

FOREWORD

This report forms part of the Industry Commission's annual report series of publications for 1996-97. It draws on information provided by the Commonwealth, States and Territories to summarise and list reported microeconomic reforms that were implemented in 1996-97.

Microeconomic reform is a key to raising Australia's productivity and enhancing the well-being of all Australians. Put simply, microeconomic reform is about making the economy work better.

The categories of microeconomic reform examined in this publication include: competition policy; labour markets; trade policy; the environment; general government services such as health and education; and government business enterprises.

The Commission would like to acknowledge the assistance of Commonwealth Government departments, the States and Territories in preparing this report.

Bill Scales AO
Chairman

COMPANION PUBLICATIONS

The Commission has also released the following publications as part of the annual report series.

Regulation and its review: 1996 -97

This report focuses on how existing processes for regulation review and reform have been enhanced in the past year, the progress made in implementing these new requirements and the role of the Office of Regulation Review.

Annual report: 1996 -97

This report discusses Australia's productivity performance and the scope to lift productivity and living standards, examines key issues that have arisen recently in the debate about the future course of industry policy in Australia and reviews the operations of the Commission.

Trade and assistance review

This report contains the Commission's latest estimates of industry assistance and reviews major trends and developments affecting trade and assistance across all sectors.

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ABBREVIATIONS

ACCC	Australian Competition and Consumer Commission
ACTEW	ACT Energy and Water Corporation
AGAL	Australian Government Analytical Laboratories
AGHS	Australian Government Health Services
AGL	Australian Gaslight Company
ANM	Australian Newsprint Mills
AOSS	Australian Operational Support Services
APEC	Asia-Pacific Economic Cooperation (Forum)
AQIS	Australian Quarantine Inspection Service
CASA	Civil Aviation Safety Authority
COAG	Council of Australian Governments
CPA	Competition Principles Agreement
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CSO	Community Service Obligation
DAS	Department of Administrative Services
DIFF	Development Import Finance Facility
EBA	Enterprise Bargaining Agreement
EFIC	Export Finance and Insurance Corporation
ETSA	Electricity Transmission South Australia
FIRB	Foreign Investment Review Board
GBE	Government business enterprise
GRIG	Gas Reform Implementation Group
HACCP	Hazard Analysis Critical Control Point
HECS	Higher Education Contribution Scheme
HSA	Health Services Australia
IT	information technology
LNG	liquid natural gas
MIA	Murrumbidgee Irrigation Area
MPS	Melbourne Port Services
MRS	Memorandum of Understanding
NCP	National Competition Policy
NEM	National Electricity Market

Abbreviations (continued)

NECA	National Electricity Code Administrator
NEMMCO	National Electricity Market Management Company
OCS	Offshore Constitutional Settlement
PISA	Primary Industries South Australia
PMV	Passenger motor vehicle
QIDC	Queensland Industry Development Corporation
RFA	Registered Forest Agreement
RIS	Regulatory Impact Statement
RSA	Registered Service Agreement
SMA	Statutory Marketing Authority
SVO	State Valuation Office
TAFE	Technical and Further Education
TCF	Textiles, clothing and footwear
TIAR	Tasmanian Institute of Agricultural Research
TPA	Trade Practices Act
VET	Vocational Education and Training
WTO	World Trade Organisation

CHAPTER 1

Summary of reported reforms

This chapter provides an overview of the reported microeconomic reforms undertaken by Australian governments in 1996-97, which are listed in Appendix A.

Since 1989-90, the Commission has reported annually on microeconomic reforms undertaken by Commonwealth, State and Territory governments. This publication discusses and lists the major microeconomic reforms that have been undertaken in 1996-97 and is a companion publication to the Commission's 1996-97 Annual Report.

The term microeconomic reform is commonly used to refer to changes in government policy directed at improving the use and allocation of Australia's resources. As such, microeconomic reform is about making the economy work better, for the ultimate benefit of the Australian community.

Microeconomic reform is a continuous process. As one area is tackled, new issues emerge. It is therefore useful to review the implementation of microeconomic reforms by the Commonwealth, States and Territories regularly, and to highlight those areas where reform is being undertaken.

Information on microeconomic reform initiatives implemented by Commonwealth, State and Territory governments is collected annually by the Commission and used to compile a 'review' of reforms. In compiling the list, the Commission checks information provided by the jurisdictions for consistency (for example, whether initiatives submitted have been implemented rather than proposed) and balance in the description.¹ The

¹ Difficulties can arise in defining when reforms have been implemented. Implementation of a reform could occur when a process has been initiated (for example, establishing the principles for calling for tenders for the provision of services). It also could be deemed to have been carried out when the process is complete (for example, when the services are awarded and provided by the successful tender). In addition, some reforms are ongoing (for example, outsourcing and tariff reductions).

Commission does not attempt to check for omissions systematically or to verify the nature and significance of reforms. The review of reforms should be viewed in this light.

Progress in implementing reforms

Recently, the question of the level of microeconomic reform has drawn some comment in policy debates. There is broad acceptance that recent efforts to implement microeconomic reforms have made significant inroads into the accumulated inefficiencies of the past. However, much remains to be done, both in completing reforms under way — such as the National Competition Policy (NCP) and tariff reform — and in tackling ‘new’ important areas such as health and education (IC 1997, p. 8).

In 1996-97, Australian governments implemented several significant microeconomic reforms. Examples include the commencement of the first stage of the national electricity market, deregulation of the telecommunications industry and the move to establish a single industrial relations system in Victoria.

Compared with previous years, many of the reported reforms appeared to involve implementation of agreed policies. For instance, the Commission’s 1995-96 report on microeconomic reform highlighted the COAG agreements relating to the NCP. This year, the list of reforms contains many measures covering specific aspects of the NCP. There is nonetheless evidence of increasing numbers of reforms in ‘new’ areas such as the health sector.

On the basis of the information received, it is not possible to make a full assessment of the current level of microeconomic reform on the part of Australian governments. The list of reforms (appendix A) contains many examples of reforms that were implemented but does not review policy changes that restricted competition, hindered reform or reversed past reforms. Also, undertaking a detailed appraisal of reform would require much more information on the nature and significance of the reforms that were implemented.

SUMMARY OF REPORTED REFORMS

The remainder of this section provides an overview of the microeconomic reforms implemented by Australian governments under the following headings:

- implementing the National Competition Policy;
- government service provision reforms;
- trade reforms;
- labour market reforms;
- environmental management reforms; and
- government business enterprise reforms.

Implementing the National Competition Policy

In 1996-97 governments implemented a number of reforms addressing major elements of the NCP. The effects of many of these reforms will be felt well beyond the industries specifically targeted.

Key reforms were implemented in the areas of:

- the national electricity market (NEM);
- nationally agreed road transport reforms;
- industry deregulation;
- third-party access to infrastructure facilities;
- competitive neutrality;
- establishing bodies to oversee the prices of monopoly or near-monopoly government business enterprises (GBEs).

The establishment of a competitive electricity market covering southern and eastern Australia moved a step closer with the commencement of phase one of the NEM. In this phase, NSW, Victoria and the ACT agreed to harmonise their electricity trading arrangements, permitting inter -state trade in electricity. Full implementation of the NEM Code of Conduct (scheduled to occur by March 1998) was facilitated by reforms in NSW, Victoria, Queensland, South Australia, and the ACT. For example, NSW, Victoria, South Australia and the ACT reported enacting legislation to give effect to the NEM. South Australia also reported implementing several additional reforms that it argued would facilitate its participation in the NEM (such as the creation of a separate electricity generation business and the termination of restrictions on inter-jurisdictional electricity trade).

Road transport services are key inputs for many businesses. Historically, there have been problems with the regulation of road transport such as variations in regulation across Australia and charging systems that fail to reflect the costs which users impose on the road network. In 1996 -97,

several jurisdictions reported implementing road transport reforms designed to address these past problems. For instance the Commonwealth Government enacted legislation setting out uniform national requirements for heavy vehicle registration, transportation of dangerous goods and mass and loading regulations. Victoria (which reduced restrictions on vehicle size), the ACT (which provided enhanced access to the road network for certain types of high productivity vehicles) and the Northern Territory (implemented heavy vehicle registration charges) reported implementing aspects of the agreed national road transport reforms.²

Governments reported implementing a range of reforms in 1996 -97, designed to open up specific markets to increased competition. In 1997, the Commonwealth Government enacted legislation allowing open competition in telecommunications services to take effect from 1 July 1997. The Commonwealth legislation also set out new arrangements for regulating technical matters and the conduct of telecommunications providers. These arrangements are now administered by the Australian Communications Authority (for technical matters) and the Australian Competition and Consumer Commission (for third -party access and competitive conduct).

Deregulation also occurred in the financial sector. In April 1997, the Commonwealth Government announced that it would terminate the ‘six pillars’ policy (which banned mergers among the four major banks and the two largest life insurance companies, and prohibited the foreign takeover of any of the major banks).³

A range of reforms designed to promote competition in specific markets were also reported by states and territories. Apart from the reforms to the electricity and gas industries described in this section, deregulation also affected the legal profession (Victoria, NSW and the ACT), intra -state aviation (Tasmania) and the retail sector (deregulation of shop trading hours in Victoria and the ACT).

Governments are establishing access regimes to address difficulties that third-parties may have in gaining access to the services of ‘bottleneck’

² NSW, Victoria, Queensland, Western Australia, Tasmania and the ACT reported implementing nationally agreed heavy vehicle charges in 1995 -96.

³ However, the Commonwealth Government decided to retain the ban on mergers among the four major banks until it is satisfied that there is greater competition in the financial sector.

facilities that are required in order to compete in markets such as electricity, gas and rail transport. In 1996-97, several jurisdictions reported establishing or implementing regimes to facilitate third-party access. For example, the Commonwealth streamlined the access provisions of the *Trade Practices Act 1974* (the TPA) by passing an amendment that enables the ACCC to accept access codes from industry associations. In relation to the gas industry, NSW (gas distribution networks), Queensland (the Roma to Brisbane gas pipeline) and South Australia (gas transportation) established arrangements to facilitate third-party access. Both Victoria and South Australia reported reforms facilitating access to shipping channels and bulk handling facilities respectively.

In 1996-97, jurisdictions reported a range of measures designed to place their government businesses on a competitively neutral footing, compared with private sector competitors. Applying competitive neutrality essentially involves subjecting government businesses (GBEs and other significant government business activities) to the same taxes, incentives, and regulations facing private businesses. Victoria, Queensland and South Australia reported establishing mechanisms to deal with competitive neutrality complaints against government business. All states and territories reported implementing various mechanisms designed to promote competitive neutrality, such as the imposition of sales tax equivalents to GBEs, budget funding of community service obligations, corporatisation of businesses (designed to establish commercial incentives for GBE managers), and pricing policies (such as the requirement that GBE prices reflect all relevant costs).

In some cases, removal of legislative restrictions on competition may be insufficient to allow effective competition to develop. Reflecting these concerns, the NCP sought to encourage jurisdictions to establish independent sources of prices oversight for government businesses that have significant market power. During 1996-97, several jurisdictions established agencies or processes facilitating or extending prices oversight of government businesses. Queensland established the Competition Authority to administer prices oversight arrangements for monopoly and near monopoly government GBEs. South Australia established a prices surveillance mechanism for monopoly and near-monopoly businesses. Under this mechanism government business can be 'declared' for prices surveillance involving investigation by an independent Competition Commissioner. The ACT established the Energy and Water Charges Commission to undertake investigations into prices charged by ACTEW

Corporation (the major provider of electricity and water services in the ACT).

The National Competition Council (NCC) has an important role to play in overseeing the implementation of the NCP. The NCC is responsible for, amongst other things, monitoring and reporting annually on the implementation of agreed NCP reforms. This is a key task because the NCP provides for payments to be made to the states and territories, by the Commonwealth, on the condition that specific reform objectives are met. In June 1997, the NCC issued its first assessment of State and Territory progress in implementing NCP reforms (NCC 1997a). The NCC recommended that the states and territories receive full payment of the first part of the competition payments covering the period 1996 -97.

Government service provision reforms

Many of the general reforms submitted by jurisdictions related to the implementation of competition policy (see above). A range of additional reforms relating to government service provision were reported in the areas of purchaser-provider splitting,⁴ competitive tendering and contracting, implementing user charges for government-provided services and regulatory reform (see Table 1.1). While the reforms covered a wide range of industry sectors, there was an increase in the number of reforms relating to the health sector (13 in 1996 -97 compared to 9 in 1995 -96).

⁴ Purchaser-provider splitting involves separating the policy and purchasing roles of government from the service delivery role.

Table 1.1: Reforms to government service provision

<i>Nature of reform</i>	<i>Jurisdiction</i>	<i>Activities</i>
Purchaser-provider splits	NSW	Property valuation.
	Vic	Forestry research and catchment management.
	SA	Health care and road maintenance.
	ACT	Community services, public housing services and conservation and land management.
Competitive tendering and contracting	C'wealth	Laboratory and technical services; surveying and land information; IT services (Australian Customs Service); National injury surveillance; and National diabetes strategy.
	Vic	Ancillary court, police and Country Fire Authority services; local government services; aerial photo interpretation; property boundary mapping; community services; Latrobe Valley public hospital; and IT services (Housing Department).
	SA	Prisoner transport and court security; motor vehicle inspections; and road maintenance.
	Tas	Community and health services.
	ACT	Youth services.
Pricing of government services	C'wealth	Differential HECS contributions
	NSW	Full cost recovery for auditing services.
	Tas	Adoption of cost reflective prices for some Dept. of Primary Industries and Fisheries services and fee for service charges for home and community care services.
Regulatory reform	C'wealth	Introduced a Regulatory Impact Statement process.
	NSW	Regulatory reduction (elimination of licences).
	SA	Review, repeal and amendment of consumer affairs legislation.
	ACT	Review and repeal of licences and legislation; and introduced a new regulatory assessment process.

Source: Information provided by the Commonwealth, State and Territory governments.

Outsourcing and competitive tendering reforms were the most prominent of the general reforms. Areas of outsourcing or competitive tendering included health, community services (such as housing and home care), the courts,

government agencies and local government. For example, the Commonwealth Department of Finance has outsourced its non-core IT infrastructure services to the private sector. In South Australia prisoner transport and in-court management were outsourced. The ACT introduced competitive tendering for the management of certain youth support facilities and services.

A number of jurisdictions implemented reforms to reduce the cost of compliance with excessive business regulation. All Commonwealth departments are now required to prepare Regulatory Impact Statements before putting forward new legislation. This establishes a cost-benefit framework for legislation creation and legislation reviews so that the net benefit of new legislation can be determined. The ACT also implemented a review-type process to achieve similar outcomes.

Several reforms were designed to improve cost recovery from services provided or impose user pay principles. NSW has implemented full cost recovery for auditing services. The Tasmanian Department of Community and Health Services introduced fee for service charges for home and community care services.

Trade reforms

Trade reforms are a key element in improving the efficiency of Australia's economy. The number of trade reforms reported by the Commonwealth grew significantly — from 3 in 1995-96 to 16 in 1996-97.

Tariff reductions are an important element of microeconomic reform and the Commonwealth Government announced in 1996-97 that it would abolish the tariff on sugar imports. The Government also stated that it would continue to reduce tariffs on passenger motor vehicles (PMV) until 2000, in line with the existing schedule for PMV tariff reductions. The Government decided to freeze PMV tariffs at 15 per cent for five years and legislate forthwith to reduce tariffs to 10 per cent on 1 January 2005.

Other trade reforms were reported in the areas of: the modification or removal of export controls (for timber, coal, minerals and LNG); implementation of arrangements to promote greater industry self-regulation for exports of flowers and live animals; and the removal of regulatory impediments to trade between Australia and New Zealand (harmonisation of customs procedures and processes, mutual recognition and the development of a common food standards system).

Labour market reforms

In 1996-97, jurisdictions reported implementing reforms relating to labour market arrangements, including measures to restructure industrial relations systems, implement enterprise bargaining at the agency and individual workplace level and to tender vocational education and training (VET) programs competitively.

In November 1996, the Commonwealth Government enacted legislation designed to re-shape the industrial relations system. The new legislation seeks to allow more simplified and direct relationships between employers and employees, thereby facilitating improved labour market flexibility. Amongst other things, the legislation gives primary responsibility for industrial relations and agreement making to employers and employees at the enterprise and workplace levels with minimal third-party involvement. It also seeks to simplify federal awards (there are approximately 3000) to cover 20 allowable (safety net) provisions only. As part of its workplace reforms, the Commonwealth Government also amended the *Trade Practices Act 1974* to extend the coverage of the anti-boycott provisions to labour market practices. For example, the TPA now seeks to prohibit collusive behaviour by groups of workers in different industries.

Measures designed to reshape industrial relations systems were also implemented by several states. For example, Victoria referred its industrial relations powers to the Commonwealth Government, thereby creating a single industrial relations system in the State. Western Australia also enacted major changes to its industrial relations framework. Amongst other things, these reforms affected the rights of unions to become involved in workplace disputes, and modified dispute resolution procedures and unfair dismissal laws. Under reforms implemented in March 1997, Queensland now allows individual or collective agreements to be negotiated at the workplace level (through Certified Agreements or Queensland Workplace Agreements). Like the Commonwealth's industrial relations system, the award system in Queensland has been simplified to provide a genuine safety net of minimum wages and employment condition which will underpin direct bargaining between employers and employees. Finally, NSW reported that it implemented industrial relations reforms designed to provide greater flexibility in negotiating enterprise agreements.

Enterprise Bargaining Agreements continued to be implemented in many jurisdictions. For instance, South Australia reported that during 1996-97, 300 enterprise agreements were approved by the South Australian Industrial

Relations Commission — covering 58 798 employees. By comparison 151 agreements were approved in 1995-96. Queensland reported that as at June 1997 there were 44 public sector enterprise agreements covering about 184 000 employees. Western Australia reported that as at July 1997 a total of 102 245 employees with 2 854 employers had entered into workplace agreements.

Several jurisdictions reported implementing or expanding the use of competitive tendering for provision of vocational education and training (VET) programs. Victoria and NSW now put out to competitive tender around 10 per cent and 5 per cent respectively, of total VET funding. South Australia reported that around 19 per cent of training for apprentices and trainees was contracted out to public and private registered training organisations. Competitive tendering for VET programs commenced in Queensland. Tasmania now allows user choice of training providers for Government-funded training (for all new traineeships and apprenticeship in hairdressing, fitting and turning and electrical mechanics).

Environmental management reforms

Some environmental management reforms reported by jurisdictions involved implementing economic instruments for achieving environmental goals. Often the approach adopted was to combine economic incentives with regulation. For instance, NSW imposed a requirement on electricity distributors to offer customers the opportunity to purchase 'green energy'. However, distributors are allowed to charge a higher price for 'green energy' to reflect any higher generating costs. NSW also moved towards introducing tradeable pollution permits through implementation of a new pollution licensing system (Water Bubble licences). The new scheme enables licence holders to allocate allowable pollution between point sources to minimise compliance costs. Western Australia implemented a two-tiered levy on industrial, commercial and household waste dumped in metropolitan rubbish tips. The ACT introduced fees at the Tidbinbilla nature reserve.

Several jurisdictions reported reforms relating to water entitlements. For instance, the governments representing the Commonwealth, NSW, Victoria, South Australia and Queensland agreed to place a cap on water diversion in the Murray-Darling Basin. This will assist in improving economic and environmental management of river systems in the Basin. Victoria reported that one half of its water resources are now specified as bulk water entitlements. These entitlements can be transferred from low to high valued

uses, thereby facilitating the efficient and more sustainable use of these water resources. South Australia also established water resource licences that are not linked to land title and can be transferred (including interstate).

Government business enterprise reforms

Many aspects of the NCP relate to government business enterprises (GBEs). Progress by jurisdictions in implementing elements of the NCP was discussed above. Jurisdictions also implemented a range of additional measures, including pricing, structural and ownership reforms across a variety of GBE sectors.

The number of privatisations reported by jurisdictions has continued to rise. In 1994-95 16 full or partial privatisations were reported and in 1995 -96, the number rose to 18. In 1996-97, 24 privatisations were reported (see Table 1.2).

As in previous years, pricing reforms figured prominently in the list of reforms. Pricing reform continued in the water industry with NSW agreeing to move away from property-valued based charges to a two part tariff (incorporating a fixed connection charge and a three tiered usage charge). In Victoria all non-metropolitan water authorities now use two-part user-pays pricing, incorporating a fixed service charge and a usage charge. Western Australia implemented water tariff changes aimed at eliminating cross-subsidies gradually. Price re-balancing in the electricity industry also occurred in South Australia and NSW.

A number of jurisdictions sought to identify and directly fund community service obligations (CSOs). For example, Western Australia commenced direct funding from the budget for agreed CSOs undertaken by Western Power, Water Corp and Westrail. Tasmania entered into contracts with certain GBEs to provide CSOs that have been recognised formally by the State Government. The Northern Territory adopted an agreed national definition of CSOs, directed GBEs to identify and fully cost their CSOs and agreed to fund CSOs provided by the Ports Authority directly.

Table 1.2: Privatisations of government enterprises by jurisdiction, 1996-97^a

<i>Jurisdiction</i>	<i>Industry</i>	<i>Details</i>
C'wealth	Administrative services	Sold four DAS businesses: Asset Services; Interiors Australia; Australian Operational Support Services; and Australian Property Group.
	Airports	Sold shares in Avalon Airport Geelong Pty Ltd and long-term leases for Melbourne (\$1.3 billion), Brisbane (\$1.4 billion) and Perth (\$643 million) for a combined total of over \$3.3 billion.
	Surveying and mapping	Sold the commercial surveying and mapping activities of AUSLIG.
NSW	Gas	Wagga Wagga City Council sold its gas business to Great Southern Energy.
	Water	Hunter Water sold its business engineering subsidiary.
Vic	Electricity	Sold four electricity generation companies: Hazelwood Power Corporation and Energy Brix Australia Corporation for \$2.4 billion, the State's remaining 49 per cent interest in the Loy Yang B power station, and Loy Yang Power for \$4.8 billion.
	Ports	Privatised Melbourne Port Services (\$8 million).
	Water	Melbourne Water sold its infrastructure and management subsidiary (Streamline Australia).
	Computing services	Sold Health Computing Services by public tender.
WA	Laundry services	The Hospital Linen Service sold to Healthcare Linen Pty Ltd for over \$10 million.
SA	Various asset sales	Sold Festival City, Broadcasters SA, Meat Corporation and Department of Transport plant and equipment.
NT	Grain depot	Sold the Katherine and Douglas Daly grain depot.

^a The table excludes sales of property, vehicle fleets and financing transactions such as the sale and lease-back of public sector car fleets.

Source: Information provided by the Commonwealth, State and Territory governments.

Several jurisdictions also implemented important structural reforms. The restructuring of GBEs took two main forms:

- vertical and horizontal separation designed to achieve more competitive market structures; and
- separation of regulatory and commercial functions designed to place GBEs on a more commercial and competitively neutral basis.

In 1996-97, Queensland implemented a major restructuring of the electricity industry involving: splitting the major generator AUSTA Electric into three independent and competing government-owned electricity generation corporations and an engineering services corporation; retention of the State's seven existing distribution corporations; and creation of three new trading corporations which will buy and sell electricity in distribution areas. South Australia also separated the generation business of ETSA to form a new GBE (Optima Energy).

In July 1996, NSW structurally separated the rail industry, creating separate GBEs with responsibility for infrastructure provision, infrastructure maintenance, passenger operations and freight services. Similar structural reforms were implemented in the Victorian rail industry. For instance, the Government established a track operator (Rail Track Corporation) to manage the country rail infrastructure, and a freight provider (V/Line Freight Corporation) to provide freight services in competition with existing private providers.

Structural reforms involving the separation of regulatory and commercial functions were also implemented by several jurisdictions. For example, NSW separated the activity of providing bulk water to rural areas from the function of natural resource management. Tasmania divested its ports of their non-commercial activities, thereby allowing them to focus on their core businesses. Regulatory and policy functions were transferred from the Tasmanian urban bus service provider (Metro) to the Department of Transport.

APPENDIX A

Reported microeconomic reforms, 1996-97

This appendix lists microeconomic reforms that were implemented by the Commonwealth, States and Territories in 1996 -97. Reforms are listed under several categories, namely:

- Industry-specific reforms;
- General reforms;
- Trade reforms;
- Labour market reforms;
- Environmental management reforms; and
- government business enterprise reforms.

The information set out in this appendix was provided by Commonwealth departments, the States and Territories. As noted in Chapter 1, the Commission has not attempted to scan the information provided for omissions systematically, or to verify the nature and significance of the reported reforms.

Industry specific reforms

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Primary industry				
Agricultural and veterinary chemicals	Tas	Jan 1997	Introduced the requirement that agricultural and veterinary chemicals be registered under the National Registration Scheme.	The scheme replaced the cumbersome arrangement that necessitated separate State registration.
Egg farming and product manufacture	Tas	1996-97	Introduced Hazard Analysis Critical Control Point (HACCP) based food safety (national) programs for egg farms and for processing egg products.	These programs seek to enhance efficiency in the farm sector and promote food safety (bacteria avoidance) and protect the environment.
Fishing	NSW	1996-97	Definition of property rights through the <i>Fisheries Management (General) Amendment (Restricted Fisheries) Regulation 1997</i> .	Property rights defined on a shares basis and limited access permitted in restricted fishing areas. This will enable resources to be sustained.
Fishing	NSW	1996-97	<i>Sydney Marketing Authority (Dissolution) Act 1997</i> . Sydney Marketing Authority was replaced by the company Sydney Marketing Ltd.	Removes direct government involvement in the market.
Forestry	Vic	1996-97	Contracted-out aerial photo interpretation as part of the state-wide forest inventory. Forestry research and development reorganised on a purchaser (Forests Service) provider (Centre For Tree Technology) basis.	Encourage competition and reduced costs of aerial photo work. Improved focus on research needs.
Forestry	SA	1996-97	Sale of log by PISA Forestry by competitive tendering process.	Facilitates a more efficient allocation of the resource base.

Industry specific reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Forestry	Tas	1996-97	Forestry Tasmania finalised a new wood supply agreement with Australian Newsprint Mills (ANM). The wood supply agreement removes exclusive geographic rights to pulpwood from Crown forests and provides for general supply of both hardwood and softwood.	This reform allowed for the repeal of the wood supply provisions of the <i>Florentine Valley Paper Industry Act 1935</i> . The new wood supply agreement will achieve better cost recovery for Forestry Tasmania. The agreement also provides for a joint venture development between ANM and Forestry Tasmania, of hardwood and softwood plantations.
Grain marketing	NT	Feb 1997	Privatisation of the operation of the Katherine and Douglas Daly Grain Depot.	Future grain trading will be more responsive to emerging market conditions and free of unnecessary constraint.
Livestock transport	NT	July 1996	Livestock Loading Scheme introduced which allows additional vehicle mass if extra safety standards and welfare loading criteria are met.	Enables vehicles to carry an increased livestock mass.
Marine resources	Tas	1996-97	Enacted legislation covering marine resource management and marine farming planning. Marine Farming Development Plans must now be prepared for the major marine farming areas in Tasmania.	Eleven regions have been identified for the Plans. To date, three Plans have been finalised and are being implemented. The balance of the Plans are due for completion by the end of 1998. The increase in water areas available to the industry through the planning process has provided industry participants with increased investment certainty.
Mining	NSW	Mar 1997	Introduced the Mining Legislation Amendment Act 1996.	The legislation simplifies regulation, licensing and penalties.
Mining	SA	Apr 1997	Passed the Opal Mining Act 1995 and amended the Mining Act 1971 which allow corporations to explore and mine for opals in areas previously reserved for smaller operators.	Increases competition in exploration.

Potatoes	Tas	1996-97	Industry to take over responsibility for potato certified seed production.	Reduced role for government in seed production.
Primary industry research	Tas	May 1997	Established the Tasmanian Institute of Agricultural Research (TIAR).	Expected to lead to significant increases in efficiency and reduce duplication of research resources.
Primary industry research	Tas	1996-97	Closed the Fisheries Agricultural and Environmental Chemistry Laboratory.	Rationalised the provision of analytical services in Government laboratories.
Wool	C'wealth	1997	Passed legislation to liquidate Wool International when the wool stockpile is sold and the government guaranteed debt is retired. Surplus equity to be returned to wool growers.	Further reduces government control of the wool industry and provides the industry with greater autonomy.

Manufacturing

Meat processing	C'wealth	Dec 1996	Exemptions policy changed to provide for export of meat from establishments not registered by the Commonwealth for export but registered by State/Territory authorities, where agreed by importing country.	Widens scope for exports to markets which will accept product complying with Australian food law.
Meat processing	NT	1996-97	Passed the NT Meat Industries Act implementing nationally agreed minimum standards in all abattoirs and meat processing establishments; devolves meat inspection to abattoir management.	Reduced regulation and Government involvement in meat inspection.

Industry specific reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Services				
Air transport	Tas	1996-97	Liberalised intrastate air services in Tasmania. This involves the Transport Commission taking a more liberal approach to the regulation of air services.	Multiple operators can now provide intrastate services. Fares, freight rates, timetables and aircraft types are no longer regulated and are now determined by the market. Operators will be granted licences to operate provided they have the appropriate safety accreditation from CASA.
Alpine resorts	Vic	1997	Implemented self-management of Victoria's alpine resorts. Board members appointed by the State Government.	The new structure aims to improve services through promoting competition between resorts.
Aviation	C'wealth	1996-97	Increased liberalisation of international aviation arrangements through successful bilateral negotiations with 18 countries including four new bilateral air service agreements.	Will increase competition and numbers of services for passengers. Exporters benefit from increased availability of dedicated freight entitlements to airline carriers under bilateral arrangements.
Banking and finance	C'wealth	Apr 1997	Termination of the 'six pillars' policy banning mergers among the major banks and the largest life insurance companies. Prohibition on foreign takeover of any of the major banks also abolished. Mergers among the four major banks will not be permitted until the Government is satisfied that there is greater competition in the financial sector.	Expected to increase competitive pressure on the banks and life insurance companies through the threat of takeover. The process for assessing mergers between banks and life insurance companies now entails seeking clearance from; the ACCC on competition grounds; the Reserve Bank and the Insurance and Superannuation Commission on prudential grounds; and the reserve power of the Treasurer who has the power to block any proposed merger. Proposals for foreign acquisitions must also be assessed through the usual FIRB criteria.

Banking and finance	C'wealth	1997	Enacted the <i>Retirement Savings Account Act 1997</i> allowing banks, credit unions, building societies and life offices to offer superannuation Retirement Savings Accounts.	Increase choice and competition in the superannuation industry by providing a simple, low cost and low risk superannuation product. Also allows employees to consolidate separate accounts, and enhances portability with easier superannuation arrangements particularly for members who change employment or have multiple jobs.
Construction	Qld	Oct 1996	Published a nationally consistent performance-based Building Code of Australia. Replaces a prescriptive building code.	Expected to lead to savings of approximately \$40 to \$200 million annually.
Electricity	NSW, Vic, Qld, SA, ACT	Nov 1996	National Electricity Code submitted to the ACCC.	Key element of National Electricity Market regulatory and operational arrangements
Electricity	NSW, Vic, ACT	1996-97	Passage of co-operative NEM Legislation.	Prepares for introduction of the NEM.
Electricity	NSW, Vic, ACT	May 1997	Commencement of the first stage of the National Electricity Market (NEM1).	Allows for the trade of electricity in integrated markets thereby increasing competition. The full NEM is expected to commence in March 1998.
Electricity	NSW	Oct 1996	Introduction of a commercial retail electricity market.	Approx. 3,500 customers (annual purchases of more than 750 Mwh) became contestable. Resulted in price reductions of between 25 per cent and 40 per cent.
Electricity	SA	Jan 1997	Established a technical regulator for the electricity industry, licensing obligations on electricity industry participants, and consumer protection standards. Gives effect to the NEM and the National Electricity Code - to create the new companies NECA and NEMMCO to administer the rules and operate the market.	Provides for the technical, safety and commercial regulation of the SA electricity industry and other supporting regulatory framework for the NEM.

Industry specific reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Electricity	Vic, NSW and SA	Apr 1997	Termination of the Interconnection Operating Agreement (a contract that limited jurisdictional trade of electricity).	Removes a major impediment to the development of the NEM.
Electricity	SA	Apr 1997	Established SA Trader which participates in the harmonised NSW/Victoria State markets, providing up to 30 per cent of State's electricity requirements across the existing interconnect.	Facilitates the establishment of NEM.
Fisheries	Vic	1996-97	Implementation of purchaser/provider split in Fisheries Victoria.	Encourages more efficient use of Government resources through management making decisions taking into account the full cost of service delivery.
Gas	National	Feb 1997	Formation of the Gas Reform Implementation Group, comprising government, and peak industry and user association representatives.	GRIG has assumed responsibility from the Gas Reform Task Force for progressing the national code for accessing natural gas pipelines, an inter-governmental agreement and gas access legislation through to implementation.
Gas	NSW	Aug 1996	Proclaimed the Gas Supply Act 1996, giving effect to a third party access code for distribution networks. Australian Gas Light Company required to establish an access undertaking for its distribution network.	Removes barriers to entry. From July 1997 customers above 100TJ per annum became effectively contestable. NSW industrial gas users expected to save over \$60 million by 1999-00.
Gas	NSW	Aug 1996	Regulatory regimes for industry safety developed.	Moves away from prescriptive regulations to preferred outcomes and affords more discretion for industry participants but greater accountability.
Gas	Qld	July 1996	Approved principles governing third party access to the Roma to Brisbane gas pipeline.	Open access arrangements for the gas pipeline are expected to reduce the price of natural gas delivered to markets in south-east Queensland.

Gas	SA	1996-97	Enacted the Gas Act 1997 and Regulations (with effect from July 1997). Establishes a prices oversight framework for licensed retailers and distributors and provides for technical, safety and commercial regulation of the gas industry.	The Act provides for third party access to distribution pipelines, a Technical Regulator and an independent Pricing Regulator for gas transportation. Also the Act sets the contestability timetable for open access to distribution pipelines the first tranche being for loads greater than 100 TJ on 1 April 1998.
Gas	SA	April 1997	Implemented a common product safety regime for the sale of gas appliances in Australia.	Seeks to ensure that only safe appliances are sold (hired) by traders as agreed to by Australian and New Zealand Minerals and Energy Council (ANZMEC) in 1995.
Gas	SA	1996-97	An independent review of the <i>Cooper Basin Ratification Act, 1975</i> was completed.	Consistent with COAG obligations.
Gas	ACT	1997	Reform framework measures agreed in concert with national timetable for access legislation for open access to contract markets from 1 July 1998.	The ACT position conforms with the national timetable for pipelines access law and advanced with consequential amendments to existing gas legislation. National law to be applied in ACT to comprise access regime with National Access Code, for certification by NCC.
Hairdressing	WA	Apr 1997	Abolished unnecessary regulation of the hairdressing industry and the Hairdressers Regulation Board.	Promotes a more competitive hairdressing industry.
Legal profession	NSW, ACT	1996-97	Amended legislation to recognise the registration and qualification of practitioners in participating jurisdictions.	Facilitates the establishment of a national legal services market.

Industry specific reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Legal profession	Vic	Jan 1997	Implemented reforms to the legal profession involving: creating a Legal Practice Board to accredit professional associations for purposes of regulation; establishing a Legal Ombudsman; greater application of competition principles to the profession and reform of barristers' and solicitors' work practices; and the establishment of a Legal Professional Tribunal.	Aims to promote competition and enhance accountability in the Australian legal profession and exports of Australian legal services.
Local government	WA	July 1996	Commencement of new Local Government Act which will significantly change the way Western Australia's 142 councils operate.	Facilitates amalgamations and rationalisation of services. Reduces recruitment restrictions/barriers. Introduces performance controls and appraisals. Requires forward planning and greater financial autonomy.
Racing	Vic	June 1997	Licensing of racing and associated activities streamlined.	Eight licences were simplified and two were abolished. The changes reduced costs to industry and Government by \$100,000 per annum.
Real estate	WA	July 1996	Simplified real estate and tenancy regulations and procedures affecting small business and tenants.	More responsive and faster services to tenants and property owners.
Roads	National	1996-97	Signing of new round of National Highway Maintenance Performance Agreements with all States.	The new agreements seek to improve monitoring of National Highway conditions and the efficiency of maintenance expenditure, while lessening involvement by the Commonwealth in the day to day administration of the maintenance program.

Road transport	National	1996-97	Implemented national uniform heavy vehicle registration charges. Reformed regulation of mass and dimensional limits for heavy vehicles and simplified rules for over-mass and oversize vehicles through gazetted general notices.	Simplifies the regulation of road transport, reduces costs for businesses operating between jurisdictions and facilitates competitive neutrality.
Road transport	C'wealth	Dec 1996	Enacted the Commonwealth Road Transport Reform Acts (Heavy Vehicle Registration and Dangerous Goods) and amendment to regulations (Mass and Loading). Amended interstate road transport legislation.	Part of introduction of a nationally uniform regulatory environment. Will improve the efficiency and productivity of the industry. Full implementation of national road transport reforms is estimated to add \$800 million annually to GDP.
Road transport	Vic	1996-97	Separated SprayLine Surfacing Services from government into an independent, financially self-supporting, operation.	Productivity increases resulting from competitive commercial pressures.
Road transport	Vic	1996-97	Increased the amount of road construction and maintenance work contracted to the private sector. In 1996-97, 66 per cent of routine maintenance was carried out by contract.	Competitive tendering for work has resulted in significant cost reductions. In metropolitan areas costs have fallen from around \$2,500 per lane km to \$1,000 per lane km. In rural areas costs have declined from around \$1,400 per lane km to \$1,000 per lane km.
Road transport	Vic	1996-97	Separation of purchaser and provider functions within VicRoads.	Enhanced productivity due to increased commercial focus and accountability.
Road transport	Vic	1996-97	Implemented agreed national heavy vehicle reforms which involve freeing up restrictions on vehicle size.	The reforms will reduce costs and increase productivity in the road transport industry which will lower road transport costs.
Road transport	SA	1996-97	Amended legislation enabling the revamping of the trade plates system (temporary registration of unregistered vehicles).	Has eliminated restrictions on who can acquire trade plates.

Industry specific reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Road transport	ACT	1996-97	Introduced agreed national road transport reforms.	Complies with the timetable to implement national reforms. Advance action taken in the vehicle operations area, providing enhanced access for high productivity vehicles.
Road transport	NT	July 1996	National heavy vehicle registration charges implemented.	Complies with national scheme.
Road transport	NT	Jan 1997	Introduction of additional heavy vehicle freight allowance for companies in alternative compliance mass management scheme.	Enables vehicles to carry an increased mass.
Shop trading	Vic	Nov 1996	Repealed the Shop Trading Act 1987 and effectively deregulated shop trading hours throughout Victoria.	Facilitates increased competition, investment and employment growth in the retail sector, and greater choice and convenience for consumers.
Sport	Vic	1996-97	Enacted the Professional Boxing and Martial Arts Act 1996 which abolished a number of licence categories and established new criteria for the issuing of licences.	Two Boards were replaced by a single authority regulating promotional bouts. Non-professional boxing and martial arts will now be self-regulated.
Stamp duty	WA	Oct 1996	Provided relief from stamp duty on the transfer of assets between commonly-owned companies (subject to certain eligibility criteria being met).	Stamp duty relief (at a cost of about \$5m a year) is expected to promote efficiency through facilitating corporate reconstruction.
Taxis	ACT	1997	Service level agreement introduced between Government and the taxi industry.	Future taxi plate releases will be determined by the taxi industry's ability to meet agreed service level. This increases industry focus on customer requirements.

Telecommunications

C'wealth

1997

Introduced open competition in telecommunications services with enhanced consumer and competitive safeguards. Transfer of competition and access regulation to Trade Practices Act and ACCC.

Allows full competition in all areas of telecommunications. Major consumer and industry benefits expected.

General reforms

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Agricultural services	Tas	1996-97	The Department of Primary Industry and Fisheries has updated its prices in accordance with competitive neutrality principles.	Adopted cost reflective prices for Plant and Animal Health Laboratory services, services provided by the Horticulture and Dairy Branches and administrative services provided by the Marine Resources Division.
Analytical services	C'wealth	1996-97	Contracted out the supply of laboratory and technical personnel services.	Promotes competition in the market and more cost effective service delivery.
Asset sales	SA	1996-97	Asset sales including 333 Collins Street, Forwood Products, Festival City, Broadcasters SA, Meat Corporation, Dept. of Transport Plant and Equipment.	Proceeds from asset sales in 1996/97 exceeded \$400m.
Auditing	NSW	1996-97	Full cost recovery introduced for auditing services.	Removes cross-subsidisation and improves resource allocation.
Child care	C'wealth	Apr 1997	Improve targeting of child care assistance to those families that most need the assistance.	Improve targeting of assistance to low and middle income families. Encourage services to reform charging practices.
Child care	C'wealth	1996-97	Remove capital funding to Community Long Day Care centres.	Need for Commonwealth funding diminished due to extent of private sector interest in the provision of child care.
Community services	ACT	1997-2000	Purchaser/provider model introduced for community services across Government agencies.	The reform provides for more responsive and effective delivery of services to the community.
Competition policy — access	C'wealth	Mar 1997	Introduction of streamlined procedures for establishing industry access codes under the TPA.	The ACCC will now be able to consider undertakings for industry access codes more promptly. Will facilitate competition reforms in industries such as gas and electricity, by enabling third party access to essential infrastructure.

Competition policy — local government	Qld	May 1997	Amended the Local Government Act 1993 to facilitate future corporatisation, commercialisation, application of the code of Competitive conduct, review of local laws and application of the COAG Water Resource Policy urban pricing and cost recovery elements in local government.	Complies with NCP requirements to implement reforms in local government.
Competition policy — prices oversight	Qld	May 1997	Passed legislation establishing the Queensland Competition Authority, which will be responsible for administering: prices oversight arrangements for monopoly and near monopoly government GBEs; the competitive neutrality complaints mechanism; and a third party access regime.	Expected to improve efficiency in Queensland through the impact of lower costs and increased productivity. Much of the gain will flow from reforms to public utilities (eg. water, electricity).
Competition policy— prices oversight	SA	Aug 1996	Government Business Enterprises (Competition) Act 1996 proclaimed.	Complies with competition policy requirements. Promotes independent and transparent public reviews of GBE prices. The Act establishes an independent prices oversight mechanism for monopoly or near monopoly GBEs.
Competition policy — prices oversight	ACT	Sept 1996	ACT Energy and Water Charges Commission established as an independent pricing agency.	Independent regulation of ACTEW's monopoly charges and compliance with national competition policy.
Competition policy — technical regulation	SA	Dec 1996	Established the Office of Energy Policy with responsibility for developing and maintaining a light-handed safety, technical and commercial regulatory framework for the South Australian energy industry.	Provides the necessary support for the Technical Regulator.
Competition policy— CSO policy	SA	Dec 1996	Implemented CSO policy framework providing for the review and, where appropriate, direct funding of CSOs worth \$73.6m (SA Water) and \$45.8m (ETSA) to be funded from the Budget.	Encourages a more commercial focus for GBEs and improves accountability and transparency for CSO funding arrangements.

General reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Competition policy — competitive neutrality	Vic	July 1996	Established competitive neutrality complaints unit.	Seeks to promote competition by removing certain advantages arising from government ownership.
Competition policy— competitive neutrality	SA	Jun 1997	Principles of Competitive Neutrality proclaimed and the competitive neutrality complaints mechanism became operational.	Application of competitive neutrality principles to government business activities is proceeding in accordance with the June 1996 Policy Statement. Tax equivalence now extends to 21 trading and financial enterprises, and 16 business units of government departments. Debt guarantee fees apply to 36 business activities.
Competition policy— competitive neutrality	WA	1996-97	Passed legislation applying an income and wholesale sales tax equivalent regime to Western Power, AlintaGas and the Water Corporation.	Part of the Government's policy of implementing competitive neutrality in the public sector.
Competition policy— competitive neutrality	Tas	1996-97	Extended competitive neutrality principles to six GBEs which were not previously fully subject to tax, dividend and debt guarantee fee regimes.	Implements the competitive neutrality principles under the National Competition Policy.
Competition policy	WA	July 1996	Commencement of the legislation which applies Part IV of the Trade Practices Act to previously exempt entities within Western Australia.	Extends the coverage of Part IV of the Trade Practices Act to all public and private business activities in Western Australia.
Competition policy	Tas	July 1997	Extended the application of Part IV of the Trade Practices Act to all businesses in Tasmania.	Complies with NCP requirements.
Competition Policy	ACT	July 1996	Competition Policy Reform Act 1996 commenced.	Competitive conduct rules of Part IV of the Trade Practices Act 1974 now apply in the ACT.
Competition policy	NT	1996	Commencement of legislation applying Part IV of the Trade Practices Act to all businesses in the NT.	Complies with competition policy requirements.

Construction services	ACT	Jan 1997	Government's Works and Commercial Services functions transferred to Totalcare Industries, a Territory Owned Corporation.	Complies NCP requirements concerning implementation of competitive neutrality arrangements.
Customs services	C'wealth	1996-97	Implemented reforms to the Australian Customs Service, including outsourcing of IT services and adoption of cost recovery measures.	Provision of more cost-effectiveness and responsive information technology functions. Cost recovery measures were introduced as part of savings/revenue measures needed to meet the portfolio's savings targets over the next 4 years.
Education	C'wealth	Dec 1996	Amended Higher Education Funding Act 1988 to allow differential Higher Education Contribution Scheme (HECS) contributions for students commencing a course from 1997.	Provides for more efficient pricing of higher education courses. HECS charges are now based on consideration relating to course cost, future earnings and relative demand.
Education	NSW	1997	TAFE NSW introduced a Service Competition Policy (SCP) to address performance improvement in any contestable area.	Over the last three years 22 SCP projects have been completed and a further 22 identified for future attention.
Education	Vic	1996-97	Expansion of the Full Fee Paying Overseas Student Program to include over 100 government schools.	There are now over 400 fee paying students in government schools and English language centres. Implements a user pays model for overseas students.
Education	Vic	Feb 1997	Outsourced the independent verification of school assessments and reviews. Contracts worth \$1.8m were awarded to 10 organisations for the triennial review of 1660 government schools in Victoria.	Expected to promote cost-effective quality assurance, increased accountability and flexibility, and greater access to specialist external skills.

General reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Fair trading	Vic	1996-97	Reviewed fair trading and business legislation. Resulting initiatives include: introducing template legislation for a national scheme to simplify the establishment, operation and oversight of Friendly Societies; reform of the current Motor Car Traders Act 1986 to better balance the rights and responsibilities of traders and consumers, simplify unnecessary administrative procedures and encourage compliance; and legislative reform as the basis for a national scheme to simplify the establishment and operation of co-operatives.	Initiatives seek to ensure fair dealing in an efficient, competitive and informed market place. The shift in emphasis has been directed towards dispute avoidance, industry self-regulation and the establishment of core standards.
Financial management	SA	1996-97	Implemented external financial reporting on an accrual accounting basis for all government agencies.	Full disclosure of financial activities of government agencies and improved financial management.
Geospatial information	Vic	1996-97	Entered contract with Dataflow Pty Ltd to manage, develop and distribute the State Digital Cadastral Map Base (the map base of property boundaries).	Outsourcing of work previously done by Government to promote efficiencies and cost savings.
Health	C'wealth	June 1997	End of the national injury surveillance functions within an Adelaide based, special purpose unit.	Outsourced to Flinders University Research Centre for Injury Studies, allowing more flexible use of scarce skills to promote injury prevention in Australia.
Health	C'wealth	Feb 1997	Established a three year contract between the Commonwealth and Diabetes Australia to manage and implement the National Diabetes Strategy, under which Diabetes Australia is responsible for managing and advancing the work program of the Ministerial Advisory Committee on Diabetes.	The outsourcing arrangement with Diabetes Australia is being evaluated along with similar outsourcing arrangements in Public Health.

Health	Vic	1996-97	The Department of Human Services further developed funding and service agreements by moving from narrative to specific output service measures and financial reporting based on outputs and outcomes.	Improved delivery of services to the community and accountability through strategic service planning, purchasing and contract management.
Health	Vic	1996-97	Completed tendering processes for: regional alcohol and drug treatment services; aged care nursing (transfer of first 100 of 1500 aged care nursing home beds); management of the state-wide psychiatric service client database; and health computing services and other non-core services.	Clarification of core business. External purchase of services on a competitive basis to deliver higher quality service at lower cost. Improved regional service delivery.
Health	Vic	1996-97	Australia Hospital Care Limited contracted to build, own and operate (for 20 years) a hospital in the Latrobe Valley to provide public hospital services from 1998-99.	The hospital will operate within the same policy framework as Victoria's other hospitals providing health services to public patients.
Health	Vic	1996-97	The sale of Health Computing Services by public tender.	Clarification and refinement of core business.
Health	SA	1996-97	Introduction of a new management support system for people with on-going, complex health conditions incorporating: individual client care planning and scheduling; pooling of funds; and networking of service providers.	To improve the health and well being of the community and set up more efficient methods of funding services to clients.
Health	SA	1996-97	Implemented needs-based health planning through the use of a population health focus in the planning, funding, purchasing and evaluation of services.	Maximises the range of options available to select effective, appropriate and value for money services.
Health	SA	Oct 1996	Introduction of Funder/Owner/Purchaser/Provider environment for the management of health care provision.	To achieve substantial efficiency gains in collaboration with health services providers.

General reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Health	SA	1996-97	Introduction of acute bed management in mental health services.	Reduces the overall cost of the public mental health service.
Health	ACT	1996-97	Introduction of casemix funding for public hospitals services. Purchaser/provider model introduced for the delivery of acute and community care services.	Improves health outcomes and promotes efficient service provision.
Health and community services	Tas	1996-97	The Department of Community and Health Services contracted-out services in line with the Government's Competitive Tendering and Contracting policy.	Non-core services transferred to or contracted to the private sector during the year.
Health and community services	Tas	1996-97	The Department of Community and Health Services introduced fee-for-service charges for Home and Community Care Services.	All recipients of home-based care will be required to pay a fee with weekly maxima of \$10 or \$30 (depending on pensioner status).
Health and community services	Tas	1996-97	The Department of Community and Health Services has implemented case-mix funding for public hospitals.	Funding and reporting mechanisms are now based on outputs. This will assist in accounting for activities and improve performance and budget management.
Housing	Vic	1996-97	Division of Housing IT services was outsourced through a competitive public tender.	External service purchase on a competitive basis providing quality services at least cost.
Housing	Tas	1996-97	Implementation of incentives for public housing tenants to purchase their homes.	These incentives will assist in reorientating the role of public housing services from that of housing provision to that of housing assistance.
Industry development	Tas	1996-97	Substantially reduced the lending function of Tasmania Development and Resources (TDR).	The focus of TDR has shifted from being the lender-of-the-last-resort, to assisting business to borrow from the private sector.

Information technology	SA	1996-97	Consolidation, rationalisation standardisation of government data centres.	Immediate 15 per cent savings of costs (\$11m) plus annual cost reductions. Achievement of economic development offset initiatives.
Legislative reform	SA	1996-97	Amended Motor Vehicle Legislation to allow for outsourcing of various inspection functions to the private sector.	Enable improvements to vehicle identification without compromising the integrity of these data and will help reduce motor vehicle theft.
Legislation review	WA	1996-97	Reviewed 42 Acts in 1996-97. Some review reports are being reconsidered, others have resulted in reforms being recommended and subsequently endorsed by Cabinet. Of the remaining 269 Acts listed for review, 79 are scheduled for 1997-98.	Consistent with the principles for review prescribed in the Competition Principles Agreement.
Local government	Vic	1996-97	Councils required to competitively tender 50 per cent of their expenses.	Aims to promote the review and clearer specification of council services, and reduce the cost of those services to local government.
Local government	SA	1996-97	Local councils amalgamated. Local Government Boundary Reform Board continues to assess structural reform proposals.	Expected to facilitate a reduction in the total number of Councils from 111 to 69. Restructuring has led to cost savings (estimated at \$20m) and strengthened the capacity of Councils to contribute to State development and to meet local needs.
Planning	Vic	Dec 1996	The Planning and Environment Act (Planning Schemes) 1996 replaces the existing three section planning scheme adopted by local councils with one standard.	Implements a State-wide planning framework which ensures clarity and consistency and that development controls are underpinned by strategic planning and policy.
Planning	Vic	Mar 1997	Replaced regulation by water agencies of on-site water and waste water plumbing with a system of self certification and random audit.	Separates water resource management from regulatory function. Aims to promote high standard of plumbing work while minimising the cost to the consumer.

General reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Planning and land management	ACT	1997	New planning and land management practices introduced including: the establishment of the Office of Commissioner for Land and Planning; modified third party appeal rights; streamlined approval processes; enforcement of lease compliance; establishment of a single development approval process; and repeal of ineffective Acts.	Improves the effectiveness and efficiency of service delivery to clients through streamlining and simplifying approvals processes.
Property valuation	NSW	May 1997	Separation of the State Valuation Office (SVO) from the Valuer General's Department.	Facilitates competition in the provision of mass valuations for the NSW Government. Three valuation contracts have been awarded thus far for almost 400,000 properties.
Public housing	ACT	1996-97	Purchaser/provider model involving the separation of property and tenancy management activities, and restructure of tenancy services.	Clarifies the Govt's role as purchaser of public housing. Property and tenancy services to be provided separately. Loan portfolio responsibilities have also been separated from the purchaser role.
Public safety, law and order	Vic	1996-97	Private provision of correctional services. Completed two privately owned and operated prisons at Melton and Fulham. These replace four government operated prisons: Fairlea, Pentridge, Metropolitan Reception and Sale.	Design, construction, ownership, maintenance and management risks of the prisons will be carried out by the private sector. Government risk extends to allocation of prisoners within defined limits, and to changes in correctional policy.

Public safety, law and order	Vic	1996-97	Outsourcing of activities in several sectors including; courts (reporting, business systems development, court security, cleaning services, data entry); corrections (job placement, corrections programs, prisoner transport, drug and alcohol programs, psychological services, chaplaincy services, and custody management); police (rotary air wing, forensic medicine, operational training and tactics, property services, fleet management, radio maintenance, health services); Country Fire Authority (vehicle and uniform manufacture, fire alarm monitoring, microfilming, training, occupational health and safety, and IT services).	A range of benefits from outsourcing have accrued including enhanced service delivery, reduced service delivery cost, and sharing of risk with the private sector.
Public safety, law and order	SA	Dec 1996	Outsourced prisoner transport and in-court management.	Has led to greater cooperation between justice agencies and improved service delivery.
Recreation	Vic	1997	Sport and Recreation Victoria outsourced management of its recreation camps whilst retaining ownership of the assets.	Government owned camps now operating in open commercial market.
Regulatory reform	C'wealth	Mar 1997	C'wealth Departments are now required to prepare a 'Regulation Impact Statement' (RIS) for proposed legislation affecting business. Further, all reviews of C'wealth legislation are now required to use the RIS framework.	The RIS approach (cost-benefit) provides a framework within which proposed and existing legislation can be assessed for its quality and impact.
Regulatory reform	NSW	Dec 1996	Enacted the Regulatory Reduction Act 1996 to simplify licences and remove redundant licences.	Repealed 16 licences. A further 18 will be removed progressively. A further 51 licences identified under the licence reduction program have been repealed or amalgamated.

General reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Regulatory reform	SA	Nov 1996	Formal completion of review, repeal, and amendment of all consumer protection and occupational licensing legislation under the Consumer Affairs Portfolio.	Removes unnecessary impediments to trade and facilitates greater co-regulation.
Regulatory reform	ACT	1996-97	Licences and regulations reviewed. A number of Acts were overhauled, 75 have been repealed and 650 identified for future repeal, as well as a number of licences have been abolished.	Expected to reduce the regulatory burden on the community and business and remove outdated legislation.
Regulatory reform	ACT	May 1997	Regulatory needs analyses and business impact assessments introduced for all agencies when developing proposals. Regulatory needs analyses and business impact assessments are scrutinised by the Regulatory and Industry Reform Unit.	Seeks to ensure benefits to community are maximised whilst costs to business are minimised.
Retail	NSW	1996-97	Revised laws relating to Pawnbrokers, Hawkers and Second Hand Dealers.	Consolidates separate licences into a single licence covering these activities.
Retail trade	ACT	1997	Trading Hours Act repealed.	Restrictions on supermarket trading hours in town centres removed.
Road maintenance	SA	1996-97	Completed competitive tendering for road maintenance services for the principal road network.	Competitive tendering has resulted in significant efficiency gains.
Road maintenance	SA	1996-97	Separated policy and purchasing roles from service delivery. Introduced accrual accounting and tax equivalent regime.	Increased accountability and efficiency of public administration and service delivery

Service delivery	C'wealth	Aug 1997	Established a single agency (Centrelink) to deliver all Social Security payments and some child-care services.	Seeks to provide more efficient and effective services by co-locating services and streamlining administration. Purchaser/provider arrangements with Commonwealth Departments will improve transparency and accountability.
Surveying and land information	C'wealth	1996-97	Sale of the commercial surveying and mapping activities of the Australian Surveying and Land Information Group (AUSLIG) including customised mapping, geographic information management, navigation and field surveying services.	The sale allows the private sector to deliver services that no longer need to be provided by Government.
Surveying and land information	C'wealth	1996-97	Elements of the public interest program, (such as map and data production, satellite laser ranging, and map and data distribution) were outsourced.	The benefits of outsourcing include a more cost effective and efficient public interest program which will provide greater value for money to the taxpayer.
Vehicle fleet	C'wealth	1996-97	Sold vehicle operations (DASFLEET) to Macquarie Bank for \$400 million. The sale agreement included the right to be sole supplier of leased vehicles and fleet management services for a period of 5 years.	Will facilitate growth of the DASFLEET operation. The C'wealth will benefit from the retirement of debt from the realisation of the asset.
Vehicle fleet	C'wealth	Dec 1997	Leasing of CSIRO passenger vehicle fleet and implementation of project support system.	\$12m of capital freed up, greater visibility of all costs of vehicles, rationalisation of size of fleet. Identification of all direct and indirect costs of projects which will lead to improved costing and pricing of contracts and improved internal resource allocation.
Vehicle fleet	WA	July 1996	Entered into a sale/leaseback arrangement with Matrix Group Limited and six fleet managers to fund and manage the passenger and light commercial vehicles fleet valued at \$250m.	Expected to result in savings of \$8-10m a year and to improvements in service quality.

General reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Vehicle fleet	SA	1996-97	Sale and lease-back of TransAdelaide vehicle fleet.	Provides significant reductions in fleet and ownership costs.
Vehicle inspections	Tas	1996-97	Transferred responsibility for light vehicles, including pre-registration inspections, to the private sector and established a network of Approved Inspection Stations. Country police were also freed from the need to conduct such inspections.	Approved Inspections Stations are geographically spread around Tasmania and accordingly, access and waiting times for motorists requiring inspections are substantially reduced.
Youth Services	ACT	1997	Introduced competitive tendering for the management of the Erindale and Tuggeranong Youth Centres, for the Youth Outreach support program, a Youth Shelter and a day program for children in substitute care.	Improves effectiveness and efficiency of services delivered to clients.

Trade reforms

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Anti-dumping	C'wealth	Feb 1997	Reduced the time available for initiation of dumping and countervailing complaints investigations from 25 to 20 days. The time taken to reach a preliminary finding was reduced from 100 to 85 days.	Seeks to improve the process for dealing with anti-dumping and countervailing applications and provide quicker decisions on applications from industries seeking assistance against claims of unfair trading practices.
Automotive industry	C'wealth	1997	Current schedule for PMV tariff phasing will continue through to 2000. From 1 January 2000 the tariff will be at 15 per cent and will remain at that level for the next five years. Legislation is to be enacted providing for tariffs to fall to 10 per cent on 1 January 2005.	Tariffs will continue to fall as scheduled through to 2000.
Export finance	C'wealth	1997	Amendment of <i>Export Finance and Insurance Corporation Act 1991</i> (EFIC) to transfer liabilities of previous DIFF from EFIC's commercial account to Government's National Interest account.	Transfer of aid related liabilities will emphasise EFIC's commercial nature in line with the Government's reform intentions for its GBEs.
Food trade	C'wealth and NZ	July 1996	Liberalised inspection arrangements for food products through commencement of an agreement to establish the Australia New Zealand Food Authority and a joint food standards system between Australia and New Zealand.	Seeks to harmonise food standards between the two countries, assist in removing regulatory barriers to trade in food, reduce compliance costs for industry and contribute to more cost effective inspection arrangements.
Food trade	C'wealth	1997	Deregulated the entry into Australia of certain New Zealand food in accordance with the Trans Tasman Mutual Recognition Treaty.	This will remove regulatory barriers to the movement of certain New Zealand food into Australia.

Trade reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Forestry	C'wealth	Dec 1996	Amended the Export Controls (Unprocessed Wood) Regulations to remove controls on plantation wood sourced from plantations in a State where, following a CSIRO examination, the State's codes of practice are found to adequately protect environmental and heritage values.	Lifting of export controls will remove a substantial impediment to investment in plantations, allowing growers to freely seek international markets for their timber.
Forestry	C'wealth	Apr 1997	The Export Control (Regional Forest Agreement) Regulations remove export controls over wood sourced from native forests which are covered by an Regional Forest Agreement (RFA).	The Regulations provide for the removal of export controls on areas as they become covered by an RFA. In the interim the export of hardwood woodchips derived from native forests remains covered by the Export Control (Hardwood Wood Chips) 1996 Regulations.
Mining and extractive industries	C'wealth	Mar 1997	Removal of export controls on coal, minerals and LNG.	Export controls impacted adversely on security of supply and investment in Australia's resources sector. Removes an incentive for overseas customers to diversify away from Australia as a supplier of resources.
Quarantine and inspection services	C'wealth	1996-97	Implemented a simplified quality assurance system called a Compliance Directive, for the export cut flower industry.	Greater industry self regulation of export inspection, enhanced workplace flexibility and possible reduction of costs to small business.
Quarantine and inspection services	C'wealth	1996-97	Implementation of third party inspection for live animals exports. AQIS now focuses on setting the technical and animal welfare standards and audits of third party providers against these standards.	Expected to lead to improved efficiency and effectiveness of inspection. Exporters can organise their own direct inspection and supervision while AQIS continues to provide health certification as required by importing countries.

Sugar	C'wealth	July 1997	Removal of the tariff on sugar imports. The removal of the tariff is a major component of a package of reforms emanating from the Sugar Review.	Seeks to promote the development of an internationally competitive and sustainable sugar industry.
Tariff concessions	C'wealth	1996-97	Implementation of legislative amendments to the Tariff Concession Scheme.	Streamlines the administration of the Tariff Concession System. Previously, Tariff Concession Orders were granted only where local manufacturers would not suffer significant adverse effects. Now concessional entry can be granted only where substitutable goods are not made in Australia.
Trade liberalisation	C'wealth	On-going	Harmonisation of Customs procedures and processes with New Zealand.	Simplify and standardise Customs procedures and processes to reduce the administrative burden on businesses.
Trade liberalisation	C'wealth	1996-97	Development of multilateral single sector mutual recognition arrangements on conformity assessment between Australia and other APEC nations.	These arrangements will allow Australian producers to manufacture specified products to APEC standards and have them fully assessed in Australia, prior to export, for conformity to those standards.

Trade reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Trade liberalisation	C'wealth	On-going	Alignment of standards to international standards by APEC member countries by 2010 for developed economies and 2020 for developing countries. In addition, members have agreed to align their standards to international standards by 2000-2005 in a number of priority areas. A report on progress on alignment in the agreed priority areas (including radios and radio parts, televisions, video apparatus refrigerators, airconditioners, selected machinery, food labelling and rubber products) is to be published in early 1998. Australia and the Philippines have indicated their intention to propose additional priority areas for alignment. These proposals will be considered at the Feb 1998 meeting of the APEC Standards and Conformance Subcommittee.	Expected to reduce barriers to the free flow of goods and decrease business costs by removing the need to adjust product runs to meet the requirements of individual economies.
Trade liberalisation	C'wealth	Nov 1996	A Memorandum of Understanding (MRS) on the conformity assessment of foods and food products was agreed upon. Australia, New Zealand and the People's Republic of China have indicated their participation in this project.	The arrangement provides a framework for the development of bilateral and plurilateral arrangements of a more specific nature.

Labour market reforms

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Award restructuring — electricity	NSW	1996-97	New Awards negotiated following corporatisation.	Outcomes include: a reduction in the number of pay classifications and types of allowance paid; lower administration and arbitration costs; improvements in productivity and safety performance; and enhanced workplace flexibility.
Award restructuring — health	NSW	1996-97	Implemented award restructuring in nursing.	Restructured award classifications and linked salary increases to productivity increases.
Education	Vic	1996-97	Implemented a range of workplace programs designed to promote the use of part-time employment, job sharing and workplace flexibility, clarify career paths and increase the use of performance based assessment.	Benefits include reduced recruitment costs and promoting greater workplace flexibility. Extension of the program to teachers in Government schools will enhance productivity and promote innovation in teaching.
Education	Tas	1996-97	Established performance based contracts and accreditation for school principals.	Will increase the accountability of principals for their performance.
Education	NT	July 1996	Executive contracts for school principals.	Moves to pay based on performance and introduces flexibility in employment arrangements.
Employment services	Vic	1996-97	Community Business Employment Program opened up to private sector providers.	Increased interaction between employer groups and providers has facilitated better networks resulting in faster matching of vacancies with job-seekers.
Energy	SA	1996-97	Finalised enterprise agreements within Optima Energy and introduced fixed term, untenured individual contracts for award level employees in Retail and Energy Services.	Delivers productivity and efficiency improvements and enhanced flexibility in the balance of internal labour resources and external contract and casual labour.

Labour market reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Enterprise agreements	SA	1996-97	During 1996-97, 300 enterprise agreements were approved by the South Australian Industrial Relations Commission. These agreements covered 58,913 employees. By comparison last year there were 151 approved enterprise agreements covering 23,798 employees.	Of the 300 agreements approved in the 1996-97 financial year the majority (46 per cent) were negotiated by small businesses (less than 20 employees); 9 per cent negotiated by medium sized business (21 to 100 employees); 15 per cent negotiated by large business (101 or more employees); 5 per cent negotiated by State Government; and 24 per cent negotiated by local Government and community organisations. These agreements cover approximately 22 per cent of those employees whose employment is regulated by the State Act.
Enterprise bargaining	Qld	Mar 1997	Finalised an Enterprise Bargaining Agreement (EBA) for the Queensland Corrective Services Commission (QCSC). The agreement incorporates 12-hour shifts and annualised allowances for shift workers.	The improved pay and amended conditions of employment for QCSC employees are linked to work practice changes which will achieve productivity gains and/or improved delivery of services.
Enterprise bargaining	Qld	June 1997	Enterprise agreements cover workplaces in the following areas: GBEs (eg. Suncorp, Qrail), government business units and statutory bodies (eg. Go-Print, Q-Build), core government departments; and certain major service delivery units within the budget sector (eg. Queensland Health, Policy Service, Main Roads).	As at June 1997 there were some 44 public sector enterprise agreements covering approx. 184,000 employees; within the budget sector service agencies, 25 per cent of wage increases will be offset by productivity savings; in non-budget funded government business units, statutory bodies and government owned corporations, significant productivity gains will offset wage increases.
Enterprise bargaining — transport	NSW	June 1997	Introduction of an enterprise agreement at Freight Corp.	Expected to deliver productivity improvements, in the areas of crewing, yards, terminals and fleet maintenance.

Enterprise bargaining — public transport	SA	1996-97	Enterprise agreements finalised with salaried officers, rail employees, and bus operators at Port Adelaide, Mile End and Morphettville depots.	Will deliver significant productivity improvements and increased workforce flexibility.
Enterprise bargaining	NT	July 1996	Enterprise agreement for medical officers.	Provides incentives for the attraction and retention of staff in a traditionally hard to fill occupation in the Territory and encourages best work practice standards.
Industrial relations	C'wealth	Nov 1996	Enacted the Workplace Relations Act 1996 overhauling the industrial relations system. The new Act focuses on: giving primary responsibility for industrial relations and agreement-making to employers at the enterprise and workplace levels, (subject to the relevant award) ensuring freedom of association; avoiding discrimination; and assisting employees to better balance their work and family responsibilities. The Act also allows for individual contracts and non-union collective agreements.	Implementing the Act is a key step in reshaping the Australian industrial relations system. The new framework supports a more direct relationship between employers and employees, with a much reduced role for third party intervention and greater labour market flexibility. The reform supports the Government's broader strategy for national economic development by securing low inflation, sustainable economic growth and more jobs.
Industrial relations	C'wealth	Jan 1997	Commenced the 18 month process of simplifying existing federal awards in accordance with the <i>Workplace Relations Act 1996</i> . Awards will perform a minimum safety net function, supporting enterprise bargaining.	The award simplification process is a major element of the Government's program of labour market reforms and covers all (approx 3,000) existing federal awards.
Industrial relations	C'wealth	Jan 1997	The Australian Industrial Relations Commission's "Safety Net Review - Wages" decision established a new set of wage fixing principles, established the Federal Minimum Wage and provided access to a \$10 per week safety net adjustment.	The wage fixing principles established by the decision support and complement the new industrial relations framework provided by the Workplace Relations Act, including its workplace focus.
Industrial relations	C'wealth	1996-97	Government issued its Policy Parameters for Agreement-Making in the Australian Public Service (APS) which set out its requirements for Certified Agreements and Australian Workplace Agreements.	Creates significant scope for workplace flexibility for all APS agencies in relation to workplace reforms, pay, job classification and conditions of service.

Labour market reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Industrial relations	NSW	1996-97	Repeal of the <i>Industrial Relations Act 1991 No.34</i> . Introduction of the <i>Industrial Relations Act 1996</i> and the <i>Employment Agents Act 1996</i> .	Reforms laws concerning industrial relations thereby; providing greater flexibility in negotiating enterprise agreements; reducing the average time for approval of enterprise agreements from 80 days to around 20 days.
Industrial relations	Vic	Jan 1997	The State's industrial relations powers have been referred to the Commonwealth.	Creates a single industrial relations system in Victoria providing the benefits of simplicity and reduced regulatory and compliance cost.
Industrial relations	Qld	Mar 1997	Individual or collective agreements can now be negotiated at the workplace level. This can be achieved through Certified Agreements or Queensland Workplace Agreements. The award system has been simplified to provide a genuine safety net of minimum wages and employment condition which underpins direct bargaining between employers and employees.	Introduces greater choice in agreement making and establishes direct bargaining between employers and employees as the primary means of determining wages and conditions at individual workplaces.
Industrial relations	WA	May 1997	The <i>Labour Relations Act</i> was passed by the Western Australian Parliament.	The Act amends the <i>Industrial Relations Act 1979</i> , the <i>Workplace Agreements Act 1993</i> and the <i>Minimum Conditions of Employment Act 1993</i> .
Industrial Relations	ACT	1996/97	Agency-based enterprise bargaining implemented in the ACT Public Service.	Agencies are required to negotiate productivity benefits equivalent in value to 3 per cent of salary costs as part of the overall pay increase covered by enterprise agreements.

Labour relations	C'wealth	Jan 1997	As part of the Govt's workplace reforms, the <i>Trade Practices Act</i> (TPA) was amended to include new anti-boycott provisions (similar to the boycott provisions that existed prior to March 30 1994).	Expands the TPA coverage of both primary and secondary boycotts. Boycott prohibitions now also encompass employee organisations that are acting in concert. Defences to the prohibitions and notification procedures are set out in the TPA.
Occupational health and safety	NSW	1996-97	The Regulatory Reduction Act 1996 removes the requirement to notify WorkCover that certain safety standards and qualifications were met.	Onus now on employers and operators to meet these standards. Outcome focus replaces prescriptive focus.
Occupational health and safety	ACT	June 1997	Amended worker's compensation legislation. Defines the home State for an employee and allows the employee to be paid compensation under a policy of insurance issued in their home State.	This will reduce or eliminate the requirement for employers to maintain policies in all the jurisdictions in which their employees might operate.
Vocational education and training	Vic	1996-97	Extension of competitive tendering of publicly funded Vocational Education and Training (VET) programs. Programs amounting to \$50.5m or 10 per cent of the VET budget were awarded through competitive tendering with about 50 per cent of this total going to private providers.	The State Training Board is able to exercise greater flexibility as the planner and purchaser of services. The State Training Board is moving towards increasing the proportion of VET programs being offered by competitive tender to 20 per cent by 2000.
Vocational education and training	NSW	1996-97	Competitive tendering of Vocational Education Training (VET) programs.	Approximately \$60 million (5 per cent of VET spending) is now being funded on a competitive basis.
Vocational education and training	Qld	1996-97	Introduced competitive purchase of training programs.	Improved cost-effectiveness of training programs. For example, training programs purchased by Training Queensland have been purchased for an average cost per student contact hour of \$6.16. The target for Training Queensland to achieve was \$7.14 per student contact hour.

Labour market reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Vocational education and training	SA	1996-97	Expanded tendering, and development of a preferred provider program. Around 19 per cent of training for apprentices and trainees was contracted out, utilising both public and private registered training organisations.	Encourages competition, choice and greater diversity in the SA training market and provides clients with an opportunity to have greater influence over how training is delivered and by whom.
Vocational education and training	Tas	1996-97	Introduced user choice of training providers for Government funded training. Applies to all new traineeships and three apprenticeship areas relating to hairdressing, fitting and turning and electrical mechanics.	Has promoted a more competitive and flexible training market. Choice of training provider is now governed by client satisfaction. Funding is available for both public and private training providers.
Workers' compensation	NT	Jun 1997	Work Health Act amended to provide for the accreditation of rehabilitation providers and an alternative employer incentive scheme.	Aim to improve the quality of rehabilitation services and to assist long term injured workers return to work.
Workplace reform	C'wealth	1996-97	Rationalised employment of meat inspection and certification staff.	Changes are consistent with the Government's workplace reform agenda.

Environmental management reforms

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Catchment management	Vic	1996-97	Establishment of purchaser provider split within catchment management and sustainable agriculture business.	Consistent with COAG principles. Seeks to improve transparency and accountability.
Catchment management	Vic	1996-97	Amalgamation of Waterway Management Authorities and Catchment and Land Protection Boards to create nine catchment management authorities.	Implementation of reformed catchment management arrangements.
Fishing	Vic	1996-97	Negotiation of Offshore Constitutional Settlement (OCS) arrangements.	Rationalisation of fisheries management in South East Australian waters, with industry operating under a single, simplified jurisdiction.
Electricity	NSW	1996-97	Imposed licence conditions on industry participants relating to reductions in greenhouse emissions. Electricity distributors required to offer 'green electricity' tariffs to customers.	Seeks to achieve environmental goals through capitalising on consumer willingness to purchase 'green' energy.
Environment	ACT	1997	Introduced fees at Tidbinbilla Nature Reserve.	Allows for reinvestment of fees into reserve management and development.
Environmental planning	WA	Aug 1996	Enhanced the power of the Environmental Protection Authority (EPA) to assess and protect land from inappropriate use during the initial stage of the planning process.	Previously, EPA assessments were delayed until sub-division and development were proposed. Aims to enhance certainty in land development, and reduce potential conflicts over future land uses.
Landfill	WA	June 1997	Introduced a urban land-fill two-tiered levy on waste dumped in metropolitan rubbish tips. The levy would be \$3 per tonne for commercial, industrial and household waste, and a \$1 per tonne on waste produced by the demolition and construction industry.	Annual revenue from the levy is estimated at \$4m and will go to fund waste management and recycling programs.

Environmental management reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Nature conservation	ACT	1997	Purchaser/provider model implemented in conservation and land management.	Increases accountability by separating purchaser and provider functions within the organisation.
Pollution	NT	Nov 1996	Passed the Environment Offences and Penalties Act providing for penalties up to \$1.25m for polluting. Applies to individuals and companies.	Anticipated outcome is the reduction of pollution and deterrence, with cost savings in clean-up and rehabilitation.
Pollution licences	NSW	1996-97	Sydney Water Bubble licence implemented.	This is a flexible licence system which enables licensees to allocate their allowable pollution between point sources at least cost. Provides the foundation for tradeable permits in the future.
Waste management	NSW	November 1996	Introduction of the Waste Minimisation and Management Regulation.	Regulation introduced to minimise environmental impacts from waste generation and remove distortions in waste disposal pricing. Net benefits to the community of \$5m are expected.
Water	C'wealth, NSW, Vic, SA, Qld	1996	Cap on water diversion in the Murray Darling Basin.	Will improve the sustainable ecological and economic management of river systems in the Murray Darling Basin.
Water	Vic	1996-97	Specification of bulk water entitlements for one half of State's water resources.	Establishes sustainable, tradeable property rights for water, allowing the efficient operation of market signals.

GBE reforms

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Accrual accounting	NT	July 1996	Introduced accrual accounting requirements for GBEs.	Adoption of commercial accounting practices.
Administrative services	C'wealth	1996-97	Sold several DAS businesses: Asset Services (maintenance and construction services); Interiors Australia (accommodation planning, office fit-out and engineering services); Australian Operational Support Services (AOSS) (facilities support services and the Sydney Airport Noise Insulation Project); and Australian Property Group (portfolio and property management advice).	The sales allow the private sector to deliver services that no longer need to be provided by Government.
Aerospace	C'wealth	Feb 1997	The Government sold its shares in Avalon Airport Geelong Pty Ltd (AAG) to Foxerco Pty Ltd. Liquidator has been appointed to a subsidiary of AAG (ASTAAS Pty Limited).	Completes the process of the privatisation of (ASTA) commenced in 1994.
Airports	C'wealth	June 1997	Sale of Federal airport leases for Melbourne (\$1.4b), Brisbane (\$1.4b) and Perth (\$643m) .	The leasing of airports is expected to improve efficiency and innovation in airport infrastructure with significant spin-off benefits for the Australian tourism industry, exporters and the business community generally.
Banking and finance	Qld	Dec 1996	Amalgamation of Suncorp and QIDC through merger with Metway Bank as a prelude to partial privatisation.	More efficient and lower cost provision of banking services.
Community service obligations	WA	1996-97	Commenced budget funding of agreed CSOs undertaken by Western Power, Water Corporation and Westrail.	The estimated costs of CSOs were \$29.2m for Western Power, \$179.7m for Water Corporation and \$22.2m for Westrail.

GBE reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Community service obligations	Tas	1996-97	Recognition of CSOs undertaken by GBEs. The Government has entered into contracts with certain GBEs to provide CSOs which the Government has formally recognised.	The use of CSO contracts provides transparency in the costing of these services and aids Government decision making and prioritising of expenditure.
Community service obligations	NT	July 1996	GBEs are now required to identify and fully cost their CSOs. NT has adopted the CSO definition endorsed by the Steering Committee on National Performance Monitoring of Government Trading Enterprises.	Promotes the efficient funding and management of CSOs provided by GBEs.
Competitive neutrality	NT	July 1996	All GBEs have been subjected to a tax equivalents regime manual, and required to establish charters of operations, augmented management structures with advisory boards and set up audit committees.	The changes seek to enhance the commercial focus of GBEs. The manual sets out the basis for calculating and administrating GBE tax equivalents.
Competitive neutrality	NT	July 1996	All GBEs required to pay the full cost of all resources which they consume.	GBEs are now required to incorporate costs such as property rental, superannuation, salary on-costs and corporate support services in the costing of the services they provide.
Cultural activities	ACT	1996-97	Canberra Cultural Authority established to purchase services from Canberra Theatre, Canberra Cultural Centre and the Museums and Galleries Unit.	Separates purchaser/provider functions.
Electricity	C'wealth, NSW, Vic	Mar 1997	Established Snowy Hydro Trading Co Pty Ltd. to facilitate participation in NEM.	Increases competition in electricity generation.
Electricity	NSW	1996-97	Move towards cost-reflective pricing by NorthPower facilitated through the separation of network and retail electricity prices.	This has resulted in \$9 million worth of savings for customers in the form of reduced electricity costs for franchises customers.

Electricity	Vic	1996-97	Sale of four electricity generation companies: Hazelwood Power Corporation and Energy Brix Australia Corporation for \$2.4b, the State's remaining 49 per cent interest in the Loy Yang B power station, and Loy Yang Power for \$4.8b.	All privatisations are expected to yield significant cost efficiencies and lower prices for consumers. The sales have also eliminated exposures associated with previous contractual arrangements (Loy Yang B) and reduced exposure to losses under contracts to supply electricity to aluminium smelters.
Electricity	Qld	Dec 1996	Restructured the electricity industry involving: splitting the State's major generator AUSTA Electric into three independent and competing government owned generation corporations and an engineering services corporation; retention of the State's seven existing distribution corporations; and creation of three new trading corporations which will buy and sell electricity in the distribution board areas.	Electricity reforms expected to lead to lower electricity prices for industry and business and ensure that electricity costs to domestic customers do not rise in real terms. The reforms will enhance Queensland's investment climate, stimulate economic growth and job creation.
Electricity	SA	Jan 1997	Generation business of ETSA Corporation separated to form a new GBE, SA Generation Corporation (now Optima Energy).	Structural reform was a necessary precursor to SA participation in the NEM.
Electricity	SA	July 1996	Restructured electricity tariffs to eliminate cross subsidies between commercial/industrial and residential customers.	Leads to more transparent and efficient prices with resultant flow-on benefits to both customers and ETSA.
Electricity	SA	Jan 1997	Termination of the Statutory 5 per cent Sales Levy.	Removal of an impediment upon ETSA operating within the new competitive market.
Electricity	SA	1996-97	Adopted cost reflective pricing for electricity infrastructure extension and development services supplied to property developers.	Cost-reflective pricing encourages sound investment decisions by property developers and requires that end-users pay for the costs of grid extensions.
Electricity	SA	1996-97	Partly outsourced design and construction of underground high voltage and low voltage services in subdivisions.	Outsourcing to improve efficiency and effectiveness in providing services to external customers.

GBE reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Electricity	WA	Jan 1997	Established the terms and conditions under which private generators and electricity customers are able to gain access to Western Power's high voltage transmission system. Customers with an average load exceeding 5MW at a single site will be able to contract either with Western Power or a private sector generator from 1 July 1999.	Phased in open access to the transmission system will increase competition for the supply of bulk electricity by Western Power and private operators.
Electricity	WA	1996-97	Extended the availability of time of use charges to residential customers.	Enables residential customers to save between 7-30 per cent on electricity costs. Western Power are able to defer installation of further generation capacity.
Gaming and racing	NSW	Jan 1997	Established the NSW Lotteries Corporation to replace NSW Lotteries.	Ensures a greater focus on commercial objectives and addresses competitive neutrality through requiring the payment of dividends and tax equivalents.
Gas	NSW	1996-97	Sale of Wagga Wagga Gas Business by Wagga Wagga City Council to Great Southern Energy.	Enabled a reduction in operating costs of approximately 50 per cent.
Gas	Vic	Nov 1996	Settlement of the long-running Petroleum Resources Rent dispute.	Clears the way for major reform of the gas industry.
Gas	WA	Jan 1997	Announced the timetable for further deregulation of the gas industry. Customers consuming at least 100 TJ at a single site will be able to contract directly with a gas supplier of their choice from January 2000.	Access reforms will open around 94 per cent of total gas sales in the State to competition. AlintaGas will continue to be the sole supplier of reticulated natural gas to the small business and household markets.
Insurance	Tas	1996-97	The Motor Accident Insurance Board has extended its outsourcing of residential care facilities.	Ensures a greater focus on core activities and increasing efficiency.

Laundry services	WA	Sept 1996	The Hospital Linen Service sold to Healthcare Linen Pty Ltd for over \$10 million.	The new company will deliver a more cost-effective service to the hospitals. Sale proceeds to be returned to the health system.
Maritime industry	Tas	Jun 1997	Comprehensively reformed maritime legislation, which involved repealing 28 Acts and establishing the various port authorities in Tasmania as separate entities under Corporations Law. The reforms clearly establish the prime responsibility of the ports as trade facilitation, while operating in accordance with sound commercial practice. The ports have been divested of their non-commercial activities allowing them to concentrate on their core business. The reforms also provide for the establishment of the Marine and Safety Authority, which assumes the functions of the Navigation and Survey Authority of Tasmania.	The reforms are expected to deliver benefits to shippers and the Tasmanian community through an increased commercial focus by the ports, generating greater efficiencies in the services provided. They will no longer be required to focus on regulatory or non-commercial matters. As the ports will operate fully under Corporations Law, they will be placed on an equal footing with the private sector. They will be subject to the same freedoms and regulations as a private sector entity.
National and regional parks	Vic	Dec 1996	Operational activities of the National Parks Service and Melbourne Parks and Waterways amalgamated to form Parks Victoria.	Separates policy and service delivery to allow for greater management efficiency and focus on core business activities.
Passenger transport	SA	1996-97	Separated policy and purchasing roles from service delivery, adoption of accrual accounting and cost-reflective pricing, and implemented a tax equivalent regime.	Increased accountability and efficiency of public administration and service delivery. Adoption of accrual accounting has assisted in implementing cost reflective pricing for bus and depot asset leasing.
Planning and land management	ACT	1997	Introduced new planning and land management practices including: the establishment of the Office of Commissioner for Land and Planning; modified third party appeal rights; streamlined approval processes; enforcement of lease compliance; establishment of a single development approval process; and repeal of ineffective Acts.	Improves the effectiveness and efficiency of service delivery to clients through streamlining and simplifying approvals processes.

GBE reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Ports	Vic	1996-97	Contracted out the management of the Port of Hastings. The initial contract is for 10 years with an option for a further 5 years.	Contracting out will harness efficiencies from private sector involvement while meeting Government obligations.
Ports	Vic	1996-97	Accreditation by the C'wealth Treasurer that the Access Regime for Victorian Commercial Shipping Channels is deemed effective. The access regime is included in the Port Services Act 1995.	The regime is available to reinforce and formalise the historical access arrangements already in existence within the port.
Ports	Vic	1996-97	Privatisation of Melbourne Port Services (MPS) which provides contestable services (such as mooring, dredging, cleaning, security services, etc) in the Port of Melbourne.	The privatisation is expected to significantly improve competition in the services provided by MPS. The successful tender was Skilled Engineering Ltd which paid \$8 million.
Ports	SA	Dec 1996	Establishment of the South Australian Ports (Bulk Handling Facilities) Act 1996 which includes an access regime for bulk handling facilities.	Facilitates the sale of the bulk handling facilities operated by Ports Corporation and ensures third party access to the facilities on fair commercial terms.
Ports	WA	1996-97	The Fremantle Port Authority and Bunbury Port Authority were commercialised.	Seeks to improve the ports' commercial performance.
Ports	NT	July 1996	Introduction of Tax Equivalent Regime.	Introduces equity in financial performance between GBEs and private enterprise.
Ports	NT	July 1996	Commencement of Government funding for all CSOs provided by the Ports Authority.	Removes funding of CSOs from revenue generated from commercial port operations.
Public transport	SA	1996-97	Implemented service area franchise contracting for all metropolitan public bus and rail services.	Contracting has achieved approximately \$15m per annum in savings and improved service levels.

Public transport	Tas	1996-97	Transferred regulatory and policy control functions from the Government's urban bus service provider, Metro, to the Department of Transport, effective from the introduction of a commercial contract for the service provider.	This initiative removes the conflict between Metro's commercial service provision and broader policy and regulatory issues.
Public transport	Tas	1996-97	Metro outsourced a number of functions traditionally carried out in-house, including tyres and infield infrastructure, maintenance and security.	Competitive tendering of support services by Metro will provide greater efficiencies in Metro's operations.
Rail	NSW	July 1996	Structural separation of rail involving separate entities with separate responsibility for: infrastructure provision; infrastructure maintenance; passenger operation; and freight services.	Improves transparency in rail industry funding and facilitates competition through Rail Access Corporation access agreements.
Rail	Vic	1997	Victorian Rail Track Corporation established to own and manage the Victorian country railway infrastructure necessary for freight and country passenger rail operations.	Given the existence of ten non-metropolitan train operators in Victoria, a separate infrastructure corporation was needed for competitive neutrality. The corporation is also expected to gain from outsourcing of maintenance.
Rail	Vic	1997	V/Line Freight Corporation established to operate rail freight services. The establishment of the corporation is in preparation for sale.	V/Line Freight Corporation operates independently of other public rail operations and in competition with private freight operators. There is substantial scope for cost savings.
Rail	Vic	1996-97	Responsibility for rail safety transferred from the Public Transport Corporation to the Transport Department and a transport safety accreditation unit established.	Separates regulatory and operational functions. Provides a consistent approach to safety management for private and public sector service providers.
Rail—access and pricing principles	SA (and NT)	1996-97	Established an access regime for third party track users and set out pricing principles to ensure competitive neutrality between private and public rail service operators.	Facilitates competition in the provision of rail services and competitive neutrality between public and private businesses.

GBE reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
Rail	WA	July 1996	Westrail was commercialised in July 1996.	Enables Westrail to operate according to commercial principles and provide scope for competition with the private sector on a competitively neutral basis.
Rail	WA	July 1996	Westrail contracted out track maintenance and development work (worth \$250m over 5 years).	Enhances Westrail's ability to compete successfully in an open market.
Rail	WA	Oct 1996	Reforms implemented by Westrail under the Right Track program together with the total deregulation of the freight transport market.	Freight rates for grain transport reduced by 11.8 per cent in real terms in 1996-97, resulting in around \$9m worth of savings for farmers. Westrail to become more efficient and competitive.
Road transport	NSW	1996-97	Road Traffic Authority (RTA) Technology commercialised.	RTA Technology competes with the private sector. \$130m in specialist consulting services and technology research and development were provided to the RTA. 12 per cent of work won was external to the RTA.
Road transport	NSW	1996-97	RTA contracted out operations of the data processing and communications centre and introduced single contracts with the private sector covering the design, construction and maintenance (for a fixed period) of specific road and bridge projects.	Expected savings of approximately 20 per cent over five years.
Transport	NSW	1996-97	Rail Access Corporation introduced a contestability program to: contract out infrastructure works and maintenance programs; and measure contractor performance.	Facilitated cost reductions and introduced performance monitoring motivations.
Tourism	ACT	1996/97	Canberra Tourism and Events corporatised.	Create an independent and commercially viable organisation. Aims to ensure efficient and cost effective operation.

Wagering and gaming	ACT	1996	ACTTAB corporatised.	Created an independent and commercially viable organisation. Aims to ensure efficient and cost effective operation of ACTTAB.
Water	NSW	1996-97	Pricing policy changed from Land Value based system to 2 component system: service pipe size, 3 tier user charge.	Removed most of the cross-subsidisation and providing cost-reflective pricing.
Water	NSW	1996-97	Hunter Water Corporation sold its business engineering subsidiary.	Reduced government involvement in research and development type activities.
Water	NSW	1996-97	Bulk Water Delivery Business established to separate the provision of bulk water to rural areas from the natural resource management issues.	Reduces conflicts of interest and improves transparency for reporting. This will enable scope for full cost recovery to be achieved by 2001 as required by COAG.
Water	NSW	July 1997	Corporatisation of Coleambally and Murrumbidgee Region Irrigation Areas and Districts.	Introduces commercial disciplines aimed at reducing costs and increasing returns to shareholders.
Water	Vic	1996-97	Significant contracting out by non-metropolitan urban water authorities of maintenance, management and billing services.	Cost savings and more efficient services as well as the introduction of competition into some service provision elements.
Water	Vic	1996-97	All non-metropolitan water authorities now use two-part user-pays pricing, a fixed service charge and a usage charge.	Create efficiencies in water use through more accurate pricing signals, as well as reduction in cross-subsidies.
Water	Vic	1996-97	Melbourne Water Corporation sold off its infrastructure construction and management arm (Streamline Australia) to the private sector.	Greater focus on core business and introduction of competition into some service provision elements.
Water resources	SA	1996-97	The Water Resources Act 1997 was proclaimed. The Act builds on previous water resources and management legislation to facilitate: charging for access to and/or consumption of prescribed water resources (ground-water and surface water); raising of levies imposed on communities within	Implementing the legislation will enhance the efficient and ecologically sustainable use and management of South Australia's surface and ground water resources, with much greater involvement of local catchment communities.

GBE reforms (continued)

<i>Sector</i>	<i>Jurisdiction</i>	<i>Date</i>	<i>Nature of reform</i>	<i>Jurisdiction's comment on significance</i>
			metropolitan and non-metropolitan areas for the purpose of recovering water resources management costs in that catchment; establishing water resources licences that are transferable (including interstate transfers) and that are not linked to land title; and integration of natural resource legislation.	
Water	SA	1996-97	Amendment of legislation and other preparatory work to facilitate conversion of 8 Government Highland Irrigation Districts to self management from 1 July 1997.	Separation from Government ownership, exposes activities to competitive pressures.
Water	WA	1996-97	Implemented changes to water tariffs aimed at reducing cross-subsidisation between residential and business customers, and moving towards full cost recovery.	Reduction of cross-subsidies between the business and residential sectors and between rural and metropolitan regions.
Water	WA	1996-97	Continued phasing in of new sewerage charges for commercial customers, moving away from a gross rental value based charging system to a charging system based on the number of fixtures and a usage charge.	Aims to better reflect the resource cost of providing these services to commercial customers.
Water	Tas	1996-97	Transferred ownership and control of regional bulk water supply authorities (Hobart Regional Water Authority and the Esk Water Authority) to local government.	Reforms are consistent with the thrust of changes in relationships between the State and local governments outlined in the State and Local Government Roles and Functions Review and the National Water Reform Program.

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