

20100219 OECD: Australia - towards a seamless national economy (review of regulatory reform in Australia 2010)

Source: OECD

Key messages

Australia has been one of the most successful OECD countries in weathering the Global Financial Crisis. Mature regulatory settings and a strong fiscal position have worked in Australia's favour; it was among the few OECD countries which did not enter a recession. However Australia still has a challenge to lift productivity to return to a higher long-run growth path and continued future prosperity.

The government has laid out an ambitious regulatory reform agenda to build a seamless national economy and unleash productivity. Regulatory reform is given a high profile in government, with the creation of a portfolio position of Minister for Finance and Deregulation, together with a Minister assisting the Finance Minister on Deregulation. The government is putting a new focus on the potential for well-designed and targeted regulation to reduce costs and complexity for business and the not-for-profit sector, and enhance Australia's productivity and international competitiveness. A culture of continuous improvement supported by evidence-based decision making needs to be embedded more strongly in government practices, with Ministers and their departments more clearly accountable for the quality of regulation in their portfolio.

A significant effort has been made towards regulatory improvement at Commonwealth level and through renewed Commonwealth-State partnerships. A national reform agenda has been set in partnership with the Australian States and Territories (the States) to harmonise key regulations imposed on business operating across jurisdictions. Innovative institutional structures have been established to facilitate national reforms supported by federal fiscal arrangements. The current reform program hopefully should embed an ethos whereby Commonwealth agencies and the States co-ordinate the regulation of national markets where appropriate, because all players recognise that there are net benefits in doing so – not only because of financial incentives.

Australian competition law has been effective in establishing robust and competitive markets. There has been significant reform in the last decade, but there is also a need to give greater prominence to long standing commitments to further reform of particularly challenging aspects of the transport, energy, water and infrastructure sectors.

Globalisation also presents particular challenges for the Australian federation. Business has regularly identified costs associated with inconsistent or duplicative regulatory regimes between jurisdictions as a significant issue for competitiveness. Further streamlining of regulatory frameworks as part of the multi-level strategy will enhance market openness, as well as the ability to compete globally in knowledge intensive industries. Major reform of bio-security management, including border security, will also contribute to improving market openness.

To read the report [click here](#).

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