

# NEWSLETTER

Australian Securitisation Forum Inc. | Representing the securitisation industry in Australia



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## Dear Industry Participant

Welcome to our first newsletter for 2006. A year that has started off strongly with some large RMBS issues from both prime and non conforming issuers. In particular, the CBA Medallion issue was the largest Australian securitisation to date, at \$5.5 billion and also achieving the tightest pricing for an Australian RMBS issue. This is a very strong sign that our Australian securitised products are being accepted by global investors for their quality and relative value.

In late January, a number of our industry representatives attended the American Securitisation Forum conference in Las Vegas. With over 4000 registrants, the conference proved to be a resounding success. Together with Leigh Powell, I attended a joint meeting of the executives of the American /European and Australian Securitisation Forums. That executive meeting discussed areas of common interest to all Forums, how we can work together on issues that are facing all our industries as well as co-operation and participation at each Forum's annual conferences.

Like the American Securitisation Forums, the Australian Securitisation Forum is an industry advocacy organisation, working with its members to shape the financial markets in which our members transact business. We have no paid employees, and rely solely on our members voluntarily participation in our various sub committees and organised activities, to ensure we meet the expectations of the membership. Our main funding comes from the annual ASF conference, held in November each year, and the various other member based activities held throughout the year. These initiatives endeavour to assist the ASF to achieve our Mission Statement: "To Shape the future of the Australian Securitisation Industry for the on going benefits of our members."

This year there will be more emphasis on the ASF meeting some of the four key objectives that the Strategic Plan determined last year, which members will find detailed on the ASF website. The National Committee provide updates on the progress of these objectives throughout the coming newsletters.

I would also like to acknowledge the resignation of David Addis from the National Committee and from his position as Chair of the Prudential Committee. David has been a strong contributor to the activities of the ASF over the past few years and we will miss his guidance. On behalf of the ASF, I thank David for his dedication and contribution. I am pleased to advise that Kevin Lee, Division Director Debt Finance of Macquarie Bank has accepted the invitation of the ASF to fill this casual vacancy on the National Committee and to Chair the Prudential Committee. We welcome Kevin and look forward to working with him on this important portfolio.

We are always looking for members to become involved with the various sub committees of the

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## Sub-Committee Updates

Australian Securitisation Forum. If you are interested in being contributing your experience on any of our sub committees, please contact Bronwyn McMahon on ASF@securitisation.com.au.

Thank you for your continued support.



Roger Desmarchelier  
Chairman

### ASF Strategic Plan

In 2005 the ASF National Committee embarked on a path to redefine the Vision and purpose of the Forum in 2006 and beyond.

Our Mission statement initially articulated at the 2005 AGM is:

**“To shape the future of the Australian Securitisation Industry for the ongoing benefit of our members”**

We have also identified Four Key Objectives of a Strategic Plan to achieve the Mission:

- Develop a structure required for the next 3-5 years : National committee sub committee structure, funding model, partnerships with other forums, investigate needs for full time executive
- Have the ASF recognised as the key Advocate for the Industry: develop close and dependent relationships with APRA, ASIC, ATO
- Develop a strong value-proposition for Investors: raise Investors’ allocation for Australian securitised products
- Be recognised as the key industry provider of accredited educational solutions that reflect members changing needs: regular formal training in introductory and advanced topics and industry forums that facilitate net working and information exchange

The National Committee then moved to develop an Implementation Plan and prioritisation of the key action items associated with each Objective deliverable.

The National Committee is being assisted in the action planning by a consultant who assisted in the development of the Strategic Plan and Implementation Plan.



He has been working with individual National Committee members who have responsibility for specific action items.

As Roger previously mentioned, the National Committee will report to Forum members in the next newsletter about achievements so far and on the key deliverables for the balance of 2006.

Leigh Powell, PMI Mortgage Insurance Ltd

### Education Update

The ASF continues to offer its introduction to Securitisation program which provides a basic understanding of how securitisation can be used by originators to create securities suitable for institutional investors.

The following dates have been confirmed for both Sydney and Melbourne in 2006:

<b>Sydney Dates</b>	16-17 May
	18-19 July
	19-20 September
	13-14 November
	14-15 November
<b>Melbourne Dates</b>	30-31 May
	13 & 14 September

For further information go to [www.securitisation.com.au](http://www.securitisation.com.au) or contact Jason Sheil on [jsheil@securitisation.com.au](mailto:jsheil@securitisation.com.au) or 02 97767914.

### Accounting Committee

There has not been much relevant activity or output from the IASB or IFRIC over the past few months to report. That said, a number of entities have dealt with the full impact of IFRS for the first time as at 31 December 2005. This has been particularly the case in Europe, and it's not all been plain sailing.

Hence there will be lessons to be shared as we head towards our 30 June financial statements. Accordingly the Accounting sub-committee is meeting in early April for this purpose and we will consider how best to more broadly distribute our ideas and thoughts.

Michael Codling, Pricewaterhouse Coopers

### Regulatory Committee

The recent meeting of the Regulatory Issues Committee discussed a number of recent regulatory developments

that may affect the securitisation industry. In overview:

- There have been some technical changes to the laws regulating the holders of an Australian Financial Services Licence. These changes were discussed and it was agreed that they would have a minimal impact on the securitisation industry.
- ASX listing of asset backed debt securities: This is a question of whether an asset backed debt security issued by a trustee of a trust is an 'ED Security' for the purposes of the Corporations Act and, in particular, the type, amount and frequency of information that would have to be lodged with the ASX to satisfy the on-going compliance with the Listing Rules. It was resolved to approach the ASX on this issue.
- Anti-Money Laundering and Counter-Terrorism Financing Bill: an exposure draft of this legislation has been released and submissions can be lodged until mid-April. Andrea Beatty from Mallesons Stephen Jaques. gave an overview of the legislation and the range of 'designated services' that it covers and the implications that it may have for a bank and non-bank RMBS programme and other asset backed programmes. It is clear that the legislation may have a broad effect (for example, the origination of mortgage loans, the assignment of mortgage loans and the issue of bonds and other debt securities) and that the ASF needs to make a submission so that the areas of the legislation that apply to the securitisation industry are designated as 'low risk'. The participants of the committee are combining to make a submission and that will be coordinated by Mallesons Stephen Jaques.

Stuart Fuller, Mallesons Stephen Jaques

## Marketing Report

The ASF has commenced work on the annual conference for 2006 with the first task being to tender the conference contract this year. The tender process has now concluded with the final contract awarded to InAssociation Pty Limited, a newly established company by Andrew Stabback.

A new hotel venue has also been chosen for the conference with the 2006 event to be held at the Hilton Hotel from the 28 – 30 November.

Working with the ASF, InAssociation will commence contacting industry participants to outline plans for the 'Australian Securitisation Forum ABS 2006' conference. We ask that industry participants continue to support the annual industry conference and build on the success of the previous year.

Over forthcoming months the ASF will continue to develop the conference. Any feedback on agenda topics and conference content will be welcomed to ensure that our conference remains informative and addresses current industry issues.

The official websites for all information and updates will be [www.securitisation.com.au](http://www.securitisation.com.au) and [www.inassociation.com.au/ABS2006](http://www.inassociation.com.au/ABS2006)

Other Industry Events: **Tenth Annual ABS Conference**, Barcelona, Spain, 12 – 15 June 2006  
[www.imn.org](http://www.imn.org)

Paul Garvey, Members Equity Bank Pty Limited

## Statistics

Standard & Poors

### Number of New Australian Securitisation Transactions

	1Q06	% (1Q06)	4Q06	% (4Q05)	3Q05	% (3Q05)	2005	%	2004	%	2003	%
ABS	1	16.67	1	4.35	3	12.00	7	7.45	16	14.16	12	8.70
RMBS	1	16.67	12	52.17	11	44.00	50	53.19	63	55.75	60	43.48
CMBS	3	50.00	5	21.74	1	4.0	12	12.77	9	7.96	9	6.52
CDO/Repack	1	16.67	5	21.74	10	40.00	25	26.60	25	22.12	57	41.30
<b>TOTAL</b>	<b>6</b>	<b>100.00</b>	<b>23</b>	<b>100.00</b>	<b>25</b>	<b>100.00</b>	<b>94</b>	<b>100.00</b>	<b>113</b>	<b>100.00</b>	<b>138</b>	<b>100.00</b>

### Volume of Term Australian Securitisation Debt Issued (Bil. A\$)

	1Q06	% (1Q06)	4Q05	% (4Q05)	3Q05	% (3Q05)	2005	%	2004	%	2003	%
ABS	0.15	3.81	0.80	5.92	0.60	1.58	2.02	3.60	3.28	5.10	1.96	3.81
RMBS	3.12	81.74	10.36	76.68	11.91	82.68	49.33	88.01	58.00	90.14	44.69	86.81
CMBS	0.53	13.80	0.35	2.57	0.02	13.81	2.26	4.04	1.83	2.85	2.88	5.59
CDO/Repack	1.03	0.66	2.00	14.82	0.13	1.93	2.44	4.36	1.23	1.91	1.95	3.79
<b>TOTAL</b>	<b>3.82</b>	<b>100.00</b>	<b>13.51</b>	<b>100.00</b>	<b>12.66</b>	<b>100.00</b>	<b>56.05</b>	<b>100.00</b>	<b>64.34</b>	<b>100.00</b>	<b>51.49</b>	<b>100.00</b>

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