



**Australian Services
Roundtable**

Media release

17 March 2010

Services essential for economic growth

Services business leaders are meeting today with Government Ministers and Opposition shadows to discuss opportunities for the services sectors to contribute more to exports and the economy. The discussions are being held as part of Services Summit 2010 in Parliament House, Canberra, hosted by the Australian Services Roundtable, the peak business body for Australia's services sectors.

In opening the Summit, ASR President Kaaren Koomen said: "A year ago, this forum was dominated by concerns about the global financial crisis, but today, it's time for us to focus once more on growth – specifically, where Australia will find the growth opportunities into the next decade. Research is increasingly demonstrating the importance of the service sector to Australia's GDP, and is also identifying significant export potential for services businesses .

However, Ms Koomen stressed that that "growth in the services sector is not the prerogative of mature economies – their increased adoption is driving economic restructuring in both the developed and the developing world. Globalisation and the ubiquitous nature of ICT are accelerating this process. Australia may have been an early mover into high value services, but there is plenty of competition in this space – Australia must act now if it is to benefit from its natural competitive advantages and grow its services sector both in Australia and internationally."

At the Services Summit, the headline findings of a scoping and feasibility study for a Services Roadmap will be released. The study report, commissioned from ACIL Tasman, shows that:

- Services comprise about 80 % of Australia's economy.
- Services' contribute around 46 % Australia's international business sales
- Services' share of innovation expenditure by Australian business is about 70 %.

Importantly, the report demonstrates that services innovation and productivity can be raised through ICT adoption, trade liberalisation, privatisation, deregulation and ongoing implementation of competition policy. For example, innovation and productivity of the health system could be enhanced through the use of e-health identifiers and patient records, and opening up Australia's health and wellness system to international trade.

Speakers at the Services Summit, including Stephen Braim, Vice President of Government Programs, Asia Pacific for IBM, based in Shanghai, and Stewart Forbes, Malaysian International Chamber of Commerce and Industry, described developments in services strategies in China, Malaysia, Indonesia and Vietnam.

ASR Executive Director, Andrew McCredie said that: “There is great interest from all sides of politics in strategies to improve services productivity and the competitiveness of services businesses in Australia as well as develop our services export markets. ASR welcomes a greater policy focus on these significant opportunities, including those which have emerged as a result of the global financial crisis”.

“For example, the report by the Australian Financial Services Forum on building *Australia as a Financial Centre* demonstrates the potential for growth in our financial services based on Australia’s sound prudential regulations and skills. This work provides a useful model for growth strategies in a number of other Australian services sectors where Australia has developed an international reputation for service quality and reliability”, Mr McCredie said.

Headline results of Services Roadmap scoping study, the Services Summit program and speakers’ biographies are attached.

To discuss further development of a services strategy for Australia, on Thursday 18 March, ASR members will meet over breakfast with the Hon Craig Emerson MP, the Minister for Competition Policy and Consumer Affairs; Minister for Small Business, Independent Contractors and the Service Economy; Minister Assisting the Finance Minister on Deregulation.

Contact: Andrew McCredie 0408 253660

The Australian Services Roundtable is the peak business body for the services industries in Australia. Sectors represented include financial services (banking, insurance, securities, fund management), professional services (accounting, legal, engineering, architecture), health services, education services, environmental services, energy services, logistics, tourism, information technology, telecommunications, transport, distribution, standards and conformance, audio-visual, media, entertainment, cultural and other business services.