

**PUBLIC REPORT TO COAG ON COMPETITION REFORMS UNDER THE SEAMLESS NATIONAL ECONOMY REFORMS (CURRENT JUNE 2011)**

Description of competition reform stream	Key achievements
<b>(1) Anti-dumping and countervailing system</b>	
<p>This regime is in place to counter the impact on Australian industry of imported goods deemed to be unfairly priced.</p>	<p>The Productivity Commission completed an inquiry and final report on 18 December 2009. The Commission made 20 recommendations to improve the system.</p> <p>The Government released a final response to the Commission's report on 22 June 2011. The Government has committed to implementing 15 of the 20 recommendations in whole or in part.</p>
<b>(2) Parallel import restrictions on books</b>	
<p>These restrictions protect Australian publishers and authors from competition by overseas publishers.</p>	<p>The Productivity Commission released its final report on 14 July 2009. The Commission also released a supplement to its report in September 2009.</p> <p>On 11 November 2009, the Commonwealth Government released its response to the Productivity Commission's report. The Government decided to leave the regulatory regime for book imports unchanged.</p>
<b>(3) Energy market reforms</b>	
<b>Removal of retail price regulation</b>	
<p>This reform reduces barriers to effective competition in jurisdictions.</p> <p>The removal of retail price regulation in the electricity and natural gas markets where competition is agreed to be effective, allows retailers to set tariffs that reflect the underlying costs of supplying energy to consumers.</p>	<p>The decision to deregulate prices resides with the relevant jurisdiction's government.</p> <p>Reviews in Victoria and South Australia found competition to be effective. Victoria has removed price regulation.</p> <p>The Australian Energy Market Commission's (AEMC) review of the effectiveness of competition in retail electricity and natural gas markets in the ACT found that competition is not effective in retail electricity markets for small customers. The ACT is committed to responding to the review by September 2011.</p> <p>At its 10 June 2011 meeting, the Ministerial Council on Energy agreed to a revised schedule of retail energy market competition reviews of jurisdictions by the AEMC.</p>
<b>Harmonisation of energy market legislation</b>	
<p>The <i>National Energy Customer Framework</i> is a legislative package to regulate energy distribution and retail businesses.</p> <p>This reform will reduce the compliance burden on retailers, facilitate competition in the market and deliver an appropriate level of consumer protections to energy customers.</p>	<p>Legislation to give effect to <i>National Energy Customer Framework</i> was assented to in South Australia, as the lead legislator, on 17 March 2011. On 10 December 2010, the Ministerial Council on Energy agreed to work towards a target commencement date of 1 July 2012 for the Framework.</p> <p>The National Gas Law and National Gas Rules commenced on 1 July 2008. This brings the regulation of natural gas pipelines under a national energy framework.</p>

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<b>Ensuring adequate energy market investment</b>	
<p>This reform seeks to ensure efficient investment across the full spectrum of the both the gas and electricity markets, including generation, transmission and distribution infrastructure.</p> <p>Adequate investment underpins the affordability, reliability and security of energy supply.</p>	<p>The Australian Energy Market Operator (AEMO) will provide ongoing advice to the Ministerial Council on Energy, which will become the Standing Council on Energy and Resources, regarding the state of energy market investment.</p>
<b>Efficient demand side participation in energy markets</b>	
<p>This reform will ensure balanced incentives and effective price signals are in place to allow consumers to make informed decisions in relation to their energy usage.</p> <p>Energy efficiency is also being promoted through greater provision of energy information to consumers.</p>	<p>The Australian Energy Market Commission (AEMC) is reviewing demand side participation in the National Electricity Market. Stage 1 of the Review was published in May 2008 and the recommendations have been implemented. Stage 2 was published in December 2009. Stage 3 began in April 2011 and is due to report in September 2012.</p> <p>The <i>National Electricity (South Australia) (Smart Meters) Amendment Act 2009</i> provides the legislative basis for the roll-out of smart meters.</p> <p>Victoria is continuing to install smart meters in accordance with legislative requirements currently in place. Victoria also has commissioned an independent review, including a cost-benefit analysis to help inform the Victorian Government's decision on the future of its Smart Meter program.</p> <p>The roll-out of smart meters, in jurisdictions where net benefits are expected, will facilitate effective price signals for customers.</p>
<b>(4) &amp; (5) National access regime and Infrastructure reform</b>	
<b>National access regime and submit all State access regimes for certification</b>	
<p>A regulatory regime for third party access to significant infrastructure facilities, the National Access Regime, which promotes market competition.</p>	<p>The <i>Trade Practices Amendment (Infrastructure Access) Act 2010</i> received assent on 13 July 2010.</p> <p>Some regimes remain to be submitted to the National Competition Council for certification.</p> <p>As part of these reforms, there is a milestone for a Productivity Commission review to commence by December 2012.</p>
<b>Implement simpler and consistent approach to access regulation of interstate rail track</b>	
<p>The benefits of this reform are a simpler and consistent approach to access regulation, particularly with respect to two parts of the rail track network identified in the milestones—the interstate track between Perth and Kalgoorlie, and the Brisbane to NSW border standard gauge track.</p>	<p>Interstate rail is now subject to the Australian Rail Track Corporation (ARTC) access undertaking, except Perth-Kalgoorlie which is subject to Western Australia's certified access regime.</p> <p>The Queensland interstate standard gauge rail track between Brisbane and the NSW border was transferred to ARTC under a long term lease arrangement in January 2010. However, Queensland understands that this section of the track is not subject to the 2008 ARTC access undertaking.</p>

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<b>Review and reform significant ports</b>	
<p>Under this reform, States will undertake transparent public reviews of the regulation and effectiveness of competition in ports and port authority, handling and storage facility operations at significant ports.</p>	<p>All States have reviewed the regulation of significant ports.</p> <p>On 16 December 2010, the Queensland Government applied for certification of the Dalrymple Bay Coal Terminal access regime.</p> <p>Western Australia has published the final report of its ports review.</p> <p>New South Wales has released a response to its ports review, and a Ports Reform Better Regulation Statement.</p>
<b>Competitive tendering</b>	
<p>Under the <i>Competition and Infrastructure Reform Agreement</i> (CIRA), governments agreed to consider the use of competitive tendering to establish the terms and conditions for the supply of significant new services provided by government owned monopoly infrastructure.</p>	<p>The Trade Practices Amendment Regulations 2010 (No. 2) (Commonwealth) commenced on 4 June 2010 giving effect to the competitive tendering principles.</p>
<b>Competitive neutrality</b>	
<p>Reporting of the competitive neutrality requirements under the <i>Competition Principles Agreement</i> and the <i>Competition and Infrastructure Reform Agreement</i>.</p>	<p>Reporting for 2009-10 is complete.</p> <p>Preparation of the 2010-11 report is underway.</p>
<b>(6) Rationalisation of occupational licences</b>	
<p>This reform will reduce unnecessary barriers to entry to certain occupations and barriers to trade across State and Territory borders for those occupations.</p> <p>The initial focus on occupations that are licensed in only one or two jurisdictions.</p>	<p>New South Wales has removed five occupational licences (and committed to removing a further two), Western Australia has removed one licence and Queensland has committed to removing two licences.</p> <p>Other jurisdictions have reviewed licences that only exist in their jurisdiction or at most one other and determined that either none of these licences should be repealed or they will be considered as part of separate processes.</p>
<b>(7) &amp; (8) National transport reform and Road reform plan</b>	
<b>National regulator for the operation of heavy vehicles</b>	
<p>This reform will establish a national heavy vehicle regulator with responsibility for all vehicles over 4.5 gross tonnes, including registration, operations, compliance and enforcement.</p>	<p>The Commonwealth and Queensland signed a National Partnership agreement in 2010 to establish a project office for heavy vehicle regulatory reform.</p> <p>Draft National Heavy Vehicle legislation and an associated Regulation Impact Statement were released on 28 February 2011 for consultation. Submissions were sought by 6 May 2011.</p> <p>On 20 May 2011, the Australian Transport Council agreed to support forwarding to COAG for signature the intergovernmental agreement to establish the national heavy vehicle regulator, which is to come into effect from mid 2012.</p>
<b>National rail safety regulator and investigator</b>	

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<p>This reform will establish a single, national rail safety regulatory and investigation framework.</p> <p>South Australia will host the national rail safety regulator, which will administer a single national act, and the Australian Transport Safety Bureau's rail safety investigation role will be enhanced.</p>	<p>The Commonwealth and South Australia signed a National Partnership agreement in 2010 to establish a project office for rail safety regulatory reform.</p> <p>Draft legislation to establish the national rail regulator is to be released in 2011.</p> <p>On 20 May 2011, the Australian Transport Council agreed to support forwarding to COAG for signature the intergovernmental agreement to establish the national rail safety regulator and investigation system, which is to come into effect from 1 January 2013.</p>
<b>National maritime safety regulator</b>	
<p>This reform will provide effective, consistent and efficient national maritime safety regulation for commercial vessels through the establishment of a national maritime regulator and implementation of national maritime safety regulations.</p>	<p>In September 2010, the Australian Transport Council agreed to an applied laws model with the Commonwealth as host jurisdiction.</p> <p>On 20 May 2011, the Australian Transport Council agreed to support forwarding to COAG for signature the intergovernmental agreement to establish the national maritime regulator, which is to come into effect from 1 January 2013.</p>
<b>Road reform plan</b>	
<p>The reform will provide better price signals for transport freight infrastructure providers and users to enable Australia to meet more efficiently the forecast growth in the national freight task.</p> <p>It includes consideration of pricing options, their feasibility and industry impacts to ensure the more efficient, productive, safe and sustainable use of freight.</p>	<p>Work on the COAG Road Reform Plan continues to progress constructively.</p> <p>The Australian Transport Council, which will become the Standing Council on Transport and Infrastructure, and a Project Board established in Victoria for the COAG Road Reform Plan are overseeing this work.</p> <p>The Australian Transport Council is guiding the development of pricing options. Stage one was completed in 2009. Stage two was completed in 2010. Both involved detailed research into a number of aspects of heavy vehicle charging. Stage three is being provided to COAG mid-year and summarises progress and details charging options and key issues to be included in the final feasibility study report, due to be delivered to COAG by December 2011. Work has commenced on a consultation paper on heavy vehicle charging and funding reform.</p>