

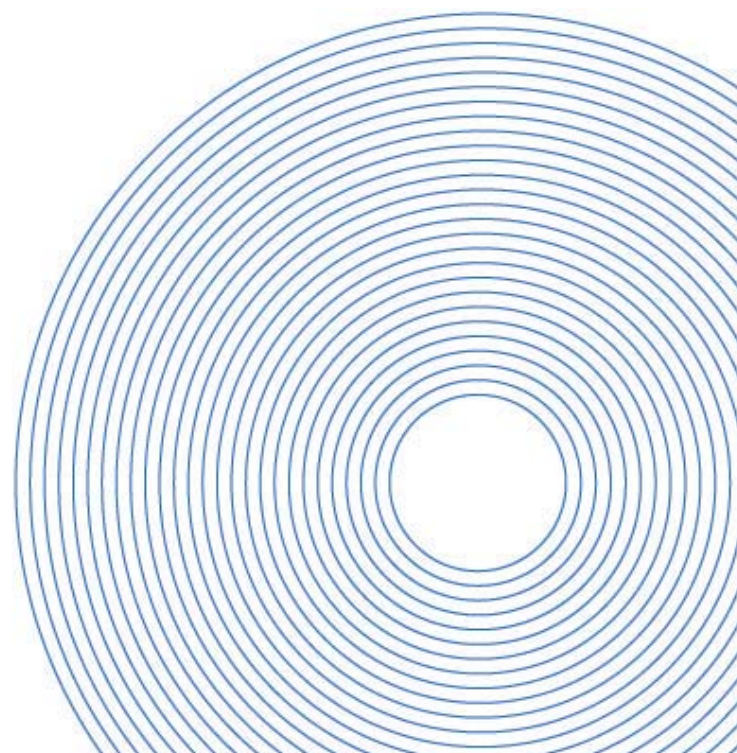
# PAEC 2010-2011 Estimates Hearing



Department of Innovation, Industry and Regional Development

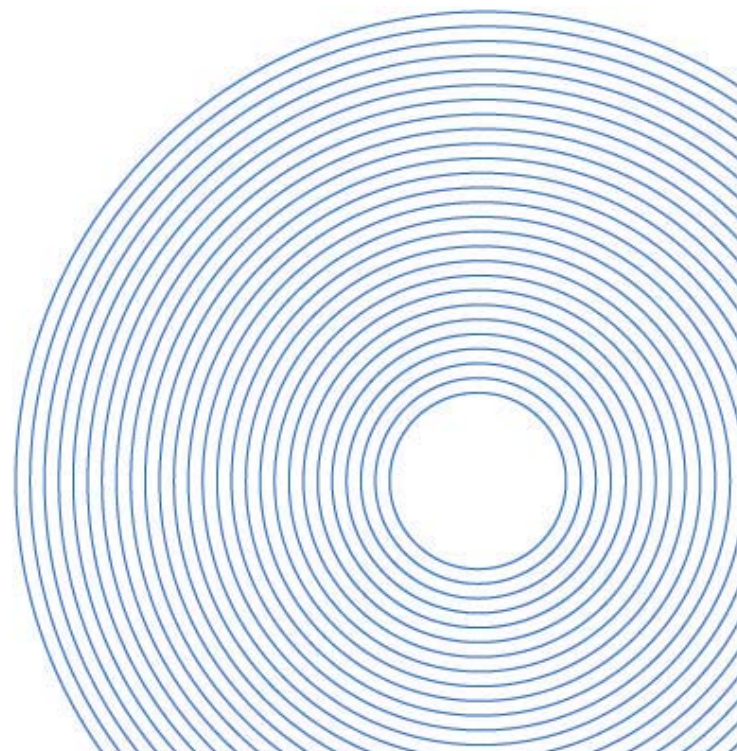
# Industry Snapshot

- 11% of State economy
- Contributes about \$33 billion to the State's GSP against \$14 billion in February 2000 and more than 110,000 jobs
- Key industry players call Melbourne home
- A centre for innovation and learning



# Achievements, challenges, directions

- Global Financial Crisis
  - GFC posed significant challenges for the economy and financial sector
  - Cost cutting and lower demand for credit caused employment to soften
  - Global, State and Federal response continues
  - Government Guarantee initiative assisted banks with fund raising
  - GFC reinforced importance of Victoria's prudent, well regulated financial culture
  - Flight to safety and scale, period of consolidation

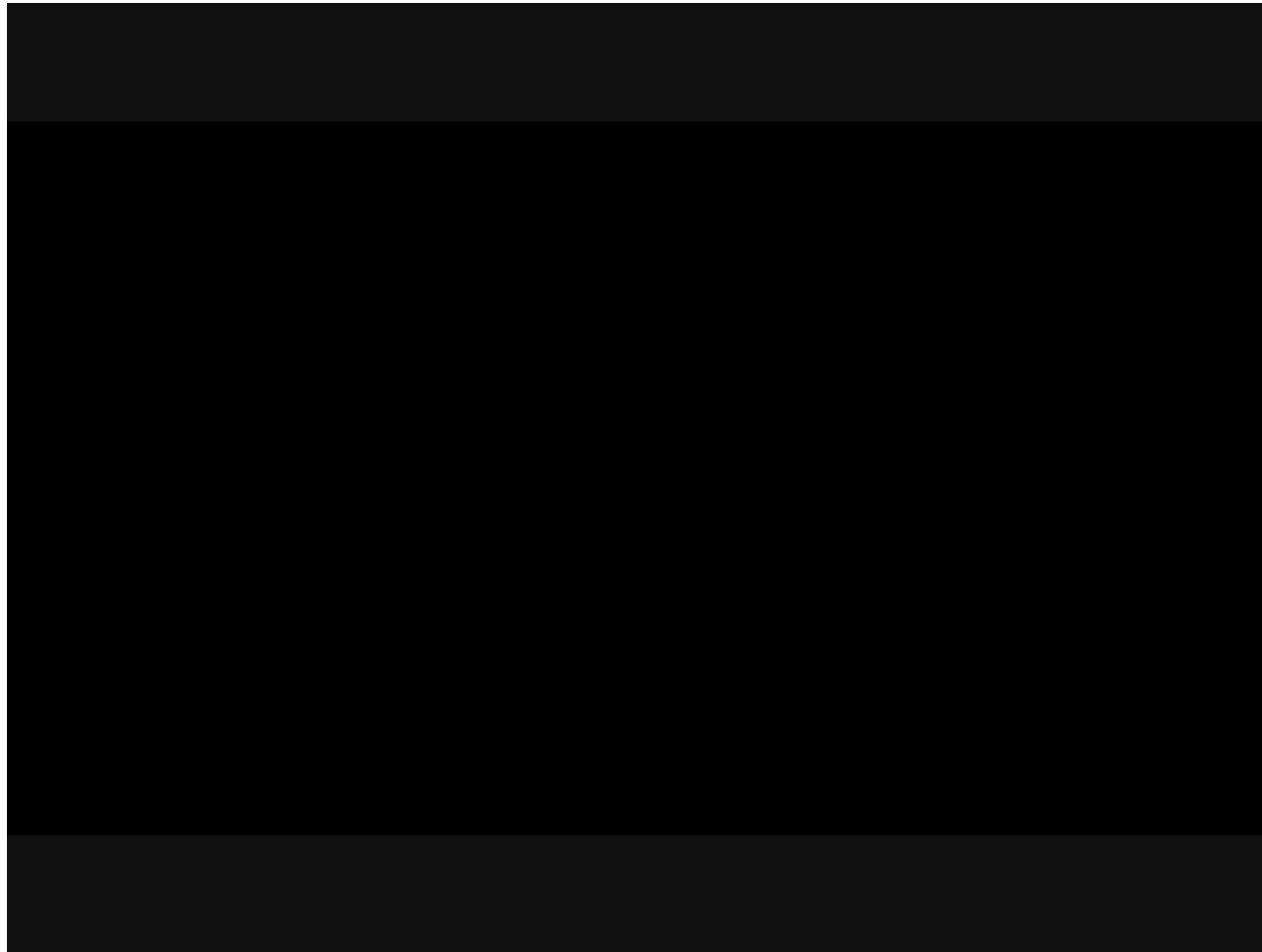


# Achievements, challenges, directions

- Strategic Statement
  - Launched August 2009
- Five key directions:
  - Positioning Melbourne as a global centre of excellence in pension and funds management
  - Establishing Melbourne as a Carbon Market Hub for the Asia Pacific
  - Training our future workforce
  - Building on our strengths
  - Moving forward from the Global Financial Crisis.

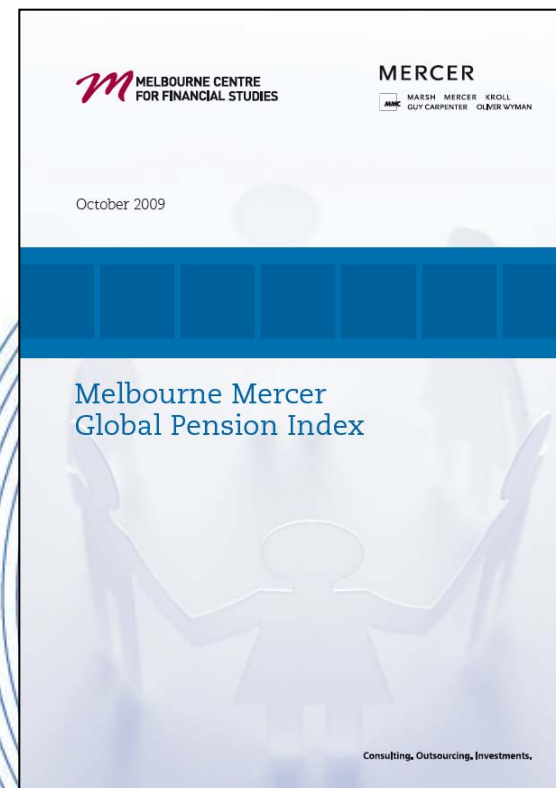


# Melbourne Mercer Global Pension Index



# Pension & Funds Management

- Australian funds under management and superannuation have recovered to pre GFC levels (4<sup>TH</sup> largest pool in world)
- Melbourne Centre for Financial Studies collaborated with Mercer in developing and testing the Melbourne Mercer Global Pension Index [Video](#)
- Provides global exposure and positioning for Melbourne
- More than 100 media articles around the world.



# Skills and capabilities

- Training our future workforce
  - Skills Pledge
    - ANZ, NAB and Bendigo & Adelaide Bank
  - Industry Engagement Group
  - Banks commit to working with government to facilitate staff access to accreditation
  - ‘Skills for Victoria’, the most far – reaching reform of the skills system in Victoria’s history, will definitely benefit Victoria’s financial services
  - Engage with more firms to maximize outcomes



# Building on our strengths

- Docklands
  - \$1 billion in investment and more than 16,500 finance workers to date
- Recent market entrants into Victoria
  - *Commerzbank*
    - German - owned – bank
  - *United Overseas Bank*
    - Singapore – owned bank
  - *Riverside Company*
    - US – owned – private equity firm



**COMMERZBANK** 

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 **UOB**  
大華銀行

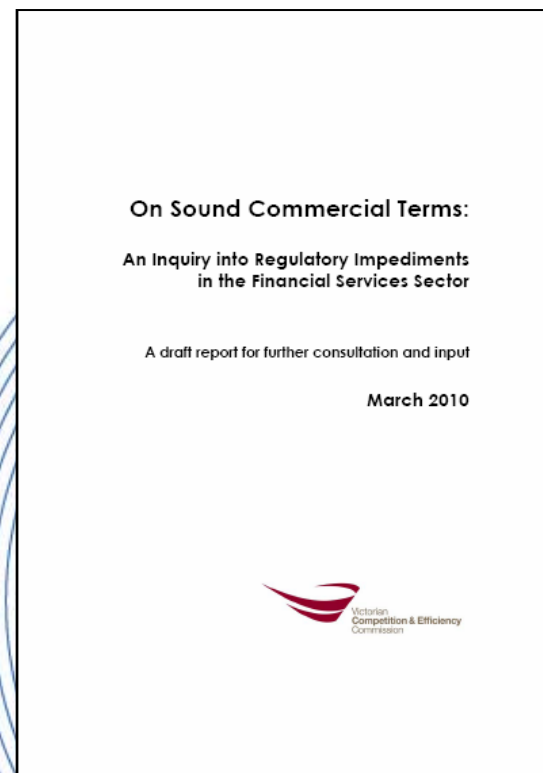


*Riverside*



# Moving forward from the GFC

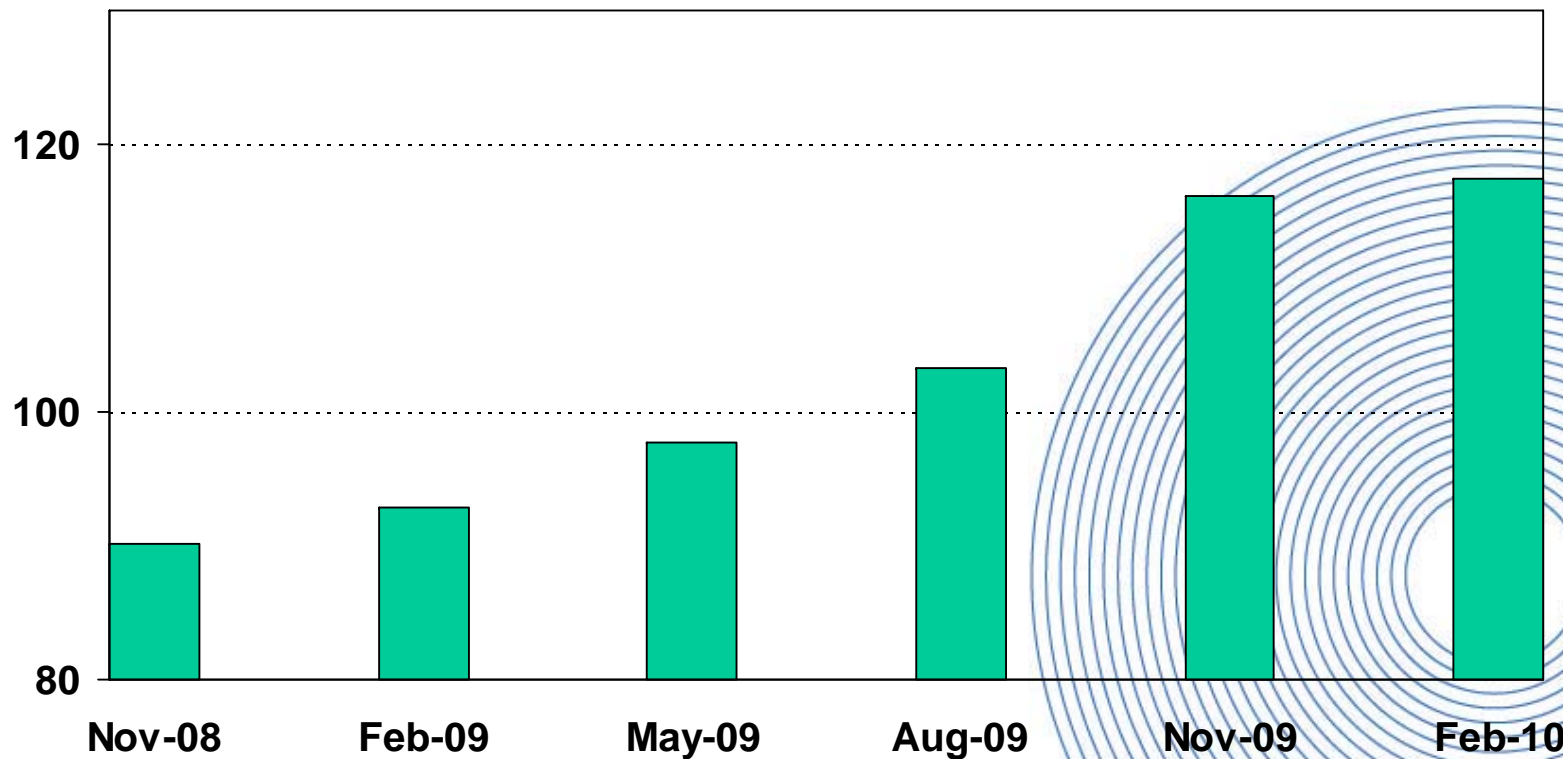
- Henry review outcomes reflect a Federal Government looking for reform opportunities across the financial sector
  - Super Guarantee 12% by 2020
  - Australian Financial Centre Forum
  - Review into the Governance, Efficiency and Structure and Operation of Australia's Superannuation System
- Policy directions support Victoria's strengths and ambitions as a global centre of excellence in private pension management
- Victorian Competition and Efficiency Commission
  - Examining impediments to the sector
  - Final report August 2010



# Moving forward from the GFC

Strong growth in financial services employment

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Source: Australian Bureau of Statistics

# Discussion

