

DRAFT Australian Financial Centre Forum VISION AND PRINCIPLES

Our vision

Our vision is of a financial services sector which is increasingly open and competitive, and is underpinned by strong, stable and sound institutions. It has an internationally respected regulatory framework and a reputation for innovation, transparency, integrity and efficiency. It is a sector where a combination of skills, experience and reputation encourages national, international and regional participants to do business directly, resulting in a high volume of cross-border transactions in a wide variety of financial products and currencies.

In short, our vision is for a financial services sector where multinational individuals and organisations want and need to do business.

Principles

Government and industry will work together to develop a policy framework that will position Australia as a leading centre for financial services in the Asia-Pacific region, resulting in further growth in the Australian economy, with an associated increase in benefits and opportunities for all Australians.

In line with this objective, existing and proposed policy measures which impact on the financial services sector should be consistent with the ongoing realisation of the above vision. At the broadest level, such a policy framework should therefore be focused on maintaining and enhancing an open, competitive, technologically advanced and highly skilled financial services sector, supported by best practice regulatory and tax systems.

More specifically, the set of policies which impact on the sector should be consistent with the following broad policy principles.

Principle 1: Ensuring the ongoing availability of a highly skilled and innovative workforce, supported by a world-class education and training system

- The AFCF will seek to lay the groundwork for improving the quality of the Australian financial services sector workforce by:
 - identifying any particular skills or skill sets that require priority attention;
 - outlining [recommendations / a blueprint / a work program / a policy framework] for identifying, fostering, and developing government and industry initiatives to further develop the availability of, and participation in, educational and training opportunities in skills relevant to the financial sector;
 - considering and making [recommendations / a blueprint / a work program / a policy framework] for ensuring that Australia's immigration regime encourages the inflow of foreign workers with relevant skills to the Australian sector whilst protecting the interests of all Australians; and
 - considering how best to encourage the retention or repatriation of Australians with relevant skills who work or may commence work in a foreign jurisdiction.

Principle 2: Improving the international competitiveness of the financial services sector

- The AFCF will seek to ensure that the international competitiveness of the Australian financial services sector is maximised by:
 - [encouraging / sponsoring / facilitating] comparative studies aimed at identifying areas where the Australian sector is perceived to be outperformed by a foreign sector/s;
 - fostering innovation in the sector; and
 - setting out [recommendations / a blueprint / a work program / a policy framework] for government and industry initiatives to address any areas where the Australian sector's comparative performance could be improved.

Principle 3: Expanding opportunities for Australian financial sector service providers by promoting access to foreign markets

- The AFCF will seek to expand the opportunities for Australian financial sector service providers to participate in other jurisdictions by:
 - identifying practical opportunities for expansion of Australian access to particular jurisdictions; and
 - setting out [recommendations / a blueprint / a work program / a policy framework] for government and industry efforts to address the question of access through means including but not limited to the inclusion of financial services in trade agreements and mutual recognition agreements.

Principle 4: Optimising the taxation system by striving to improve its competitiveness whilst maintaining its integrity

- The AFCF will play a role in the ongoing review of the Australian tax system by:
 - identifying possible enhancements to the tax system to make participation in the Australian financial services sector more attractive;
 - sponsoring or directly making submissions to specific forums such as Australia's Future Tax System (the Henry Review); and
 - outlining [recommendations / a blueprint / a work program / a policy framework] for the best means to ensure that Australia's international competitiveness in respect of financial services taxation is maximised.

Principle 5: Promoting an international best practice regulatory framework that achieves the right balance between business efficiency and prudential integrity

- The AFCF will seek to:
 - coordinate industry/government discussion on any areas in which the current regulatory framework might be improved or streamlined; and
 - outline [recommendations / a blueprint / a work program / a policy framework] for ensuring that Australia is and continues to be internationally recognised as having a best practice regulatory framework.

Principle 6: Developing and promoting diverse and liquid markets

- The AFCF will seek to develop and promote an environment in which financial sector participants have access to diverse and liquid markets, and will:

- identify factors that lead to more attractive markets;
- consider ways to optimise liquidity in all Australian financial markets;
- consider ways to foster the development of commodities markets in Australia; and
- consider ways to foster the development of a carbon trading program in Australia.

Principle 7: Promoting openness, integrity, transparency and confidence

- The AFCF will seek to promote confidence in Australian financial sector regulators by:
 - identifying ways to enhance mutual respect between the industry and regulators;
 - fostering an environment in which cooperation between industry and regulators is maximised and antagonism is minimised; and
 - developing [recommendations / a blueprint / a work program / a policy framework] for ensuring that structures are in place for ongoing communication between the domestic and international financial services industries and Australian regulators in respect of regulatory issues.

Principle 8: Promoting consistent application of law and policy by financial sector regulators

- The AFCF will foster consistency in the Australian financial sector regulatory environment by:
 - identifying areas in which conduct of regulators is perceived to be inconsistent; and
 - consulting with the regulators on ways to ensure consistent application of law and policy in the financial sector, both now and in the future.