

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 20-21 February 2008

Question: aet 56

Topic: Australia's Regulatory Burden

Hansard Page: E139 – E140

Senator ABETZ asked:

Senator ABETZ—That is all very helpful. Can I ask if you could take that on notice and give it some further consideration as to how Australia's regulatory burden compares to similar OECD countries? Do you have a recent study on that that you could draw my attention to?

Mr Banks—There have been a number of surveys of that kind. They are quite dated now. They have been done by the OECD. The methodology of them, I think, is not necessarily such as to inspire confidence, but they have got those relativities correct. Most of them have been partial in nature. To answer your question, I do not think there is any convenient source of accurate information of that kind.

Senator ABETZ—What are the biggest barriers to trade in Australia and how do they compare with similar OECD countries? Can you take that on notice? Are there studies of that nature that you could direct me to?

Mr Banks—I think there are some good sources there, particularly from the WTO, which periodically does reviews of the trade policies of the member countries of the WTO and would mark Australia favourably, I think, in that company in terms of the liberalisation that has occurred with trade in Australia. I think the most recent report was to that effect. The WTO would have reports of that kind and, equally, there are the OECD surveys. If you would like us to make that information available or send sources to you, we could certainly do that.

Senator ABETZ—I would be appreciative of that. Thank you.

Answer:

The WTO, under its Trade Policy Review (TPR) mechanism, undertakes regular reviews of the trade policies of member countries. The TPR aims to increase the transparency and understanding of that country's trade policies, and may also take into account the country's wider economic and development policies. While the TPRs do not make explicit international comparisons, the assessment is made from an international perspective. The latest TPR for Australia was completed in March 2007. (All related documents are at http://www.wto.org/english/tratop_e/tptr_e/tp279_e.htm)

The WTO, in its Special Studies series, has published *Market Access: Unfinished Business - Post-Uruguay Round Inventory and Issues* (2001), covering the three areas of industrial tariffs, agriculture and services. The Study's overview of industrial tariffs is based on 42 member countries, including Australia, the European Union and all other OECD countries. (The publication is at http://www.wto.org/english/res_e/booksp_e/special_study_6_e.pdf)

The WTO, in its Discussion Paper series, has also published *Industrial tariff liberalization and the Doha Development Agenda* (2003), which also focuses on tariffs and trade in industrial products. (The publication is at http://www.wto.org/english/res_e/booksp_e/discussion_papers_e.pdf). The Paper provides a comparative assessment of Australia, the European Union and most other OECD countries.

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In addition, the OECD has a number of country-specific or sectoral publications and documents that address various barriers to trade. Several of these that contain a comparative analysis of Australia are:

Looking Beyond Tariffs: The role of Non-Tariff Barriers in World Trade (2005). (The Executive Summary is at

http://www.oecd.org/document/51/0,3343,en_2649_37431_35795315_1_1_1_37431,00.html)

Logistics and time as a trade barrier: OECD Trade Policy Working Paper No. 35 (2006). (The publication is at [http://appli1.oecd.org/olis/2006doc.nsf/linkto/td-tc-wp\(2006\)3-final](http://appli1.oecd.org/olis/2006doc.nsf/linkto/td-tc-wp(2006)3-final)).