



Workshop on the Mutual Lessons that can be learned from Financial Integration in Australasia and Europe following the Global Financial Crisis

Date: 28 August 2015

Time: 10am - 12noon

Venue Address: FINSIA Boardroom, level 46 Rialto South Tower, 525 Collins St., Melbourne

The EU has responded to the cross-border problems exposed by the global financial crisis by a vigorous attempt to increase financial integration, particularly in the banking sector, where they have implemented what they describe as banking union, which involves much closer harmonisation of national regulation, the construction of a Single Supervisory Mechanism run by the ECB and Single Resolution System, involving a new Resolution Board and the pooling of funds to be accumulated for the purpose. Australia and New Zealand on the other hand have drawn no such conclusion for greater integration despite their systems being much closer in many respects. Indeed if anything they have moved away from each other with the implementation of Open Bank Resolution in New Zealand. However the recent Financial System Inquiry in Australia has advocated immediate action on improving the framework for the resolution of banks.

The EU has now moved on to securities markets and has proposed the creation of a 'Capital Markets Union', although the exact details of how this might be constituted are to be established, following the publication of a consultative Green Paper. It is interesting that while the UK was unenthusiastic about the Single Supervisory Mechanism and declined to participate it seems to be supporting a single securities market. Again this is an area where progress in Australasia has been limited despite the large number of common companies, assisted of course by differences in tax systems.

Progress on insurance and pensions/superannuation has been more muted but also represents an area of mutual interest especially following the recent Financial System Inquiry in Australia.

The purpose of this workshop is to explore why these responses are so different and to ask questions, such as, whether the Australasian response might not reflect a more practical view about what can be achieved across borders and whether the EU approach might not suggest that there is a lot more that could beneficially be done to improve financial stability in the region, particularly in the face of a significant shock to one of the four main banks.

This workshop forms part of a research project run by Professor David Mayes at the University of Auckland, financed by the EU, through the EU Centres Network in New Zealand, on The Future of Monetary and Financial Integration in Europe. The discussion will be under Chatham House rules for those who wish their views to remain confidential. We are grateful to FINSIA for the use of their facilities.

Workshop Programme

Presenter	Topic	Time allocation
David Mayes	Closer financial integration between Australia and New Zealand? Lessons from the EU	10:00 – 10:15
David Tripe	How can the Australian experience enlighten thinking about banking in the European Union?	10:15 – 10:30
Jennifer Corbett	Financial mapping of the Asia Pacific region including Australia and NZ, with comparison with Europe	10:30 – 10:45
Andrew Worthington	Measuring Economic and Financial Integration between Australia and New Zealand	10:45 – 11:00
Andrew Walter	Policy Responses to Financial Crises: A Long Run Perspective	11:00 – 11:15
Discussion		11:15 – 12:00