



MEDIA RELEASE

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Australia doesn't need an artificial corporate bond market

- FSC Submission to the Murray Review

The Financial Services Council's submission to the Murray Inquiry says Australia doesn't need to create an artificial bond market.

John Brogden, FSC CEO said: "Australia's corporate bond market is conducive to real growth as a result of market outcomes rather than market distortions caused by regulation."

"Australia's corporate bond market has experienced steady growth over the past 17 years. It has grown from \$30 billion in 1997 to its current level of \$209 billion – from five per cent to 20 per cent of Australia's GDP."

"We are already half-way in meeting David Murray's goal of a \$400 billion corporate bond market," Mr Brogden said.

FSC recommendations to the Murray Inquiry include:

- Recognise the bond market in Australia is small but growing;
- Acknowledge the size of the corporate bond market is the result of market outcomes in Australia rather than distortion arising from financial system regulation;
- Recognise there are no significant distortions to capital flows in Australia when compared to similar capital markets;
- Understand that Australian small, medium and large businesses do not experience a financing gap.

[ENDS]

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About the Financial Services Council

The Financial Services Council represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and Public Trustees. The Council has over 130 members who are responsible for investing more than \$2.3 trillion on behalf of 11 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.