

Insights from Australia's leading financial services CEOs

ASIA



87%

of CEOs have travelled to Asia on business at some point



31%

have worked in Asia



68%

of companies surveyed have links with Asia



EXPANDEXPORTS

87% agree - Australian financial services organisations should be looking for opportunities to establish closer links with established operators in Asia

31% expect Asian export revenue to grow to 6-10% of total revenue

68% expect Asian export-derived revenue to account for 10-25% of total revenue in the next few years.

...especially with Japan, Singapore and China

ACHIEVING EXPORT GROWTH

The critical points for increasing Australian financial services exports in Asia.

Frameworks

Reform regulatory and tax frameworks in Australia and across Asia. Develop common frameworks where possible.

Products

Focus on promoting the products Asian investors want to buy.

Profile

Raise Australia's profile to enable competition against well-recognised domestic institutions and already established global brands in Asia.

Relationships

Form strong personal ties with investors and partners in Asia.



DEVELOPING THE SOLUTIONS

JOHNSON REVIEW - TOP 5 PRIORITIES



1. Regime to simplify tax arrangements for Asian investors into Australia
2. Develop an Asia Region Funds Passport
3. Improve the operation of the Offshore Banking Units system
4. Remove state and taxes and levies on insurance
5. Reduce regulatory requirements on corporate debt issuance to retail investors

INDUSTRY FOCUS: THE BIG ISSUES OF

2013

Major industry concerns for 2013 were:

1. Regulatory overload
2. A persistent lack of confidence in the sector financial
3. Consumer confidence in services
4. Competition and consolidation

TOP 3 CONCERNS

FOR FUNDS MANAGEMENT

1. Investment returns
2. Consumer confidence
3. Lack of flow from individuals/cost and volume of regulation.

IN SUPERANNUATION

1. Cost and volume of regulation
2. Implementation of MySuper
3. Investment returns.

FOR LIFE INSURERS

1. Return on capital
2. Cost and volume of regulation
3. Declining claims experience.

FOR ADVISERS

1. Consumer confidence
2. Regulatory risk associated with reforms
3. Cost and time of complying with new advice competency requirements

FOR TRUSTEES

1. Cost and volume of regulation
2. Lack of understanding about trustee services by governments and regulators
3. Conflicting views on the regulatory priorities in the sector.

THE FSC DST CEO SURVEY

55 of the FSC's 78 members responded to the 13th annual survey. Members of the Financial Services Council invest more than \$2 trillion on behalf of 11 million Australians.