

MEDIA RELEASE

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International coordination essential for financial services trade

- [FSC Financial System Inquiry submission](#)

The Financial Services Council has recommended the Financial System Inquiry considers the appointment of a new ASIC commissioner to deal with international regulatory issues and for an agency to be established to coordinate and promote financial services.

John Brogden, CEO of the Financial Services Council said: "Australia has no single entity that coordinates regulation and trade issues in the financial sector."

The FSC is recommending Australia establishes a Financial Services Agency, similar to TheCityUK and the Hong Kong Financial Services Development Council . The agency would ensure Treasury, the Australian Tax Office, the Department of Foreign Affairs and Trade, the Australian Securities and Investments Commission, the Reserve Bank of Australia and the Australian Prudential and Regulation Authority, integrate Australia's regulatory and international process.

"Fragmentation has meant Australia has not capitalised on cross-border opportunities where we have a comparative advantage," Mr Brogden said.

"A new ASIC Commissioner dedicated to financial services would be able to facilitate market access through implementation of current free trade agreements."

"Australia's \$2.3 trillion funds management industry constitutes 51 per cent of total funds under management in the Asian Region, yet we have failed to capitalise on this opportunity."

"In 1997 the Wallis Inquiry recommended Australia should be allowed 'to compete without the impediments of outdated, inadequate or costly regulations or discriminatory taxes'. Little progress has been made."

Mr Brogden also said: "Successful integration with Asia and opening up trade in financial services is pivotal to Australia's future," he said. "If we get it right, the potential is enormous."

A recent report by McKinsey and Co – compete to prosper: Improving Australia's global competitiveness – says Australia needs new sources of growth to sustain jobs and living standards.

"As Australia's largest industry – larger than mining and manufacturing –financial services is well positioned to achieve this," Mr Brogden said.

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**About the Financial Services Council**

The Financial Services Council (FSC) represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The Council has over 125 members who are responsible for investing more than \$2.3 trillion on behalf of 11 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.