

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 123

Topic: Industry Assistance

Hansard Page: E95 (03/06/2010)

Senator CAMERON asked:

Senator CAMERON—... You also are very critical of industry assistance, which I think reflects the school of thought within the Productivity Commission. You talk about the level of industry assistance. Have you benchmarked industry assistance in other OECD countries, other comparable countries or trading countries?

Mr Banks—We could get back to you on that. We have compared Australian tariff levels and so on, internationally, because they are more measurable. It is much harder once you get into non-tariff forms of assistance and so on to make international comparisons.

Senator CAMERON—Could I ask you to take that on notice, because I am running out of time.

Mr Banks—Okay.

Answer:

International comparisons by the Commission have generally been specific to a topic under investigation, such as estimates of barriers to trade in various service industries (see *Trade & Assistance Review 2000-01*). Particular Commission inquiries may also include international comparisons of government policies applying to that area. For example, the Commission's draft report on Bilateral and Regional Trade Agreements compares trends in tariffs in Australia, selected trading partners and major trading blocs.

International organisations such as OECD, WTO, UNCTAD and the World Bank have been better placed to attempt cross-country comparisons of industry assistance issues, and to address the problem of lack of consistent country methodologies. For example,

- the OECD has developed Producer Support Estimates (PSE) to measure total government support to agriculture provided through a wide variety of policy measures. The latest estimates are available in Producer and Consumer Support Estimates, OECD Database 1986-2009
www.oecd.org/document/59/0,3343,en_2649_33797_39551355_1_1_1_37401_00.html.
- the WTO *Tariff Profiles* provide information on the market access situation of its members and other countries. Data are presented for each economy with disaggregations by sector and duty ranges (see stat.wto.org/TariffProfile/WSDBTariffPFHome.aspx?Language=E).

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

- the OECD has also studied the significant role of non-tariff barriers to world trade (such as prohibitions and quotas, non-automatic import licensing schemes, customs fees and charges and export restrictions) in *Looking Beyond Tariffs: The Role of Non-Tariff Barriers in World Trade*
www.oecd.org/document/51/0,3343,en_2649_36251006_35795315_1_1_1_374_31,00.html