



Australian Services Roundtable

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Services reform needed in response to Global Economic Crisis

ASR's President Kaaren Koomen said at the opening of the inaugural Services Summit : "the global economic crisis provides both an opportunity and an imperative for Australia to drive reforms in Services."

ASR has previously welcomed the Government's response to *Servicing Our Future*, particularly the recognition that proactive policies are needed to reignite services productivity growth and to establish Australia's place in the global services economy.

"Now is the time for action both domestically and in trade" she said.

"Innovation is critical in responding to the changing economic environment and a foundation for economic efficiency and a commitment to open markets", Ms Koomen said. "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. "

"By innovation we mean better and smarter ways of doing things; it includes the application of smart designs, smart technologies, smart communications and advanced engineering to all key infrastructure builds- including those in current and future economic stimulus packages; the development of an innovative and world class educational sector; developing a creative tourism industry and an innovative and well managed financial services to name a few examples".

ASR, as part of the Global Services Coalition, has called on G20 leaders to: reinforce the moratorium on new trade barriers, and to give the WTO the necessary resources to carry out that mandate to ensure the current "standstill arrangements" are respected; and provide added momentum to complete the Doha round of trade negotiations, as service trade remains constrained by a myriad of rules and regulations.

Ms Koomen said: "We believe that services reforms will deliver significantly greater productivity and employment opportunities within Australia and better export outcomes for Australian businesses on the international stage. "

The services economy employs 90 per cent of Australia's university graduates, comprises around 80 per cent of GDP and, if all modes of exporting were included, ASR estimates services would already be near 40 per cent of Australia's exports, with enormous potential for substantial future growth.

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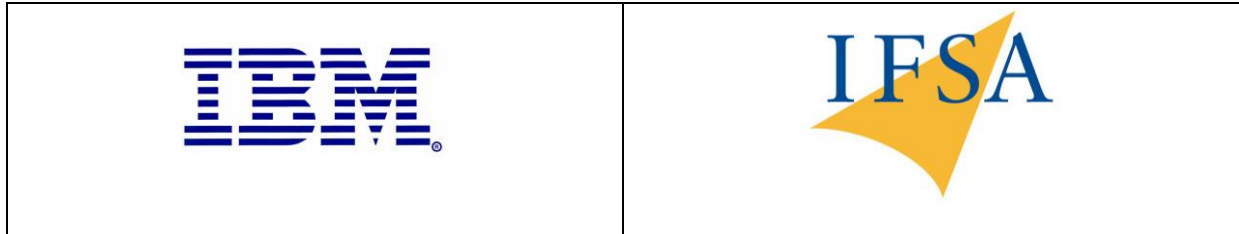
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Australian Services Roundtable Inaugural Services Summit

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Background

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.

The Australian Services Roundtable is oriented to stimulating informed policy oriented networking by industry participants both within and across the various services sectors, with Federal and State government, with the research community and with international industry and government counterparts.

ASR's key objective is to secure Australia's place in the global services economy.

Government reports show that the service economy employs around 85 per cent of the workforce, generates around three quarters of industry value added (this underestimates services as the government run parts of the services economy, mainly education, health and government administration are not included in industry value add statistics) and accounts for more than 20 per cent of exports (this is a major underestimate as typically only conventional exports (services delivered from Australia for use by foreigners offshore) are measured. In some official statistics, estimates of tourism and education exports where services delivered to foreigners visiting Australia are measured – however these data are not included in all official statistics.

A very significant mode of exports of services is via the commercial presence of Australian firms offshore – around half of these are in the services sector. Their contribution to exports is not measured at all in official statistics. Nor is exports generated through work by Australians temporarily resident abroad.

ASR supports improved official trade and industry statistics on services. International education has the potential to overtake coal and iron ore as Australia's largest export sector.

Background papers and presentations prepared for the Services Summit are available from ASR.