Submission to the House of Representatives Standing Committee on Economics Finance and Public Administration Inquiry in Australia's Service Sector

> Philip Sacks July 2006

Submission to the House of Representatives Standing Committee on Economics Finance and Public Administration: Inquiry into Australia's Service Sector

Congratulations to the Treasurer in raising this issue and instituting this inquiry. Something needs to be done urgently about improving service exports, and this Committee is now in an excellent position to recommend some forthright action.

I will address the issue of service exports, because that is where I have the greater experience and expertise.

By my perception, there is huge gulf between what the Government has done, is doing and is planning to do about creating opportunities for service exports, and what the service community at large knows about the Government's activities and those opportunities.

Similarly, and for the same reasons, I expect that there is a huge gulf between the problems experienced by, and the needs of, actual and potential service exporters, and what the Government knows about those problems and needs.

I suspect that if one were to ask any number of service providers what they know about the General Agreement on Trade in Services (GATS), 99.9% would not have an inkling about it.

Even though I wrote about the GATS in its early days in a book I part wrote and coedited (*Australian Export Manual*, Longman, 1992), it was a struggle then to find out much information about the GATS and it was just too hard to find out anything about the access agreements made under it. Since then, the position has just worsened.

One hopes that the DFAT people who negotiated the GATS and negotiate the access agreements and the like, have some sources to guide them as to what problems service exporters face, but by no means is there widespread or even sufficient community consultation by DFAT in seeking information from actual service exporters.

When those international agreements have been finalised, I have experienced absolutely no communication from DFAT about their content, or about what opportunities might have been opened up, or what perceived problems or needs the agreement seeks to address.

Obviously, each service sector will have different needs and face different problems. For example, some services might be inherently local (eg. architecture for domestic premises), whereas some services are tremendously exportable (trade mark work).

My suggestion is that a special office/authority be set up under DFAT or Austrade. The role of the office/authority will be to communicate with the service community, both to impart information about what opportunities the Government has already opened up or is considering, and to receive information about the problems and the needs of actual and potential service exporters, so that that information can be addressed by the Government in planning future international agreements.

If communication is commenced by the office/authority through the various peak bodies which represent the various service sectors, it is imperative that it use those peak bodies to communicate directly with actual service providers.

I hope that my brief submission helps.

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