



Investment and Financial Services Association

strength through advocacy

Financial Services Summary

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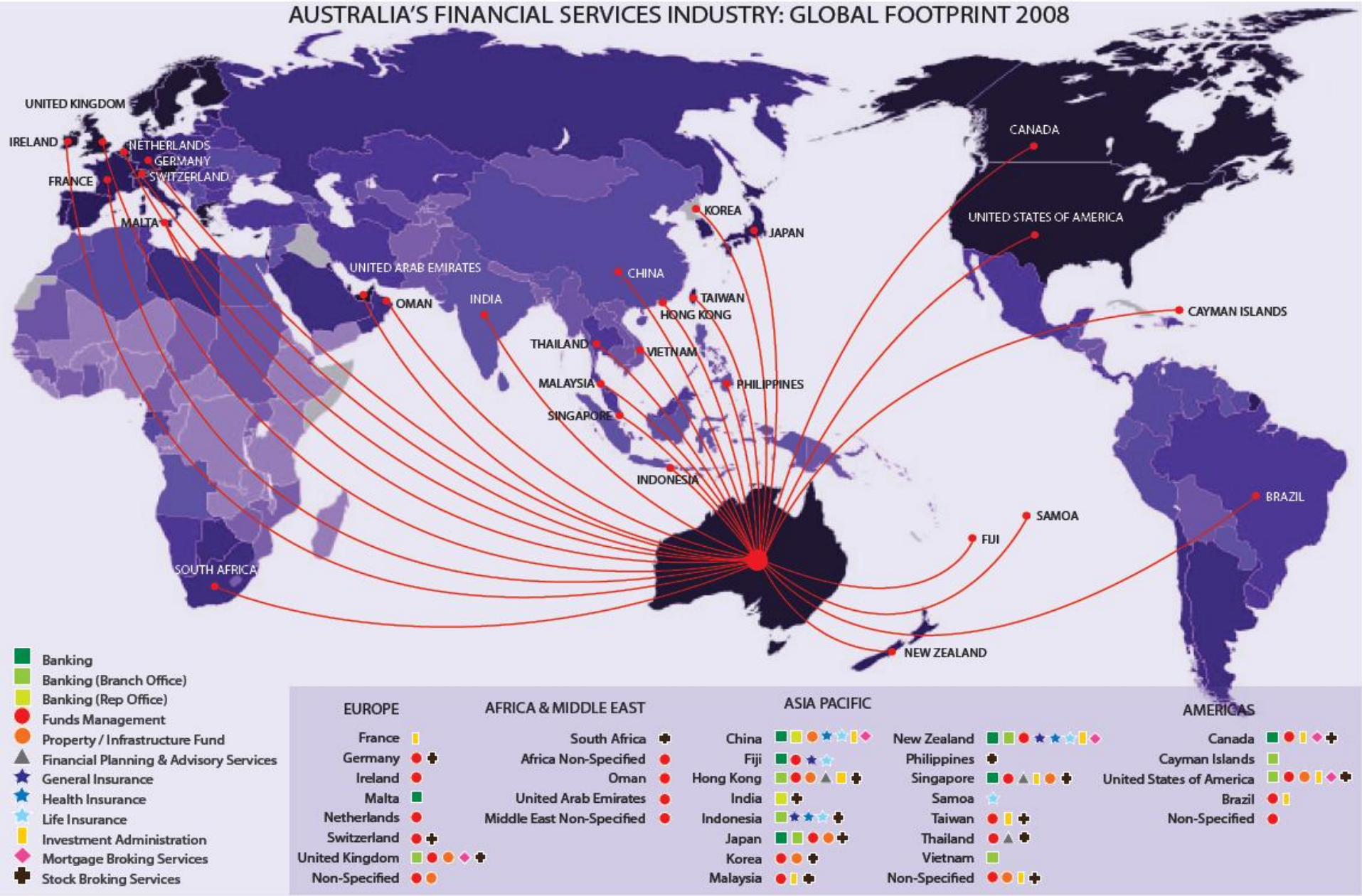


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The Australian Financial Services Industry *- Industry Scope & Scale*

- The financial services industry is now the third largest industry sector of the Australian economy, generating 8.6% or A\$81 billion of real value added
- The Industry's contribution to the economy has increased by 2.5% in the last two decades
- The sector has combined assets of more than A\$4.2 trillion, including the 4th largest investment funds asset pool in the world
- The Industry sustains a large and highly skilled workforce of around 400,000

AUSTRALIA'S FINANCIAL SERVICES INDUSTRY: GLOBAL FOOTPRINT 2008



Australia's financial services companies have expanded their global presence with activity ranging from North America, Europe and the Asia Pacific region. This expansion is reflective of the Australian industry's comparative strengths in banking and funds management.



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Challenges

- The creation of a regionally competitive and transparent taxation system via the removal of barriers to foreigners accessing the Australian financial services market
- Continuing to increasing the regional recognition of Australia's financial services regime through the expansion of MRA and FTA agreements
- Further commercial integration of the financial services industry into the Asia Pacific region by encouraging Australian firms and Australian based firms to grow organically off-shore
- Enhancing the regional awareness of the comparative strengths of the Australian financial sector through a partnership approach with Government
- Attracting and retaining a high quality workforce by promoting Australia as a desirable location to advance a financial services career



Opportunities

- ***Australian Financial Centre Forum***
 - Established in September 2008 with the purpose of further developing Australia into an international financial services centre
 - Involves a strategic and co-ordinated approach between Government and Industry
 - Industry has lodged submissions suggesting possible reforms over the short and longer term
- ***Henry Review***
 - Comprehensive review of the Australian taxation system announced in May 2008
 - Opportunity for reform to bring greater tax certainty and transparency
- ***FICA Roundtable***
 - Sub-committee bringing together industry experts, Government and AUSTRADE officials to develop a consistent brand and strategy to better promote the Australian financial services industry off-shore