

# **MASTER OF ECONOMICS RESEARCH DISSERTATION**

## **The Influence of Institutional Shareholders on the Corporate Governance Practices and Financial Performance of Australian Public Listed Companies**

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**CERTIFICATE OF ORIGINALITY**

***I certify that the substance of this dissertation has not already been submitted for any degree and is not currently being submitted for any other degree or qualification.***

***I certify that any help received in preparing this dissertation, and all sources used, have been acknowledged in this dissertation.***

.....  
**PETER NORMAN RAMPLING**

**January 2007**

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In preparing this dissertation represents a substantial step forward in my career. A dissertation however is not undertaken unless there is support and motivation to do so.

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## **ABSTRACT**

Corporate governance has evolved out of the need for regulation of corporations. The prime motivation of this dissertation is to evaluate the current levels of voluntary disclosure compliance and financial performance of selected Australian Stock Exchange listed public companies in Australia, in terms of control by predominately non-institutional or institutional dominated organisations. The research source data for the above mentioned objective is drawn randomly from the ASX list of public companies as at May 5 2005. This dissertation draws together data which highlights entities that are controlled by an institutionally dominated shareholder base directs the board of directors to adopt a transparent approach to disclosure compliance under the current ASX CGC Principles and Guidelines regime which is predominately voluntary, with the exception of the establishment of an audit committee for those reporting entities as per **ASX listing rule 12.7**. Data collated is sorted and analysed to summarise the position of the data as against the stated hypotheses. The data is tempered in part and reinforced in other areas by not only domestic but also global influences and considerations. Corporate governance compliance is viewed as a window to not only shareholders of an entity but also the wider stakeholder base and the community at large. The wider base is encompassed by a theory termed enterprise governance, which is becoming increasingly recognised as a more relevant theoretical and practical strand of governance to accommodate and deal with the complexities of modern business. The collated data is presented in tables and graphical depictions that statistically test stated hypotheses and draw conclusions, and finally there is reference to possible areas of further study that can be potentially undertaken to expand the breadth of already accumulated knowledge in this area. The area being a relatively recent inclusion in Australian corporate history largely has its beginnings from international sources but is constantly being influenced and as by domestic as well international forces and considerations.

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