyin 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 efect 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.

Papers from the Melbourne Money & Finance Conference 2010
Finsia acknowledges the contribution of the papers from the Melbourne Money & Finance conference 2010 to this issue. The conference was held in June 2010 by the Melbourne Centre for Financial Studies, now the Australian Centre for Financial Studies.