

SYSCORP

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FINANCIAL SYSTEMS & SERVICE

9 September 1996

The Secretary
Financial Systems Inquiry
Treasury Building
Parkes Place
Parkes ACT 2600

email:fsi@treasury.gov.au

Financial Systems Inquiry Submission

Recommendation

Syscorp has a detailed practical understanding of the technology driving the current changes to the financial markets and has used this knowledge to develop supporting infrastructure products and consultancy services. We would appreciate an opportunity to use this knowledge for the benefit of the inquiry and present some alternative scenarios taking into account the current paradigm shifts in the global marketplace.

In the United States and around the world major Banks and non-bank financial institutions are forming alliances with computer software and network service companies. These alliances are spawning new services and products that impact every aspect of the current investment and savings cycle. Existing boundaries that separate countries, financial institutions and their products are being rapidly broken down.

This inquiry is well placed and timed to provide Australia with the opportunity to respond appropriately to this technology driven revolution in the financial services market. Syscorp is a major investor, developer and promoter of Australian technology for the financial services sector and therefore has a vested interest in the success of the inquiry.

Background

Syscorp conducts one of Australia's largest research and development programs specifically targeting computer software development and technology-based services for the global financial services industry. Syscorp is an independent, Australian owned software development and consultancy company established in 1979. Syscorp's senior staff have participated in a diverse range of innovative product and service developments both in Australia and Internationally. These developments have been predominantly financial service and/or large scale electronic network related.

Syscorp develops technology based solutions and electronic services that facilitate the rapid change now taking place in the securities trading and asset management component of financial markets. Syscorp's large investment in its products, services and expertise prepare it to drive and support the current paradigm shift that is enveloping the financial markets both in Australia and around the world.

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Syscorp's core competencies and products relate to the asset management component of funds management, superannuation and insurance. Syscorp's products and services provide basic technology components to allow funds managers, custodians, trustees, stock brokers, and financial planners to improve service and compliance standards while reducing costs and lowering risk.

Syscorp is working with a number of major Australian organisations to develop software and services to:

- manage electronic messages between the various financial service providers to monitor, manage, and trade the assets of their customers utilising "straight through processing" and "electronic commerce";
- improve the capacity and timeliness of financial service providers to comply with and better manage customer mandates;
- substantially reduce the administrative costs, time delays and risks associated with the trading of securities and management of the assets;
- report accurate performance across a wide range of financial products,
- enable financial service providers to economically monitor, report and trade large numbers of portfolios while providing better access to the beneficial owners or their intermediaries.

The improved administration capability of financial institutions combined with the introduction of electronic messaging for trading, settlement and registration of securities will revolutionise the financial services industry. The impact we are seeing today is only the start. Reduced development cycles and costs for new financial products combined with new forms of distribution will lead to greater innovation and a further erosion of existing product boundaries.

On a personal level I have been closely involved with the communications and banking sectors since 1979 and have undertaken numerous assignments in these fields for large local and foreign organisations. These assignments include new technology startup businesses for large multinationals as well as product based services to provide homebanking, telebroking and portfolio management. The organisations include British Telecom, John Fairfax, Commonwealth Bank, Telstra, AAP and many others.

In March 1986 I had a paper published supporting the need for partnerships between Banks, Telecommunication and Computer companies to deliver a broad range of electronic products and services. This article focussed on services such as home banking, telebroking and portfolio management and clearly promoted the need for global partnerships such as the recent announcement of NAB and IBM.

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Yours sincerely,

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