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10 **BOOK LAUNCH - NEW SOUTH WALES, AUSTRALIA: LEADING THE
ASIA PACIFIC**

15 JAQUI LANE: Good evening ladies and gentlemen and welcome
to the launch of 'New South Wales, Australia: Leading the
Asia/Pacific'.

20 For those of you who've not met me, my name is JAQUI Lane,
and I'm the CEO and Chairman of Focus Publishing
Interactive. Focus is Australia's leading corporate and
business publisher and today it's also an important
milestone for us because it's one year of operation under
the new ownership since the MBO and you're looking at the
new owner. I am, however, not new to the business. I was
25 one of the people who founded it 18 years ago with
Steven Rich.

30 At Focus we welcome the opportunity to work with
government at all levels and business to create high
quality books that showcase individual companies in
Australia to the world. In this particular case it
showcases New South Wales. We also publish major
bilateral trade books with the support of the Federal
Government. We've recently launched a major book on
35 Australia and Japan in Canberra and Tokyo and we're
currently working with Austrade in India on an
Australia/India book due to be launched in February.
We're also working on a book on Australia and the UAE and
another book on Australia and China. So I get to see a
40 lot of the world these days.

45 These books, of which New South Wales are one, provide a
unique way for government and business to work together to
create a dynamic marketing tool that promotes business and
in this case the State of New South Wales. The books are
directly distributed by us to business and government
leaders across the Asia/Pacific and to major trading and
business partners through our embassies, trade posts,
around the world. As such, this book is an ideal way to
50 market New South Wales and those companies that operate
here.

55 None of these books would be possible without the support
of our advisory group of business and government leaders.
With that in mind I'd like to thank Maurice Newman for
agreeing to be the chair of the New South Wales book. I
remember going with Steven last year to talk to Maurice
about doing that and we really appreciate the time you did

that. I'd also like to thank Loftus Harris and the Department of State and Regional Development. It's the third book we've actually done with Department of State and Regional Development. I was talking to Loftus a bit earlier and he said he was here, I think, when we launched volume 2; we're now up to volume 4. So thank you, Loftus, very much, for your personal support.

The book is very timely just given the small world event that's happening in Sydney next week. Among others, the book will be presented to all members of the APEC Business Advisory Council. So that's a really great thing for this book. I'd also like to recognise the advisory group for their involvement and advice. Like any other book project this book would not have been made possible without the commitment of a range of companies who have supported the book financially, some of whom are here today. They include - excuse the advertisement - Commonwealth Bank, The Australian Stock Exchange, Electrolux, Investec, New South Wales Maritime, Proteome Systems, Thales, Leighton's, Morgan Stanley, Greater Western Sydney Economic Development Board, New South Wales Treasury Corp, MetLife and Tomago. It's great to see a real diversity in the companies involved here because a lot of business books often really just hit the big end of town and the major Sydney things. This is now quite broad.

Welcome here tonight and without further ado I'd like to introduce the chairman for our advisory group, Maurice Newman. Thank you.

MAURICE NEWMAN: Thank you, JAQUI. First of all can I say it was a pleasure and a privilege to be able to chair the advisory group and I think you should be congratulated on the finished product.

I've been privileged, of course, to have spent pretty well my entire career in New South Wales. While most of that has been spent in financial services I spent long enough as chair of Tourism New South Wales with my colleague, Loftus Harris, to know that New South Wales is a lot more than just financial services. I've been able to enjoy - and there's some reference to what's on offer in Tourism New South Wales, because it really does abound with marvellous offerings and of course not all of them are confined to this wonderful city of Sydney.

There is much public focus these days on China as a global and regional manufacturing powerhouse, and of course Australia in its role as a key supplier of resources. It is often less appreciated on how well Australia measures up in the Asia/Pacific region in the area of services, particularly financial services, which is really my area of speciality.

The story is really a very good one, not only for Australia but also for New South Wales, because Sydney has emerged as a global financial services hub and a unique

5 player in the Asia/Pacific region. While the Australian resources sector is benefiting from the current stage of development of countries such as China and India as we move forward there will be ample opportunities for New South Wales to leverage its own business strengths into the regional growth story.

10 Let me first of all talk about New South Wales as Australia's financial hub. I think all of us know that Sydney and New South Wales is the financial centre for Australia but they probably don't know that this is the second largest equity market by free float capitalisation in the Asia/Pacific region after Japan. We have been a global leader in listed property infrastructure investments, and our local industry heavyweights have been exporting their business models globally and of course into the Asia/Pacific region.

20 Sydney is home to Australia's national equity and futures exchange, ASX, which is the seventh largest listed group by market capitalisation in the exchange area. Twenty five of the ASX/S&P 50 index companies are headquartered here in New South Wales. Eleven of the top 20 brokers by equity value traded are headquartered in Sydney.

25 Australia is the fourth largest managed fund market in the world and the largest in the Asia/Pacific region. Eight of the top 10 investment managers by fund management size are headquartered here in Sydney.

30 Australia is the main location for hedge funds, which may or may not be a good thing these days, but it is the main location for hedge funds in the Asia/Pacific region with assets of around \$40 billion. Eight of the top 10 Australian hedge fund managers are headquartered right here in Sydney. Thirteen of the top 20 banks by assets are headquartered in New South Wales included two of the big four. Sydney has attracted more foreign banks than any other State capital. It is no coincidence that Sydney is also the home of the main financial regulators; the Reserve Bank, APRA and ASIC. Sydney has also attracted a number of global firms to establish their funds management research back office processing and call centre hubs to service their regional customers.

45 Let me share with you some interesting facts on sharemarket activity which of course is my primary source of interest. The market capitalisation of the Australian Equity Markets has grown from \$170 billion in 1997 to \$1.5 trillion this year. The number of listed companies has risen from 1,200 in 1997 to 2,100 this year. The average number of daily equity trades has risen from 20,000 in 1997 to 280,000 in July of this year and it's gone up even more in August. On 16 August in fact we had a record 563,000 cash trades on ASX. The average daily traded volume has risen from .9 of a billion to \$6.2 billion over that same period. Total capital raised in 2006/7 was \$78 billion compared to \$16 billion in 1996/97. And average daily futures contracts traded rose from 120,000 in

June 97 to 487,000 in June of this year.

5 They are quite striking statistics and while don't expect
you to memorise them all it certainly puts into context
the significance of Sydney and New South Wales in
10 financial markets, not only in the Asia/Pacific region but
internationally; globally. The industry structure of the
individual States, of course, is a key driver and while
New South Wales economic growth has recently lagged the
15 recourses rich States of Western Australia and Queensland
over the past few years, it's still managing around 3% in
real terms. Western Australia, for example, earns around
27% of its income from the mining sector compared to 26%
for the Northern Territory and 12% for Queensland. Here
in New South Wales we only get 3% of our earnings from
mining and resources.

20 So that's, I think, indicative of the fact that - because
we don't have those resources - financial services have
been a major source of specialisation. In New South Wales
it represents something like 11% of our income. The
resources boom still has some way to run as long as China
and India can continue their robust growth stories, and it
25 would seem likely they will, so we will continue to
leverage our expertise and skills in areas such as
services, and in particular financial services, to take
advantage of the increasing wealth in these regional and
global economic powerhouses.

30 As I've already noted Sydney is well placed to expand its
role, and it's clear that while many challenges remain for
both Government and the private sector to ensure Australia
and New South Wales have the necessary infrastructure in
place to maintain and enhance these important services,
35 I'm confident that as New South Wales Australia leading
the Asia/Pacific points out, that New South Wales will
remain a major repository of skilled and innovated workers
and continue to be one of the leaders, not only in
Asia/Pacific but also in the world.

40 With that, could I now introduce Loftus Harris,
Director-General of the State Department of Regional
Development, to say a few words and then we will jointly
open and launch the book.

45 LOFTUS HARRIS: Maurice, thank you very much indeed.
Ladies and gentlemen, good evening and thanks for coming
along. It's a delight to be here and my congratulations
to Maurice Newman as the chairman of the advisory panel
50 and also to JAQUI Lane and her colleagues for a fantastic
production of this book. My department has indeed been
involved with the publications that we've done over the
last few years, in fact, there's a rather neat closing of
the circle being here this evening because one of the
55 first things I did when I took up this job was to do the
launch of a book on New South Wales.

The timing of the launch is also, I think, particularly

important with the APEC Leaders Week and the business summit so near, and Sydney for all the right reasons in the international spotlight. New South Wales and Sydney have a fantastically well established commercial relationship with the APEC economies. It's worth looking at merchandise trade issues to realise just how closely bound we are to those economies. 78% of New South Wales merchandise exports go to APEC markets. 71% of our imports come from APEC. Our bilateral trade with APEC economies and merchandise trade is three-quarters of our international merchandise trade business. The three expert destinations that are the most important for us; Japan, United States, New Zealand; all of them APEC members. Companies from the APEC economies are amongst those that Maurice Newman talked about establishing operations here in Sydney.

New South Wales has a lot to offer. It offers confidence for investors and business operators, both Australian and international. It's interesting that picking up on a point that Maurice made in relation to private sector capital investment in Australia, despite the publicity that's given to the boom under an extraordinarily important and integral part of our economic growth story it is, it's worth looking at and saying that in real dollar terms in 05/06 New South Wales continued to enjoy the highest new business investment of any State in Australia in that year.

Many national/international companies have recognised the attractiveness of New South Wales as a business location. The top 500 companies in Australia by revenue, almost half of those located here in Sydney. 600 multinationals run their Asia/Pacific regional headquarters and regional operating centres out of Sydney; that's 65% of all of the international ROCs and RHQs in Australia. The government's been working to do a number of things to support this business growth; the State plan is a new example. The government's emphasis that's been given to the innovation statement that will guide a lot of the work with this department and others get involved in, in the next few years will also, I think, underpin that strength.

A publication such as 'New South Wales, Australia: Leading the Asia/Pacific' can play an extraordinarily important role in highlighting our State's position as Australia's business capital. The book contains great information on the State's economy; profiles a number of companies, importantly I think, that showcase our innovation in particular and our business and commercial strengths. We do, as Maurice Newman said, have a great story to tell.

I'd personally like to congratulate and thank, once again, all of the members of the advisory committee for what you've done; thank you. It's been a huge contribution and made a great result. To the sponsors without whom this book would never have occurred; thank you for your

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5 commitment and your support of telling this important story. Finally to JAQUI and Focus Publishing on this terrific initiative; congratulations. Thank you for all of your efforts. Now we'll all try and hold onto the one book and consider it officially launched. Thank you.

10 JAQUI LANE: Loftus and Maurice, thank you very much for your kind words. I'd also like to thank the crew at Focus Publishing who - it's part of their work too. Peter Hock, thank you, as our editorial director and our design team, and Sarah, and our marketing team. Please, when you go tonight, take a copy of the book with you, enjoy it, and I hope you have a safe lunar eclipse. Thank you very much.

15 CONCLUDED

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