



Australian Services Roundtable

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Services - Our Future

The Australian Services Roundtable welcomes the Government response to the *Servicing our Future* report.

The report and the Government response both recognise the significance of services. The service economy represents around 85 per cent of Australia's total employment, generates around three quarters of industry value added and on existing statistics accounts for more than 20 per cent of exports. The exports statistics do not include a contribution from Australian investment abroad – around half of this relates to the services sector.

ASR welcomes the Government's recognition that proactive policies are needed to reignite services productivity growth and to establish Australia's place in the global services economy. With the commodity boom fading, services offer Australia a significant new prospect for export growth, but competition is increasing and being intensified by the global financial crisis.

ASR's President Kaaren Koomen said: "The Government's response is an excellent start in ensuring Australia is equipped to meet the new challenges. Minister Emerson is to be congratulated as Australia's first Minister for Services."

ASR particularly welcomes:

- Commitment to a Minister for services to work in partnership with industry to identify and put in place practical measures to overcome impediments to raising services sector productivity;
- Commitment to continue to commission research into both innovation and productivity in the service economy;
- Commitment of DFAT staff dedicated to working on services trade;
- Commitment of pro-active steps to eradicate rogue tourism operators;
- Increased focus on business events and to address current challenges in the Japanese market by Tourism Australia;
- Improving the competitiveness of Australia's student visa requirement.

ASR notes that the Government is supportive of the recommendation that the Australian Bureau of Statistics (ABS) improve its collection of data on international trade in services, but that any additional funding would have to be considered as part of the Budget process. ASR urges the Government to make the necessary budgetary allocation to improve these statistics. Information is

fundamental to stimulating business response to the growing opportunities in international trade, yet much of Australia's services exports is unmeasured.

Relative to the goods sectors, the services sector is by far the most heavily protected sector globally, burdened with the highest degrees of entrenched politically sensitive government intervention. The benefits to Australia of global services trade liberalisation are estimated to be worth as much as \$5 billion annually. ASR urges the Government to continue to show leadership in achieving global services trade liberalisation.

ASR looks forward to the Government responses to the Bradley Review of Higher Education, Mortimer Review of Exports and Cutler Review of the National Innovation System. The Government response to these will be fundamental to addressing productivity, growth and international competitiveness of Australian services.

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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.

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