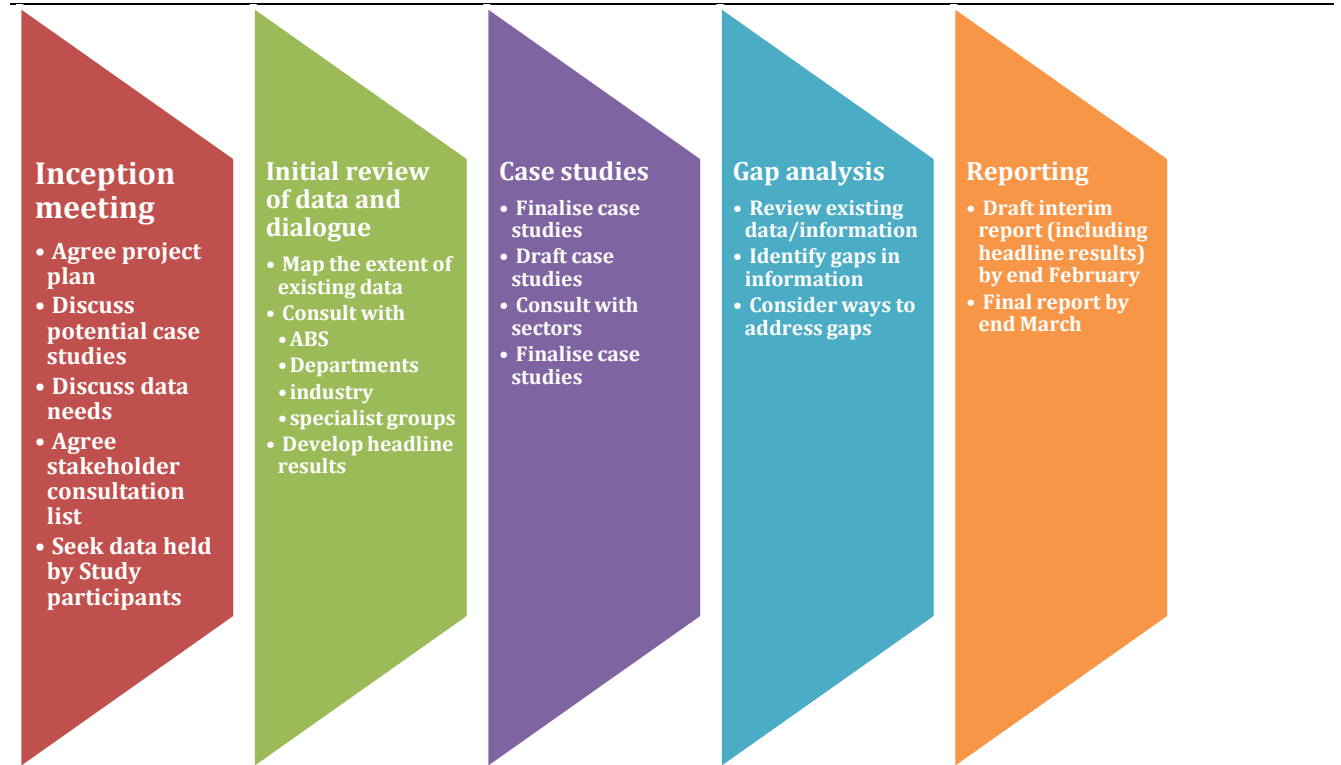




Feasibility and Scoping Study for a Services Roadmap

ACIL Tasman's proposed approach for carrying out this project is outlined below. This approach shown was subsequently agreed at the inception meeting held on 17 December 2009.

Figure 1 ACIL Tasman's approach to the roadmap scoping study

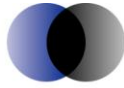


Source: ACIL Tasman

Inception meeting – This meeting took place on 17 December 2009. The participants discussed their key priorities in relation to the study and the information and resources that participants in the study will provide to the consultant. The meeting also discussed and agreed on the project plan and the need for stakeholders to provide electronic copies of any information resources that they have. The inception meeting also provided an opportunity to obtain the Steering Committee's initial views on potential case studies.

Review of data and dialogue – A key objective of this component of the project will be to map the full range of relevant government and business data that study participants can provide against the "wish list" of data that ideally would be available to inform a full roadmap of the services sector. That "wish list" might include information on:

- collaboration and clustering



- types of export barriers faced by businesses, how barriers affect the outlook for services exports and how should they be addressed
- measures of the operations of foreign affiliates of Australian companies (to supplement Balance Of Payments statistics)
- barriers to the establishment and operation of foreign affiliates of Australian companies (e.g. capital controls, foreign equity limits, asset requirements and prudential controls, expatriation of profits and capital, discriminatory taxation arrangements, government procurement practices)
- sources of comparative advantage of Australian service businesses
- measures of international competitiveness and barriers to competitiveness (e.g. regulatory environment, skills shortages, public infrastructure)
- The Australian Bureau of Statistics collects a range of service sector statistics. Some of the information recently released includes:
 - Museums Australia, 2007-08. Released March 2009. ABS Cat. No. 8560.0
 - Australian Industry, 2007-08. Released May 2009. ABS Cat. No. 8155.0
 - Non-for-profit Organizations Australia, 2006-07. ABS Cat. No. 8106.0
 - Legal Services Australia, 2007-08. ABS Cat. No. 8667.0

Other existing data for the service industry are:

- Australian industry, released annually, ABS Cat. No. 8155.0
- Business operations and industry performance, released annually, ABS Cat. No. 8140.0
- Retail and Wholesale Industries, 7 reports - year ABS Cat. No. 8622.07
- Information and Communication Technology, 2 reports year ABS Cat. No. 8126.0
- Tourism Marketing Expenditure, irregular release ABS Cat. No. 8691.0
- Travel Agency Services, irregular release ABS Cat. No. 8653.0
- Selected Amusement and Leisure Industries, irregular release ABS Cat. No. 8688.0
- Sports and Physical Recreation Services, irregular release ABS Cat. No. 8686.0
- Commercial Art Galleries, irregular release ABS Cat. No. 8651.0
- Digital Game Development Services, irregular release ABS Cat. No. 8515.0
- Computing Services Industry, irregular release ABS Cat. No. 8669.0
- Private Medical Practices, irregular release ABS Cat. No. 8685.0
- Private Medical Practitioners, irregular release ABS Cat. No. 8689.0
- Consultant Engineering Services, irregular release ABS Cat. No. 8693.0
- Legal Services, irregular release ABS Cat. No. 8667.0

We envisage that during this component of the project we will begin a dialogue with data providers and other stakeholders to seek clarification or additional information in relation to available information. That dialogue is likely to continue for the duration of the study.

The results of this component of the Study will be used to develop the headline results for use by Ministers at the Services Summit in mid March. It will also inform the case studies and gap analysis.



ACIL Tasman

Economics Policy Strategy

Case studies – ACIL Tasman would review the potential case studies identified during the inception meeting (and any subsequent suggestions received) in the light of the initial review of data and then agree on the case studies to be included in the study. There will need to be a balance struck between the number of case studies and the level of detail to be covered in each. Given the time allowed for this study and the available budget we anticipate that it would be feasible to have two case studies with a reasonable degree of detail. ACIL Tasman would draft those case studies and then consult with the relevant industry sector(s) before finalising them.

The selection of the case studies should bear in mind their value as examples that Ministers could refer to in their public statements. This would suggest that they should not only illustrate the trade and other economic benefits that flow from the services sector but also show how innovation in the services sector has helped to deliver some of the government's broader objectives.

Gap analysis – This component of the Study would use the results of the data mapping exercise and industry dialogue to develop a list of areas where existing data fell short of the full “wish list” of information needed for a full services sector roadmap. For each identified data gap we would assess the extent to which this data was critical (or not) for the conduct of the roadmap, examine potential mechanisms for obtaining more information (or developing an estimate based on available sources) and what the possible cost implications might be. We would also assess the time it would take to obtain the relevant information and the likely implications for the timing for preparing a comprehensive services sector roadmap.

It is likely to prove to be impractical to obtain every information item on the “wish list” and there will ultimately need to be tradeoffs between the criticality of the information and cost and time needed to obtain it. The deliverable from this component of the Study would be a list of information needs for the services sector roadmap that was prioritised according to the importance of the information for the delivery of the roadmap and the funding and time needed to obtain that information. That prioritised list will allow those tradeoffs to be made.

Reporting – A draft interim report will be provided by 26 February 2010. The interim draft report will contain the headline results in relation to services exports and services innovation for Ministers to announce at the Services Summit on 17 March 2010 and the case studies. It will use charts and diagrams to illustrate key issues and concepts. We would expect that any comments on the draft interim report by the members of the Steering Committee will be consolidated by ASR prior to being given to ACIL Tasman. The final report will be delivered by the end of March 2010.

Consultations

ACIL Tasman welcomes any contributions of data or information that stakeholders might wish to provide. Any contributions should be sent to j.soderbaum@aciltasman.com.au. Should you wish to speak to the consultant then the work number for Dr Söderbaum is (02) 6103 8200 and his mobile number is 0404 822 302.