

**Australian Services Roundtable Inaugural Services Summit  
18 March 2009 Parliament House, Canberra**

**Welcome Address from Ms Kaaren Koomen  
President of the Australian Services Roundtable  
Director of Government Relations for IBM Australia/New Zealand**

ASR Directors, ASR Members, Special Guests,

My name is Kaaren Koomen and I am the President of the Australian Services Roundtable. I am delighted to welcome you to the Australian Services Roundtable's inaugural Services Summit, which is proudly sponsored by IBM Australia.

As with all these types of events, bringing this together has been a big commitment for all involved, at a busy, somewhat tumultuous time; and we know that your time is precious.

But the voice of the Services Sector needs to be heard now more than ever.

I'd like to share with you a thought from Aart de Geus, Deputy Secretary-General at the OECD: He said that even though the fall out from the global financial crisis is currently dominating the economic debate, the crisis should *not* be used as an excuse for inaction. In fact, he has urged us *not to waste* the crisis. He argues that we should use the crisis as *an opportunity to more quickly drive reforms that may be more difficult and slower to achieve in normal times.*

So what reforms do we need? The House of Representatives Standing Committee on Economics, Finance and Public Administration produced an excellent bi partisan report 'Servicing Our Future' which followed a comprehensive investigation into current and future directions of Australia's service industries.

It highlighted, not surprisingly, that the services sector plays a critical role in Australia's export performance.

As we all know, services comprise more than three quarters of our economy and around 40 per cent of our exports, so there is enormous potential for further development. But how do we get there?

ASR, as the peak industry body for the services sector, believes that in these troubled economic times a greater focus on services innovation is critical - we need proactive policies to reignite services productivity growth and to establish Australia's place in the global services economy.

By services innovation we mean business process innovation, ie better and smarter ways of doing things; it includes the application of smart designs, smart technologies and advanced engineering to infrastructure builds; the development of an innovative and world class educational sector; developing a creative tourism industry and innovative and well managed financial services to name a few examples.

We believe that these are the areas that will deliver significantly greater productivity and employment opportunities within Australia and better export outcomes for Australian businesses on the international stage.

It is our view that services innovation is critical to ensuring that we not only survive - but thrive - in the current global financial crisis – after all 90% of our graduates are employed in the services sector – it is where some of our best and brightest are. The Services sector is – therefore- our future.

ASR welcomed Minister for Services the Honourable Dr Craig Emerson response to the 'Servicing our Future' Report: in particular the recognition that it is crucial for Australia's service industries to improve their global competitiveness, particularly through both multilateral and bilateral trade. And we were heartened that in any trade negotiation the Australian Government has committed to giving much greater emphasis to addressing the "behind the border" issues in international trade, especially issues affecting the services sector.

We welcomed the report and congratulate Minister Emerson's response, but now we want to see action.

We're hearing the right noises, but it has been a lengthy process. We are still waiting to hear the Government's responses to the Cutler, Bradley and Mortimer Reports - we know they are coming - but we don't have the responses yet.

In the meantime, ASR has been very active in recent weeks in talking to Government Ministers, the Commonwealth Coordinator General of the Stimulus Package and key players in regard to the Government's Economic Stimulus agenda. We welcome the government's prompt response to the economic crisis, but we argue that we need more focus on services innovation – as I have mentioned - any infrastructure investment must include smart designs, smart technology, smart water and environmental solutions or smart communications, to name a few. The services sector needs to be part of this debate as it is part of the solution.

ASR believes that Australia must absolutely seize the moment now. As I stated at the outset, let us not *waste* the global financial crisis. Let's use it as *an opportunity to drive reforms in Australia for Services*.

Thank you.