



MEDIA RELEASE

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ASX review of corporate governance reporting by listed trusts

The supervisory subsidiary company of ASX – ASX Markets Supervision – has completed its review of corporate governance reporting by listed trusts. The review formed part of its examination of compliance by listed entities with ASX Listing Rules and the ASX Corporate Governance Council’s *Principles of Good Corporate Governance and Best Practice Recommendations*.

The results show that in most cases corporate governance reporting by listed trusts compares favourably with corporate governance reporting by listed companies.

- The overall reporting level (being the aggregate of the levels of adoption of the Recommendations and the levels of ‘if not, why not?’ reporting against the Recommendations) for the listed trust sector in 2005 was 86% compared to 88% for listed companies.
- 10 out of 28 Recommendations had reporting levels over 90% (compared to 14 out of 28 for listed companies);
- An additional 14 out of 28 Recommendations had reporting levels over 80% (compared to 9 out of 28 for listed companies); and
- The overall reporting level for listed trusts reviewed in the top-500 was 92%.

The key differences between listed trusts and listed companies were in relation to:

- Principle 2 – Structure the board to add value; and
- Principle 9 – Remunerate fairly and responsibly.

The results are based on a review of the annual reports of 89 listed trusts having a 30 June 2005 balance date.

Chief Supervision Officer and Chair of the ASX Corporate Governance Council, Eric Mayne, said: “The overall high reporting level for the listed trust sector is very pleasing. It shows that listed trusts are fulfilling their corporate governance reporting requirements as satisfactorily as listed companies, and that the market is being kept well informed of the corporate governance practices of entities listed on ASX.

“This was the first specific review of reporting by the listed trust sector. The information we gathered on the key differences between listed trusts and companies – mainly in the areas of director independence and remuneration – will assist the ASX Corporate Governance Council in its current review of the Principles and Recommendations in devising an appropriate way of assisting these entities improve their disclosures in these areas. In addition, ASX supervision staff will undertake a program during this year to improve awareness among the listed trust sector of disclosure practices in relation to director independence and remuneration. ”

The *2005 Analysis of Corporate Governance Practice Disclosure by Listed Trusts* is available via:
http://www.asx.com.au/about/pdf/analysis_2005_corporate_governance_disclosures_listedtrusts.pdf

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