

## **ASR AGM President's Address**

Welcome to the Australian Services Roundtable AGM. I believe that 2008-9 has been a landmark year for ASR in terms of contribution to policy issues, events, profile and management.

### **Services Summit**

Most significantly, we held our first Services Summit at Parliament House in March 2009. The Summit theme was *"Future Growth: Harnessing Globalisation and Economic Growth"* which attracted excellent speakers who were able to address the opportunities and challenges for the services sector created by the Global Financial Crisis. Speakers also provided insights on ways that Australia could take full advantage of the growth opportunities in the areas of ICT, education, financial and investment services, architectural and engineering services, to name a few, as well as discussed some of the necessary skills and innovation issues Australia would need to not only survive but thrive in the 21<sup>st</sup> century economy.

Around 100 participants attended a half day policy forum and also attended a very successful dinner held in the Senate Alcove, hosted by Investment and Financial Services Association, and at which Federal Minister Chris Bowen delivered the Keynote Address. The Minister was very supportive of ASR, and echoed our views that services could play a key role in not only guiding Australia out of challenging economic times, but could position Australia extremely well in terms of the global marketplace. With Sydney having emerged during 2009 as the second most developed financial services location globally, according to the World Economic Forum, and with four of the top 10 international banks being Australian, these words have certainly proved what our well managed Australian services sector can offer the world.

The final session of the Summit was an excellent members-only breakfast session at which Minister for Services, Dr Craig Emerson engaged with members in a spirited discussion of the challenges and opportunities that the services sector faced. Demand for the session was high, and while some late registering members found themselves balancing breakfast on their laps, all found it a very worthwhile event.

The Summit was a tremendous achievement for ASR and was a great example of what we can achieve in terms of profile, focus and voice for the services sector. As with all such events, there were a few that believed that it could not be done, and moments of stress for all involved, including stuffing info packs late into the night on the eve of the Summit, but it is an event about which we should be enormously proud. I would like to pay particular tribute to Andrew McCredie our Executive Director, who went well beyond the call of duty to make the Summit the success that it was.

The response from members who attended was fantastic and very rewarding, and we look forward to making this an annual event, with preparations already underway for next year's summit.

### **Other Major Events**

Whilst the Summit was our biggest event, it was by no means the only major function that we held this year. Some of the major events which we held for members included the following.

A cocktail party for ASR members with Minister for Services Craig Emerson in Sydney in December 2008.

In June 2009 ASR hosted a dinner reception at Eureka Tower in Melbourne at which the Minister for Innovation, Industry, Science and Research Senator Kim Carr delivered a major address to over 80 ASR members and guests on 'Services Innovation'. This was the first time the Minister had spoken publicly on this topic and he concluded with the statement that "if you don't have innovative service industries, you can't be an innovative nation". As ASR has long been arguing that innovation and R&D does not equate only to men and women in lab coats, it was a good moment to hear this coming from the Minister and we will continue to work with Senator Carr, his staff and Department to further raise the economic imperatives of developing a strong, innovative services sector.

In October 2009 ASR hosted a members-only dinner with Minister for Trade, Simon Crean MP at Parliament House, to discuss the future of services trade negotiations in the light of the stalled WTO Doha round, as well as how services might be advanced in a post Doha environment. This was a successful event at which we were also able to discuss ASR and the Government's position on a range of issues that were on the agenda for the Global Services Summit in Washington, which was to be held a couple of weeks after the dinner and was attended by Minister Crean along with other international Trade Ministers.

### **Global Services Summit**

The Global Services Summit was held on 13-14 October in Washington DC and was a very timely and significant event for those driving a greater focus on services in world trade. ASR was very well represented at the Summit in Washington by ASR Vice President Peter Bartlett, ASR founder Jane Drake Brockman, Andrew McCredie, John Brogden CEO of IFSA and myself. Peter Bartlett's review of the Summit was published in The Age newspaper shortly after his return which was a great way to raise the profile of the Summit, the issues and ASR's engagement.

ASR founder and board member Jane Drake Brockman's enormous expertise in services trade was recognised by the US hosts and she was invited to draft the Summit Communiqué. Jane did a fantastic job on the draft, (which mysteriously seemed to align very well with our objectives in its final iteration!) and presented it at the closing address of the Summit. I would like to recognise the substantial efforts made by Jane and the ASR team who worked on the various drafts. A copy of the Communiqué is attached to this report.

ASR's international reputation in services issues has also been recognised by other organisations and has resulted in the ASR receiving invitations to speak at several international conferences. Jane Drake-Brockman gave a keynote address on New Approaches to Services Trade Reform to an Evian Group Roundtable in Hong Kong, hosted by the Chairman of the International Chamber of Commerce. Jane will also address the inaugural Services Trade Forum hosted by the Indonesian Chamber of Commerce and Industry and the Ministry of Commerce and Trade in Jakarta.

Jane continues to be an enormously valued Director and member of the ASR executive team and I would like to acknowledge all that Jane does for ASR both publicly and just as importantly behind the scenes to keep ASR functioning well and the services agenda moving forward.

In terms of international events I have also been invited to speak at the Second China Trade in Services Conference to be held in Beijing in on 23-24 November and the Vietnamese Government ICT Services Conference on ICT on 25 November 2009.

### **Other Events**

Throughout the year ASR also held a number of other events, meetings and seminars throughout the year to advance our services agenda. Some of these were;

- A Roundtable meeting with Skills Australia
- Participation in a number of Austrade Services Workshops in Brisbane, Sydney, Melbourne and Perth (with special thanks to Andrew McCreadie, John O'Shaughnessy, Ian Satchwell and Kee Wong who spoke at these events on behalf of ASR)
- Several roundtable meetings with DFAT staff and luncheon event with Bruce Gosper, now Deputy Secretary of DFAT, following his return from leading the Australian permanent delegation to the WTO in Geneva.
- Co Hosting the ICT Trade Update Seminar with the Australian Computer Society
- Roundtable Meeting on Smart Services with Michael Deegan from Infrastructure Australia

## **Contributions to Services Policy**

Throughout the year ASR also made substantial contributions to the policy debate on key issues affecting the services sector. This including the need to invest in 'smart services' and to avoid protectionism as part of the Government's response to the Global Financial Crisis and to press this issue ASR led a number of industry delegations to meet key Ministers and their staff in early 2009 including meetings held with Ministers Conroy, Carr, Albanese and Arbib. I would like to particularly thank the members who were able to attend these events and provide documented evidence of how the services sector can have a substantial and positive impact on the economic, environmental and social concerns faced by the Government during the GFC.

ASR also made a number of submissions to key public reviews this year, including our Submission on the Commonwealth Commercialisation Institute, September 2009. This followed the herculean effort made by ASR last year in regard to the Carbon Pollution Reduction Scheme, the Cutler Review on Innovation, the O'Kane Review of Cooperative Research Centres, the Bradley Review of Higher Education and the Mortimer Review. These submissions gave us a clear and published policy position on key issues and how they affect the services sector, and we were able to use these to publicly restate our views on many occasions in 2008-9.

ASR Directors had four major articles published in the national media (one each by Peter Bartlett, Jane Drake Brockman and Andrew McCredie, and a joint article by Jane Drake Brockman, Phil Kelly and Andrew Hudson) and ASR issued five media releases on key issues that emerged in the year that affected members including the Government's economic stimulus package, the budget and the Services Summit.

ASR also wrote to G20 leaders as part of the Global Services Coalition calling for renewal and strengthening of the "standstill" on new trade barriers, and for the WTO to closely monitor adherence to the standstill. The letter also reiterated the importance of an ambitious outcome to the Doha Round in helping restore global economic growth. ASR also supported work by the Tasman Transparency Group which was ultimately published as a Lowy Institute Policy Paper that called on G20 leaders to sponsor domestic transparency arrangements that provide public advice about the economy-wide costs of domestic protection.

## **Committees**

I am very pleased to report that we have made significant progress with both our Committees this year.

The Global Markets Committee made enormous strides in 2009, organising ASR's participation in a number of Austrade seminars around the country,

providing advice and information on various international agreements and events, and culminating in the MOU with Austrade being signed on 23 October in Sydney. I would like to pay tribute to the outgoing chair of this committee Andrew Hudson who did a tremendous job and has no end of energy, especially before 7am, to devote to ASR and we thank him for his great contributions on this committee and the board. I do hope that Andrew stays involved in the GMC.

We also established the Policy Committee, courageously led by Ian Satchwell who has always been a pleasure to deal with, even as he delicately pushed and pulled us towards issuing a letters to Minister Carr, Premier Rees and others. Sincere thanks to Ian for his persistence and enthusiasm in the face of less than regular responses at time.

We have also made enormous progress toward the Services Scoping and Feasibility Roadmap. We have now gained the financial support from industry members, including Telstra, Australian Institute of Architects, Australian Tourism Export Council, Australian Information Industry Association, the Investment and Financial Services Association, IBM and EFIC. We also have 'in principle' agreement from government, and therefore expect to be in a position very shortly to start work on the project.

### **Other Developments**

On the education front I am very pleased to see that our valued member, University of Technology Sydney, has recently announced a Masters course majoring in services.

Andrew McCredie and I have been appointed to the Faculty of Commerce Advisory Committee for the course which will start in 2010. In addition, taking the first mover advantage, the ASR board decided at the September Board meeting to sponsor a prize for this important new services course. I am personally very excited about this connection with UTS in terms of raising the profile of ASR, as well as having the ability to provide input into services studies in order to meet the skills needs of the services economy.

### **Membership and Finances**

In terms of membership, we were unlikely to escape the 2008-09 year without any pain, and overall membership has been affected by the GFC. I would not be truthful if I didn't admit that the loss of Qantas, which was a valued member of ASR for many years and made an enormous contribution in the form of travel support, was very painful for us. But still, we have survived the GFC, and not only that, made a respectable profit. This came about for two main reasons.

First we increased our membership fees in 2008-09 and made adjustments to our categories of membership. Whilst we lost some members and gained some

others, and overall our membership numbers fell slightly, membership revenue grew by 65% over the previous year.

Second, we have been able to hold more financially successful events this year, and I would like to specifically acknowledge the importance of our sponsors in enabling this to occur. These include Investment and Financial Services Association, who are also kindly hosting the AGM dinner, the Australian Institute of Architects, e-centric innovations, Standards Australia and IBM.

Our annual accounts have been completed but the audit has yet to be finalised. I hasten to say that this is not because there is any problem with the accounts but because of our very limited management resources, which in part delayed finalising some account inquiries during the time that our Executive Director was attending the Global Services Summit in Washington. Accordingly we will be moving later to adjourn this meeting until 3 December to allow tabling of the audited accounts at that time. The audited accounts will be circulated to members in the meantime to enable full review.

However, I would like to comment on the unaudited accounts. These show that revenue for 2008-09 grew by 45% over the previous year to nearly \$0.25m and expenses grew by only 33%, leading to a profit of \$16,984 for 08-09. This is a very pleasing result in a difficult year for business, with a lot of activity occurring within ASR.

However, I expect revenue growth will be harder to achieve this year as companies continue to deal with the effects of the GFC. We would therefore value the support of our members in introducing new members to ASR.

### **Other Financial/Backoffice matters**

When I looked back to my first address as President of ASR I noted that one of my key objectives this year was to sort out ASR's finances and the back-office. Even as a small organisation, the financial and administrative obligations are significant and important, and it has been very difficult for a mostly a one person office to address these issues whilst also advancing our core objectives of promoting the services sector, hosting events and influencing policy outcomes.

For this reason I am absolutely delighted that the board agreed to move to an outsourced model from November 2009 utilising the services of Professional Association Management Services (PAMS), made possible by our much stronger revenue base today. I am very optimistic that this arrangement will enable ASR to move to a better financial and administrative footing from now on, and enable Andrew and the team to work even harder on our core activities, rather than administration.

Im sure I am not alone in finding the difficulties with the ASR board mailing list totally unbearable, and this must be our number one priority as we move to the new PAMS arrangements.

However, we would not be in a position to move to PAMS if it were not for yet another year of enormous dedication from our Treasurer Phil Kelly, who assisted with ASR's accounts in between other big unexpected personal commitments that emerged this year. Despite his protestations, I would like to publicly thank Phil and acknowledge the enormous contribution that you make not only as treasurer but as part of the executive.

I would like to thanks all of the Directors for their contributions during the year, including a number of Directors who are either retiring or taking a break from the ASR board after many years of services. Apart from the exemplary efforts of our Executive Directors, we are still heavily dependent on our elected directors at this stage of ASR's development and so we could not survive without Director valuable commitments in time, energy and ideas.

In this regard I would like to especially thank Athol Chalmers, Matt Hingerty, Andrew Hudson, Peter Taylor and Peter Walsh for their commitment and support for the ASR and the services sector. It certainly has been a great privilege for us to have them on the board and I do hope that they might consider renominating at some time in the future.

But the changing of the guard does have an upside, and so it is with great pleasure that I welcome our newly elected board members, namely Nicola Grayson (ACEA), George Karagiannakis (IAG), Stephen Jagers (Mallesons) and James Shaw (who has been alternate for Athol for a large part of 2009 but now joins us in his own right).

Finally, words are not sufficient to convey our debt to our executive team, led by Andrew McCreadie, and supported by Jane Drake Brockman and at times Janet Tomi. These are people whose dedication, enthusiasm and expertise in the services are invaluable to us, and for which money could not buy their level of commitment – which is very lucky for us as we hardly have any money!

Andrew in particular has taken on challenges this year which are beyond what he imagined when he took his new role last year. I can only express our deepest gratitude and appreciation to Andrew for all of his hard efforts, all of his weekend work, and his consistent good humour. We sincerely thank you Andrew

In conclusion, I am very pleased with the number and scope of events, administrative and financial changes that we have put in place in 2008-9, I am very proud to share some major achievements with the board and the executive team, and am particularly excited about the future of ASR.

I am confident that with the support of members, ASR can have an even more successful 2010.

Kaaren Koomen  
President  
ASR