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8 September 2010

Hon Julia Gillard MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Attention: Amanda Lampe, Chief of Staff

Dear Prime Minister

First, please accept our congratulations for the return of your Government.

As you consider the formation of your new Ministry, we take the opportunity to urge you to maintain a portfolio for financial services with Cabinet rank.

The appointment of the Hon Chris Bowen MP as Minister for Financial Services, Superannuation and Corporate Law following the 2007 election was warmly welcomed by the finance sector. Cabinet level focus on the finance sector helped the Government to deal effectively with the GFC and its regulatory aftermath while maintaining the momentum of reform through the Cooper review of superannuation and the Johnson report into Australia as a financial centre.

The retention of a minister with Cabinet rank with responsibility for the financial sector clearly is warranted given its fundamental role in the economy. The sector facilitates more than \$100 billion in daily transactions for individuals, companies and governments; provides funding for Australian businesses through lending and capital raising; helps Australians to buy their own homes; lends to farmers and small business; safeguards the savings of Australians and helps them to build their wealth through investment; insures the assets of individuals and companies; underwrites exports and connects Australia to the global capital market.

In 2009, finance and insurance generated \$81 billion in real gross value, amounting to 8.1% of Australia's GDP, comparable to mining at 8.4%.

Total financial system assets in 2009 amounted to \$4.43 trillion or 3.5 times Australia's GDP while investment fund assets (mainly superannuation) amounted to \$1.17 trillion or 97% of GDP.

Australia's strong performance during the GFC is attributed in significant measure to the strength and resilience of the Australian financial system, particularly our major banks and investment funds.

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The continued effective regulation of banks, credit unions, building societies, superannuation funds and insurance companies is a vital function of government. Astute policy judgements are required to protect investors and consumers, encourage the continuous improvement of financial services and foster the development of the financial sector as a strong platform for economic growth.

For these reasons, we would again welcome the appointment of a Cabinet minister with responsibility for financial services.

Yours sincerely,

A handwritten signature in blue ink that reads "Duncan Fairweather".

Duncan Fairweather  
Chair

The Finance Industry Council of Australia is the peak finance sector body. Its members are the Australian Bankers' Association, Abacus- Australian Mutuals, Australian Finance Conference, Australian Financial Markets Association, Financial Services Council and the Insurance Council of Australia.