

## **What's new on the Treasury website**

The Treasury's website is [www.treasury.gov.au](http://www.treasury.gov.au). It includes past issues of the *Economic Roundup*. Some of the other items posted on the website since the previous issue of *Roundup* that may be of interest to readers are listed below.

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## Working papers

2006-03: Does distance matter? The effect of geographic isolation on productivity levels (May 2006)

<http://www.treasury.gov.au/contentitem.asp?NavId=049&ContentID=1113>

Bryn Battersby

Over the past 50 years, Australia has maintained a labour productivity level of around 80 per cent of that of the United States. One possible reason for the gap is the hindrances that might be imposed by Australia's geographic isolation. A simple labour productivity regression, estimated for the states of the United States of America and Australia, finds that distance is a significant determinant of state productivity levels and that Australia's isolation from world economic activity accounts for almost half of the gap in labour productivity between Australia and the United States.

## Discussion papers

IMF quota reform and the G-20

<http://www.treasury.gov.au/contentitem.asp?NavId=035&ContentID=1102>

This paper identifies the issues involved in reforming the quotas used to determine voting rights at the International Monetary Fund, and provides a possible framework for discussion of these issues within the G-20. Currently a number of countries are significantly underrepresented, relative to their weight in the global economy. Quota reform may be implemented through voluntary realignment, ad hoc increases or a general increase with a selective component. A possible way forward is a sequenced approach that would achieve some realignment of quotas in the near term, while longer term options are considered further.

Progressing the G-20's agenda on reform of the governance of the Bretton Woods institutions

<http://www.treasury.gov.au/contentitem.asp?NavId=035&ContentID=1103>

There is broad consensus among IMF and World Bank member countries that reform of both organisations is necessary to ensure their effectiveness and legitimacy. The G-20 can play a useful role in supporting current IMF and World Bank efforts to improve their internal governance but also in proposing specific new work involving more fundamental review and aimed at practical and achievable outcomes.

## Speech

Asian economic growth prospects and the impact on Australia (May 2006). Address to the 'Leading Australia's Future in Asia' programme, at the Australian National University, by Martin Parkinson, Executive Director (Macroeconomic Group); co-written with Gordon de Brouwer, Nathan Dal Bon, Milovan Lucich and Hassan Noura.

**<http://www.treasury.gov.au/contentitem.asp?NavId=008&ContentID=1115>**

A profound rebalancing of global economic and strategic power is transforming Asia. The strong economic growth is set to continue as China and India are still in the early phase of 'take-off'. The economic changes mean reform of the institutions for global cooperation is required. Australia is actively contributing to regional forums, including by discussing our extensive and ongoing reform process.

