

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 107

Topic: COAG Reform Council

Hansard Page: E49-50 (03/06/2010)

Senator BUSHBY asked:

Senator BUSHBY—You mentioned the 27 priority reform areas and the eight competition areas, and in respect to the 27 you mentioned there was progress reported, basically. How many of those 27 and the eight competition areas are actually complete?

Mr Paine—I am now doing it from memory. I think there are about 10 or so of the deregulation ones that are complete and good progress in, I think, all of the others. On the competition ones, I am now looking at my colleague, Mr Archer.

Mr Archer—I am just trying to recall exactly what each of the eight were. There is one reform stream that relates to the Australian government amending the National Access Regime as set out in the Trade Practices Act. Certainly progress has been made in that regard in the sense that there is a bill that has passed through the House and is now awaiting debate in the Senate. The reforms have not been implemented as quickly as were originally envisaged. Partly that has to do simply with the nature of moving legislation through the parliament and delays that can emerge. There is another set of reforms around access regulation, which are set out in a COAG agreement called the Competition and Infrastructure Reform Agreement, which was agreed in early 2006. An implementation plan was subsequently agreed to in early 2007. Those reforms are still being implemented and, in fact, there are some key milestones to be met by the end of this calendar year. So there were some quite long dated milestones in that original agreement and we think that that is largely on track. There are other competition reform streams. Steven, can you help with those?

Dr Kennedy—That is probably as much detail as we can provide you with at the moment. The Department of Finance and Deregulation, of course, has the BRCWG secretariat. Minister Tanner chairs the BRCWG where a seamless national economy reforms reported on and progressed. I am not sure if you have had an opportunity to talk to them—

Senator BUSHBY—I have not.

Dr Kennedy—They do all the reporting for government against all of these reforms dreams. So we are pretty much going off the top of our head here, but we will continue to do our best.

Senator BUSHBY—But you do acknowledge that this is an area that you do overseas, to some extent?

Dr Kennedy—We are certainly involved in it, particularly the competition reforms.

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Senator BUSHBY—If you could take the detail that you cannot answer on notice. I do have some more questions about it nonetheless.

Dr Kennedy—Sure, as I said, we will continue to try and answer them, but I am just alerting you to the fact that the Department of Finance and Deregulation has a secretariat which—

Senator BUSHBY—has more hands-on knowledge in some respects.

Dr Kennedy—They do all the monitoring, basically, produce the reports and feed the information through to the CRC, but we are happy to take questions.

Mr Archer—I can add a little more information. There are another two reform streams which have now come to my mind. One of them are too previously agreed to transport reforms which go to reforms around road user charging for heavy vehicles. That is progressed under the auspices of the Australian Transport Council of the ministerial council. I think the COAG Reform Council's remarks that that reform stream is largely on track. Similarly, there is another reform stream around energy market reform. There has been some quite significant progress made in that area, including the establishment of the Australian Energy Market Operator from the middle of last year and other associated reforms as well and, again, quite solid progress made in a number of areas. Again, there might be some areas of detail where the CRC has observed things are not tracking as well as they might be.

Dr Kennedy—There was one other reform that has come to mind that has been finalised, which was parallel import restrictions on books. That I believe was one of the competition reforms. That reform stream has been finalised and the government has announced its position on that.

Senator BUSHBY—I am interested in both the 27 priority reforms and the eight competition areas. You mentioned that of the 27 10 are complete, and Mr Archer, you mentioned that at least energy and transport and others were on track. With respect to the 10, I am interested in what information that is based on, because the report in February did not indicate that. In respect of the eight, the report in February indicated that both energy and transport were actually behind schedule. I am interested in what has changed since February to enable you to provide the answers that you are providing?

Dr Kennedy—We will start with the 27, perhaps, with Mr Paine.

Mr Paine—I do not have a CRC report in front of me, but the report related to 2008-09 and there was a period of grace, although that is probably the not the right word, up to 30 September 2009. So of course there has actually been quite a lot of progress since the CRC cut-off for its report. That it essentially explains why, as at this time or very shortly—

Senator BUSHBY—Has any of that been publicly reported?

Mr Paine—No, perhaps they are not publicly reported that they will be included in the CRC's next report, which is 2009-10. The formal cut-off is in a few more weeks. Then they probably again look for the three months, because they recognise there is a

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bit of a delay while a produce a book of several hundred pages—you might have it there. They do recognise governments take decisions.

Dr Kennedy—I will have to take this bit of it on notice, but I do recall Minister Tanner and Minister Emerson have publicly released some information on this. As I said, is it a process run by Minister Tanner and his department, but we will undertake to a track that down for you. I do vaguely recall a press release being put out updating some of the progress since the CRC report cut-off, but, to be honest, I do not have that to hand. I will undertake to track it down for you.

Senator BUSHBY—Anything you can give me on notice would be appreciated and also an update in respect of each of the 27 and each of the eight, so that I know which of the 10 are completed, which are making good progress et cetera.

Dr Kennedy—Yes.

Answer:

The Minister for Competition Policy and Consumer Affairs, the Hon Craig Emerson MP, discussed the progress of these reforms in his address, *One Australia, One Market: Towards A Seamless National Economy*, and related media release, *Seamless national economy coming closer*, which are both of 6 July 2010.

The address is available at:

<http://minister.innovation.gov.au/emerson/pages/oneaustraliaonemarkettowardsaseamlessnationaleconomy.aspx>.

The media release is available at:

<http://minister.innovation.gov.au/emerson/pages/seamlessnationaleconomycomingcloser.aspx>.

The address and media release build on the information contained in the status report that was released by COAG at its 19 - 20 April 2010 meeting, which is available at http://www.coag.gov.au/coag_meeting_outcomes/2010-04-19/docs/BRCWG_Report_27_deregulation_priorities.pdf.

COAG is currently considering the scope and progress of the *National Partnership Agreement to Deliver a Seamless National Economy* Implementation Plan milestones for the eight competition reforms to address the matters raised by the CRC.