

**MICROECONOMIC REFORMS  
IN AUSTRALIA:  
A COMPENDIUM  
FROM THE 1970s TO 1997**

**RESEARCH PAPER**

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LB2 Collins Street East PO

Melbourne Vic 8003

Tel: (03) 9653 2244

Fax: (03) 9653 2303

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## PREFACE

This paper provides a compendium of major microeconomic reforms that have been introduced in Australia since the early 1970s. It is intended primarily as a reference document to facilitate research and analysis of microeconomic reform. It brings together the major reforms identified in the Commission's annual record of progress in microeconomic reform<sup>1</sup> and supplements the Commission's Stocktake report of 1996 (PC 1996).

The paper consists of two parts. Part A provides a snapshot of reform in Australia, drawing out some key reforms and some features of the reform experience. It also provides a brief overview of key reforms in different sectors and areas. Part B is the compendium of reforms. It has been constructed in a chronological format and is classified by major sector, industry and broad area of reform. Where practical it separates reforms by jurisdiction.

The scope of microeconomic reform is wide. It encompasses policy changes bearing on the operation of product markets, factor markets, international trade and capital flows, and the public sector.

The compendium is based on the information provided to the Commission each year by governments, as well as the Commission's own data base. It does not cover the full scope of microeconomic reform, focusing rather on the more 'significant' reforms. For example, it does not explicitly identify reforms targeted at wholesale and retail trade, tourism and the small business sectors of the economy. And only some reforms have been identified in the area of local government and in the provision of social services.

The compendium is available on the Commission's home page on the internet (<http://www.indcom.gov.au>). To improve the comprehensiveness of the record, organisations, researchers and others are invited to provide further information on significant omissions or errors.

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<sup>1</sup> Since 1989-90, the Commission's Annual Reports have tracked the progress of microeconomic reform. The 1996-97 review is published separately in a companion volume to the Commission's Annual Report, *Microeconomic Reform Scoreboard 1996-97* (IC 1997d).

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Suggestions can be forwarded to:

Microeconomic Reform Compendium  
c/o General Research Branch  
Industry Commission  
PO Box 80  
Belconnen ACT 2616.

Alternatively, they can be sent through e-mail: [mer@indcom.gov.au](mailto:mer@indcom.gov.au).

If warranted, updates on this historical record will be provided separately on the Commission's home page. Annual reviews of microeconomic reform will continue to be recorded in the Commission's Annual Report series.

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## ABBREVIATIONS

ACA	Australian Communications Authority
ACCC	Australian Competition and Consumer Commission
AQIS	Australian Quarantine Inspection Service
AUSTEL	Australian Telecommunications Authority
AWB	Australian Wheat Board
BIE	Bureau of Industry Economics
BRRU	Business Regulation Review Unit
CAA	Civil Aviation Authority
CER	Closer economic relations
COAG	Council of Australian Governments
CPA	Competition Principles Agreement
CSOs	Community service obligations
DC	Developing country
ECNSW	Energy Commission of New South Wales
FAC	Federal Airports Corporation
GBEs	Government business enterprises
IAC	Industries Assistance Commission
IC	Industry Commission
IPART	Independent Pricing and Regulation Tribunal (NSW)
MDB	Murray-Darling Basin
NCC	National Competition Council
NCP	National Competition Policy
NFA	National Food Authority
NRTC	National Road Transport Commission
NSW	New South Wales
NZ	New Zealand



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PC	Productivity Commission
PMG	Post Master General's Department
PMV	Passenger motor vehicles
QLD	Queensland
R&D	Research and development
RAS	Rural Adjustment Scheme
RIS	Regulation Impact Statement
SA	South Australia
SCNPMGTE	Steering Committee on National Performance Monitoring of Government Trading Enterprises
SECV	State Electricity Commission of Victoria
SMA	Statutory marketing arrangements
SPC	Special Premiers Conference
TAS	Tasmania
TCF	Textiles, clothing and footwear
TEXCO	Tariff export concessions
VIC	Victoria
WA	Western Australia

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***PART A***

**AN OVERVIEW OF MICROECONOMIC  
REFORMS IN AUSTRALIA**

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# 1 KEY TRENDS

## ***A change in approach***

For much of this century, economic activity in Australia has been dominated by the influence of government. Governments have been the main and, in some instances, the sole supplier of essential services used by business and households — such as water supply and many transport services. A more pervasive influence has been exerted by a complex web of regulation which has applied to the operation of product and factor markets across the economy. Although ostensibly in place to promote government economic or social goals, regulatory objectives have encompassed measures which restrict competition, increase costs to producers and consumers, and distort industry structures. While assisting some sectors, they often had the unintended effect of reducing the welfare of the community as a whole.

The 1980s and 1990s have seen a change of approach by governments in Australia, as well as overseas. The basic economic and social goals have remained. But there has been more emphasis on microeconomic reforms, that is, increasing efficiency and productivity, ensuring that prices reflect actual costs, promoting structural change and improving the competitiveness of firms and industries in order to increase national living standards.<sup>1</sup> Frequently microeconomic reform has involved improving access to markets for new competitors, whether based domestically or internationally.

Specific measures employed to promote competition have included reductions in government assistance, deregulation of industry and commercialisation or corporatisation of significant areas of the public sector.

Governments at all levels have participated in the reform effort. The resultant changes have had implications for all sectors of the economy.

## ***Phases in reform***

There has been an ongoing process of reform over several years in key product and factor markets (chart 1). Several phases can be distinguished, as one set of reforms has typically led to pressures for change in other areas.

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<sup>1</sup> For a more detailed description and definition of microeconomic reform see PC (1996, chapter 1) and Forsyth (1992, chapter 1).

While the momentum for reform has increased over recent years, it is difficult in most cases to associate the reform process with a particular commencement date. For the purposes of this study, the documentation of reforms commences at the beginning of the 1970s. It was around that time that the first significant tariff reductions on manufacturing imports were implemented — the 25 per cent across-the-board tariff cut in 1973 — along with reforms to improve efficiency in major export industries in the agricultural sector. This was followed a decade later by other landmark reforms, when the internationalisation of the Australian economy was extended by floating the dollar and removing foreign exchange controls.

Greater exposure to international competition created pressures for more efficient delivery of utility services and greater flexibility in factor markets. Consequently, in the mid to late 1980s, there was increasing focus at the Commonwealth level and in some State jurisdictions on aligning prices of government business enterprises (GBEs) more closely to actual costs and on improving productivity. Reduction of unnecessary or costly business regulation, improving the efficiency of capital and labour markets and reform of the public sector, particularly of GBEs, became important priorities for reform. At the same time, further internationalisation of the economy followed the opening of the banking sector to foreign competition and the phased introduction of further tariff reductions.

Microeconomic reform in the early 1990s was characterised by increasing inter-governmental cooperation to overcome barriers to reform arising from the federal structure of government. This federal approach to reform was consolidated with the National Competition Policy (NCP) agreement in 1995 which provided a more nationally focussed and systematic approach to ongoing regulation review and infrastructure reform. Since then, implementation of the agreement has been a key component of Commonwealth, State and Territory economic policy.

In this period, achieving more appropriate regulation of labour markets also became a priority for reform, both for the Commonwealth Government and for a number of state governments.

### ***Diversity of approaches***

All levels of government have been involved in microeconomic reform. Their objectives have been similar in terms of reducing the costs of regulation, encouraging greater competition and providing services in more efficient and effective ways. Governments have reassessed their role in the provision of goods and services — often with a view to improving services and reducing costs. Approaches have sometimes differed. For example, some jurisdictions

have placed greater emphasis on commercialising GBEs and increasing their exposure to competition, while others have gone further and privatised key public sector assets, including electricity utilities, airports and financial institutions. Other measures directed towards facilitating more efficient service delivery include competitive tendering and contracting out.

The impetus and pace of reform has differed among jurisdictions. For example, in 1983 there was significant rationalisation in the Queensland electricity industry. In contrast, reforms during the 1980s in the Victorian electricity industry were relatively modest. However, in 1993 Victoria started to pursue a radical and vigorous reform process which saw the electricity industry privatised relatively quickly.

Governments have often acted unilaterally to improve incentives to be cost conscious, innovative and productive. But, in other cases, an initiative in one jurisdiction has forced other governments to match it so as not to disadvantage businesses operating in their jurisdictions. For instance, when Queensland halved its rate of stamp duty on shares, New South Wales, along with most other States, quickly followed. As outlined below, reform has also encompassed cooperative action, particularly during the 1990s.

### ***Inter-governmental cooperation***

In several areas, there has been extensive cooperation between governments in implementing reforms. In the early 1990s, governments established new federal forums and streamlined existing forums for achieving inter-governmental cooperation. The focus of this national effort has been to rationalise regulation where there were overlapping responsibilities between governments, better integrate infrastructure networks and to reduce barriers to the development of competitive national markets. Key examples have been the Special Premiers Conference (SPC) (1990), the Mutual Recognition Agreement (1993), the establishment of the Council of Australian Governments (COAG) (1992), a national approach to reform in infrastructure services, regulatory cooperation, the National Competition Policy (NCP) initiatives, and the establishment of new national organisations, such as the National Food Authority (NFA) (1991) and the National Road Transport Commission (NRTC) (1991).

The processes of national reform have sometimes been protracted. For instance, the commencement of the national electricity market has been deferred many times. Similarly, in natural gas, all legislative and regulatory barriers were expected to be removed by July 1996. This target was not achieved and a new implementation timetable is being developed. Road transport is another area where progress in implementing reform initiatives has been considerably slower than anticipated.

### ***The changing role of government***

Governments have gradually moved away from extensive direct intervention in the operation of markets and economic activity. Their role has tended to focus more on providing a framework which encourages a flexible economic structure. However, governments recognise that markets may not always operate with optimal effectiveness, and therefore have retained their involvement in economic policy in pursuing community and social objectives.

Governments have established new regulatory institutions to promote and monitor competition. Some examples include the National Competition Council (NCC), the Australian Competition and Consumer Commission (ACCC), the New South Wales Independent Pricing and Regulation Tribunal (IPART), and the Victorian Office of Regulator General (ORG). The scope of responsibilities is large and often includes safeguarding open and fair competition in contestable markets and encouraging an efficient market outcome in non-contestable markets. In infrastructure, tasks include monitoring customer tariffs, service standards, third party access arrangements and market conduct.

Governments still play an important role in regulation and intervention in the social and environmental areas. There are circumstances where the market outcome fails to take into account the social costs and benefits of some activities. For example, in the area of environment and natural resources, there may be a market failure because those using natural resources may not bear the full range of costs associated with their use. Nevertheless, there is also a greater awareness by governments that regulation should be cost-effective and that appropriate incentives should be maintained.

Reform has not necessarily meant a reduced role for government in providing social services. For example, while the removal of barriers to competition for GBEs undermines their ability to fund community service obligations (CSOs) by cross-subsidisation, most governments have acted to directly fund CSOs in a more transparent manner from the Budget. Several CSOs are now funded in this way.

### ***Delays and gaps in reform***

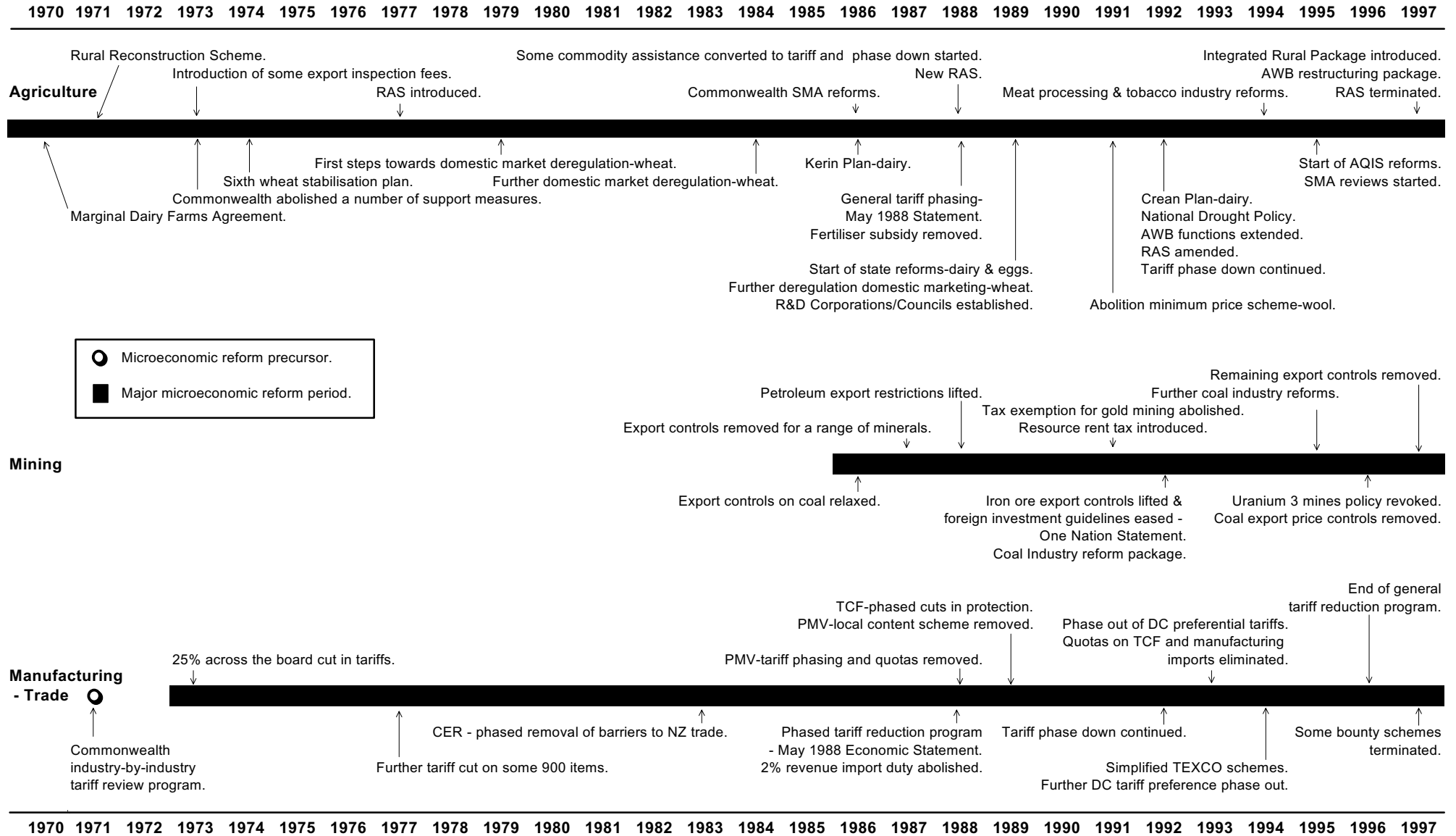
While governments have made substantial progress in microeconomic reform across many sectors of the economy, there have been several instances of considerable delays in the process. For example, most Commonwealth bounty payments were abolished in the 1996-97 Budget, but the remaining scheme is the shipbuilding bounty, which has been extended to 1999. Progress in reforming the water industry and road transport is generally considered to be slow. In addition there have been changes in government priorities — such as

establishing a pause in the phase down of tariffs in the passenger motor vehicle (PMV) and the textile, clothing and footwear (TCF) industries, and exclusions from the application of the National Competition Policy have delayed the full implementation of the Agreement.

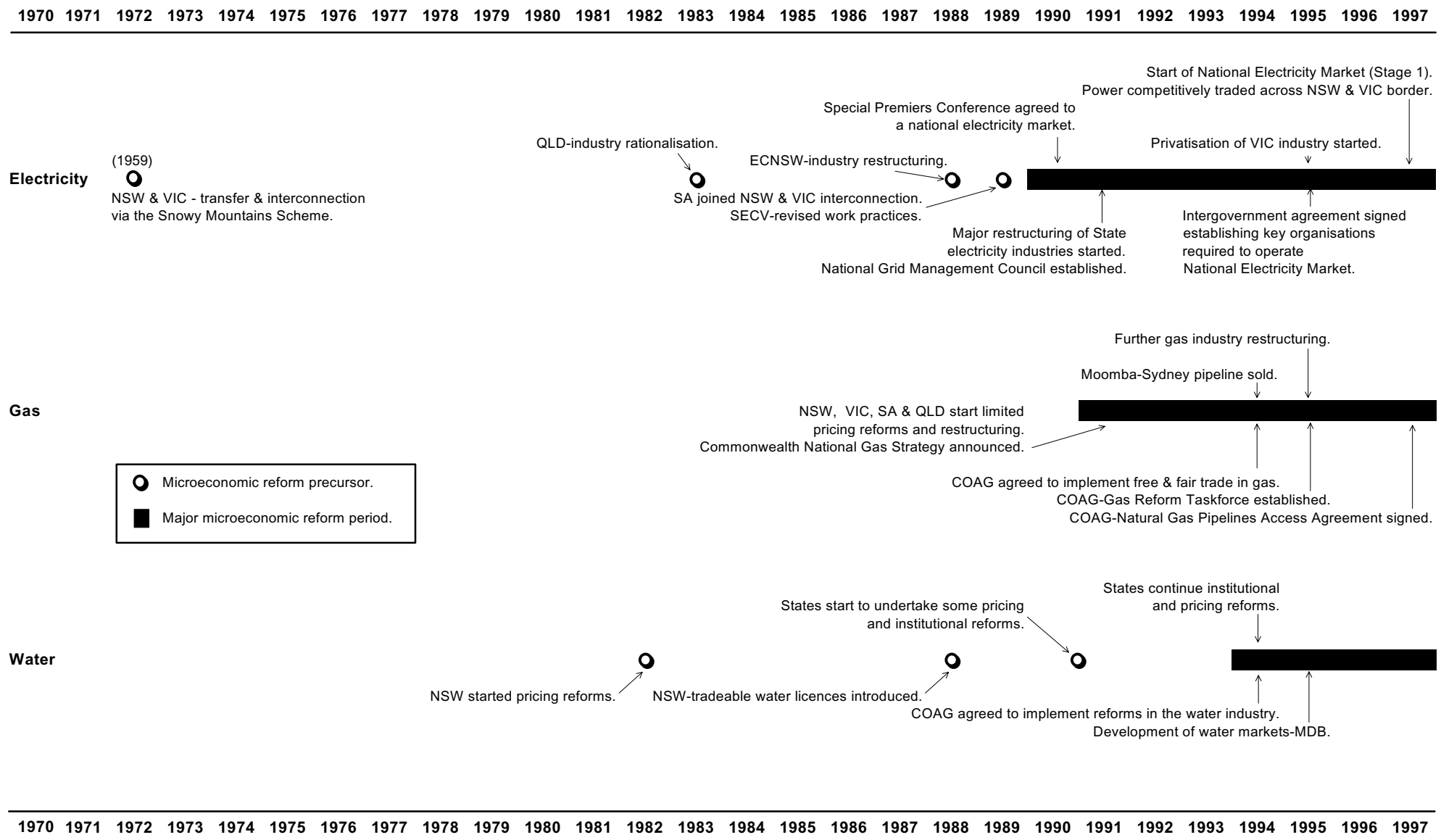
There also remain some gaps in the reform process. The compendium indicates that in some areas — like health, education and community services — there have been only minor changes. More generally, the Commission's stocktake of microeconomic reform (PC 1996) identified a comprehensive microeconomic reform agenda, revealing a challenging reform task ahead.



# Chart 1. Microeconomic reform summary time lines



# Chart 1. Microeconomic reform summary time lines (continued)

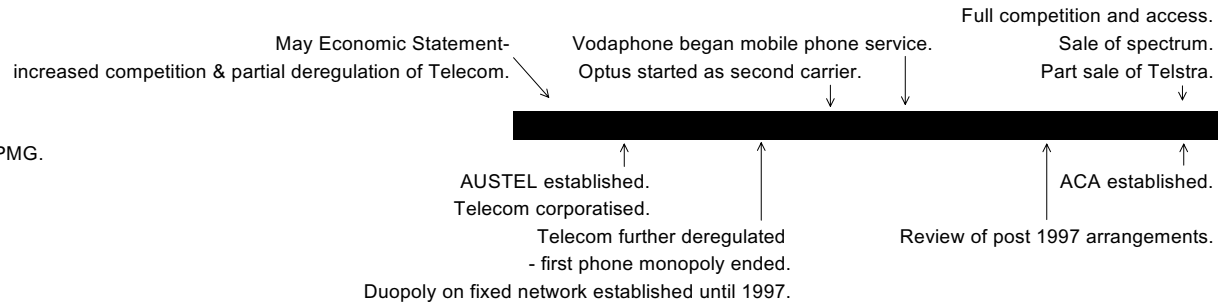


# Chart 1. Microeconomic reform summary time lines (continued)

1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997

## Communications

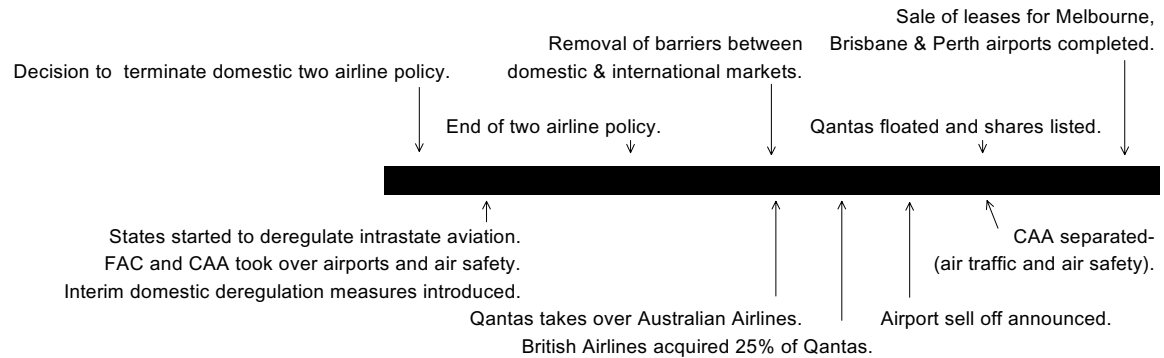
○ Separation of telecommunications arm from PMG.



## Aviation

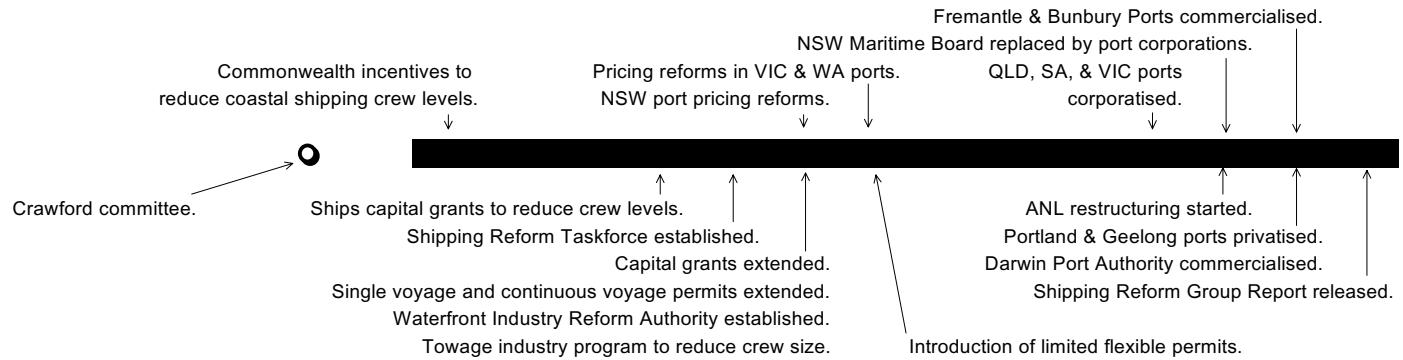
(1958) ○

Deregulation of domestic freight services.  
 Commonwealth started process of transferring aerodromes to local government.



○ Microeconomic reform precursor.  
 ■ Major microeconomic reform period.

## Shipping/Ports



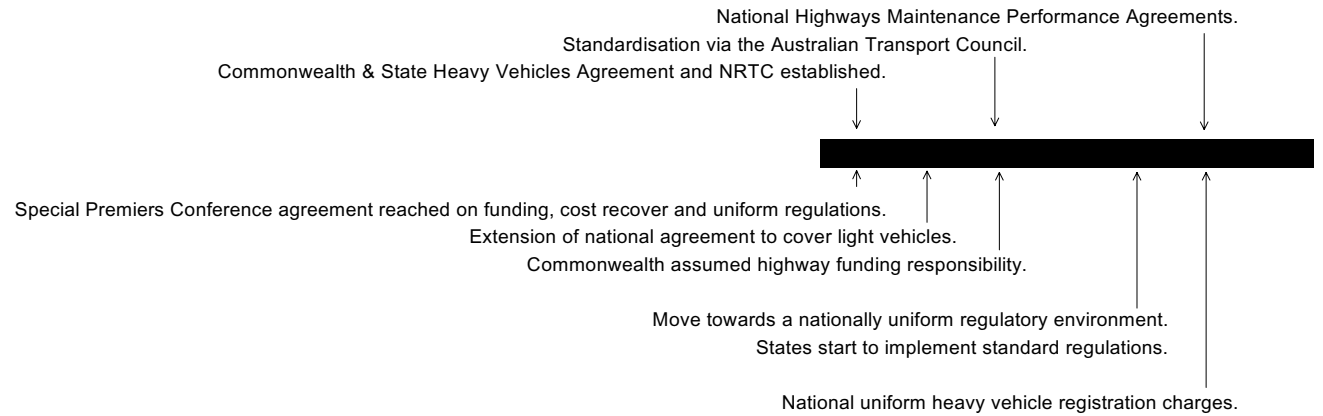
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# Chart 1. Microeconomic reform summary time lines (continued)

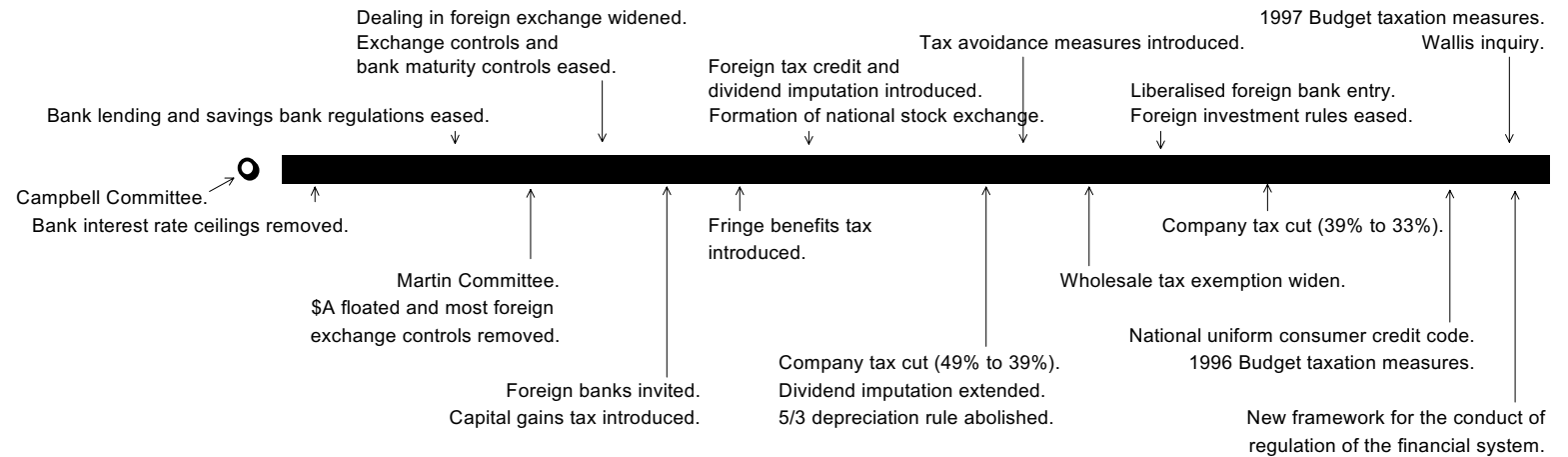
1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997

## Road

- Microeconomic reform precursor.
- Major microeconomic reform period.

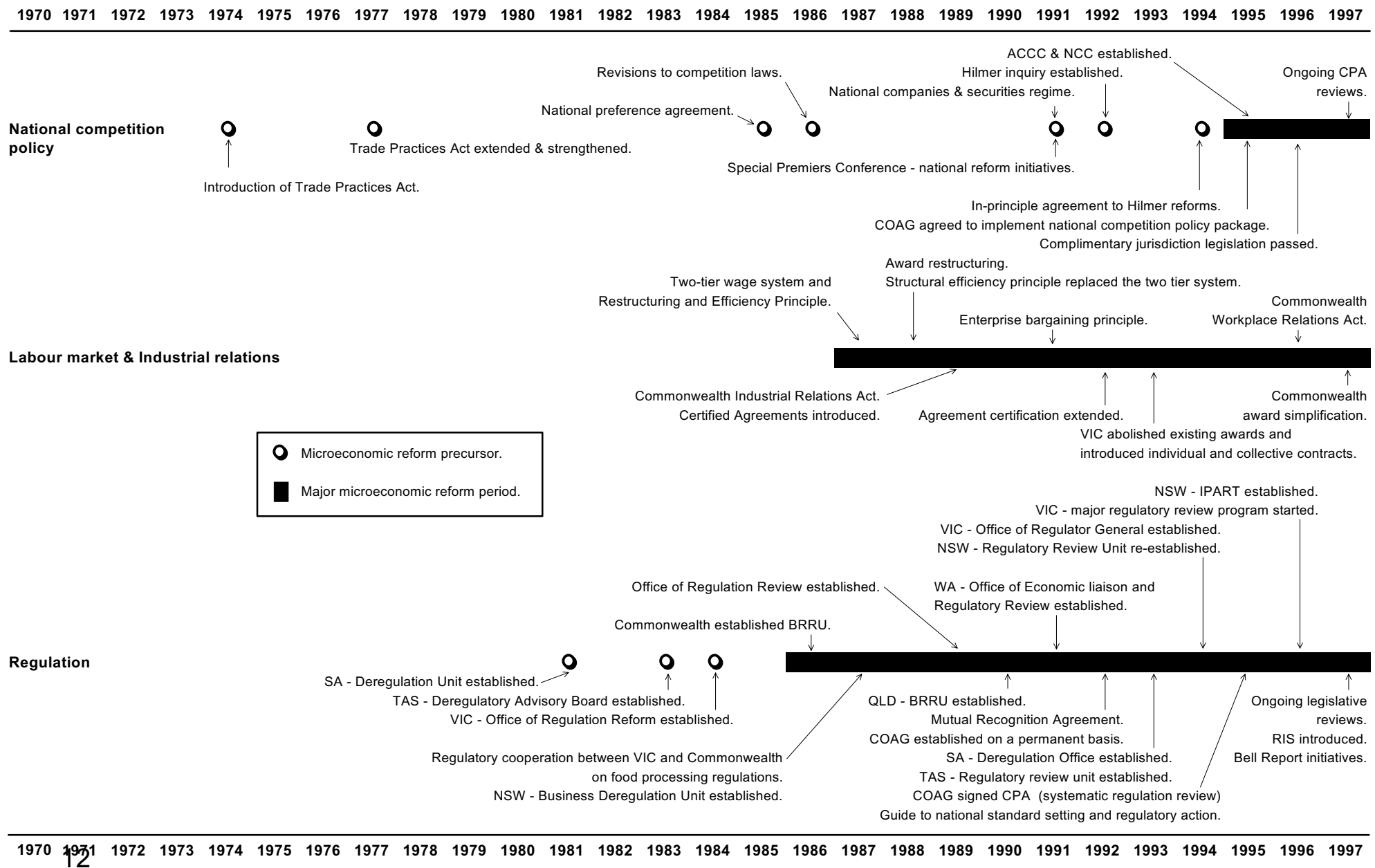


## Finance and Taxation



1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997

# Chart 1. Microeconomic reform summary time lines (continued)



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## 2 REFORM IN DIFFERENT SECTORS AND AREAS

This section provides a brief overview of some of the major reform initiatives from the time lines (chart 1) and the detailed compendium in Part B.

### ***Agriculture***

The agricultural sector has a long history of intervention by Commonwealth and State governments. Until recently, the sector has generally been afforded significantly lower rates of assistance than the manufacturing sector.<sup>1</sup>

A wide variety of Commonwealth and State government measures have been used to assist the sector. Some of the major forms of assistance include, domestic marketing arrangements and tariffs, as well as, a range of budgetary measures, such as tax concessions, R&D funding and adjustment assistance.

The agriculture sector time line (chart 1) and the compendium illustrate the progressive dismantling of some of these assistance arrangements. One example is the dairy industry.<sup>2</sup> Traditionally, the dairy industry has been one of the most heavily assisted in the economy. In 1986, the Commonwealth introduced the Kerin Plan (1986 to 1992) which sought to improve the competitiveness of the industry by progressively reducing the price distortions between products caused by equalisation and product levies, lowering the level of assistance, and placing greater responsibility on manufacturers for their own production and marketing decisions. Revised arrangements were introduced under the Crean Plan (1992 to 1995) which resulted in significant industry rationalisation and allowed realisation of greater economies of scale in production, marketing and promotion.

Tariffs have not been a major form of assistance for most agricultural commodities. Nevertheless, the sector was included in the tariff phase down announced in 1988. By 1995, tariff and border protection had been removed for barley, cotton, fresh horticultural products, grain legumes, maize (corn), tobacco, meat, oats, oilseeds, rice, sorghum, wheat and wool. By 1998, the

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<sup>1</sup> A more detailed discussion on the extent and nature of government assistance to agriculture can be found in IC (1995a), IC (1996c) and IC (1997c, chapter 3). Further background information can be found in IAC (1983), IAC (1984b), Edwards (1992) and Wonder (1995).

<sup>2</sup> See IC (1991e) and IC (1997g).

scheduled tariff phase down is expected to be finalised for citrus, dairy, dried vine fruits, sugar, and wine and brandy.

Over time, the nature and extent of government involvement in agriculture has changed as the sector has evolved. In the early 1970s, government sought to limit the amount of financial assistance afforded the sector. Governments found that they could not sustain assistance based on farmers' cost of production. Policy shifted towards supporting farm adjustment — an early example being the Marginal Dairy Farms Reconstruction Scheme (1970).

There has been a series of integrated adjustment initiatives by the Commonwealth — the Rural Adjustment Scheme (RAS) 1977, RAS 1988 and RAS 1992. Changes to the 1992 scheme reflected an increased emphasis on productivity enhancement. In 1997, the Commonwealth terminated the RAS scheme following a Mid-Term Review and introduced a new Integrated Rural Policy Package, involving initiatives aimed at enhancing the competitiveness, sustainability and profitability of the sector.

Around the mid 1980s, a number of policy changes were introduced with the intention of making decision-making within the sector more responsive to market signals. This objective underpinned changes to underwriting arrangements, rural adjustment assistance and some other agricultural support measures.

In the 1990s, government agricultural policies moved towards a more integrated approach. They aimed to enhance farm profitability, improve international competitiveness, encourage sustainable practices and improve the social and economic opportunities for agricultural communities. For example, the 1992 National Drought Policy sought to encourage farmers to take into account the risk of drought. In short, there was a move away from policies that distorted market signals to producers towards measures that encouraged greater market responsiveness, risk management and self reliance.

### ***Mining***

The mining industry has generally received comparatively little assistance and has been adversely affected by a lack of reforms in other sectors and industries — such as in the labour market, transport, utility services and manufacturing. Moreover, various government regulations such as export controls and foreign investment rules have impeded industry development.<sup>3</sup>

Key Commonwealth reforms applying to mining identified in the compendium include:

- the progressive dismantling of export and price controls, with the result that, by 1997, all export controls (except uranium) had been removed;
- the removal of foreign investment controls; and
- the removal of the gold tax exemption.

The compendium also identifies initiatives by jurisdictions to address various administrative and regulatory inadequacies, involving matters such as leases and the basis for deferring royalties. Joint initiatives by governments, industry and unions have also been noted for the coal industry. These have sought to improve the overall efficiency and competitiveness of the industry.

### ***Manufacturing***

The compendium divides the manufacturing sector into two segments — one dealing with trade-related reforms and the other with reforms of a more general nature. The predominant reforms have been directed at dismantling trade barriers.<sup>4</sup>

Trade-related manufacturing sector reform essentially began with the first systematic industry-by-industry review of protection in 1971. This was followed by:

- the 25 per cent tariff cut of July 1973;
- tariff reductions in January 1977, following the currency devaluation of November 1996; and
- phased tariff reduction programs announced in 1988 and 1991.

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<sup>3</sup> For further details on mining and resources see IC (1991a), Smith (1992) and PC (1996, chapter 8).

<sup>4</sup> To gauge the level of assistance afforded the manufacturing sector see IAC (1980), IC (1995a) and IC (1997c). An overview of the sector can be found in Clark, C., Geer, T. and Underhill, B. (1996). For a concise discussion on trade assistance see PC (1996, chapter 7).



By July 1996, most tariffs had fallen to 5 per cent. There were two highly protected industries which were subject to different tariff phasing arrangements — the PMV and TCF industries. The scheduled tariff phase down for these industries will continue until 2000 and then, after a pause for 5 years, continue. Even so — they will still have significantly higher assistance than all other industries in the manufacturing sector.

In some cases, industries that were facing significant adjustment costs were offered temporary adjustment assistance, such as re-training assistance and closure compensation. An early example was the Structural Adjustment Assistance Program which assisted firms in adjusting to the effects of the 25 per cent tariff cut. A more recent example was the TCF Labour Adjustment Package (1988 to 1996) which sought to assist displaced workers gain employment outside the TCF industries.

The manufacturing sector has also benefited from microeconomic reforms undertaken in other areas of the economy — including the labour market, taxation, infrastructure, competition policy and deregulation.<sup>5</sup>

### ***Services — infrastructure and related industries***

Infrastructure and related industries form an essential part of the economy and have been characterised by a long tradition of government ownership and monopoly. The operation, access and cost of infrastructure services affect all industries and play a significant role in their competitiveness and in the productivity of the economy. Given the importance of these industries, they have been the subject of considerable reform effort in recent years.<sup>6</sup>

Jurisdictions have pursued a wide variety of approaches in reforming their infrastructure industries. However, the reforms can be grouped into five broad categories:

- resolving specific problems (eg: 1983 rationalisation of the Queensland Electricity Commission);
- administrative (eg: Commonwealth 1988 GBE reforms);

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<sup>5</sup> For example, see BIE (1996b) (a case study on the agrifood industry) which noted that the industry considered reforms in telecommunications; industrial relations; food standards and regulations; and road freight as having a positive impact on their competitiveness since 1989.

<sup>6</sup> There is a considerable body of literature that examines infrastructure reform, such as Forsyth (1992), BIE (1996a) and King and Maddock (1996). Numerous reports covering the performance of infrastructure industries were also published by the former Bureau of Industry Economics. A good starting point is BIE (1995c), which provides an overview of international benchmarking.

- pricing (eg: implementing more appropriate cost-reflective pricing systems);
- increased competition (eg: improving third party access); and
- privatisation (eg: airlines, banks and electricity assets).

The time lines suggest that infrastructure reform is essentially a 1990s phenomenon. However, there were important reform precursors during the 1980s and earlier. (Some dated back to the late 1950s. For instance, in 1958 the Commonwealth started transferring aerodromes to local ownership).

Early reform initiatives embraced measures that improved administrative and operational efficiency by means of clearer management responsibilities, introduced commercial incentives (commercialisation and corporatisation) and pricing reforms. For instance, the 1988 Commonwealth GBE reforms modified and removed day-to-day government controls, revised corporate and financial structures and established new planning and accountability mechanisms.

Some of the organisations covered by these reforms included Australia Post, Telecom and the Civil Aviation Authority (CAA). The states and territories also pursued GBE reform measures, although the methods employed and the time frames have varied.

Private sector participation in infrastructure has steadily increased over time. Examples include the privatisation of government owned and operated organisations, contracting out and outsourcing of support services and non-core functions and the removal of barriers to entry and third party access.

In the 1990s, infrastructure reform became a national issue. Under the Council of Australian Governments (COAG), national infrastructure reforms were given a substantial boost with the 1995 Competition Principles Agreement (CPA) following the Hilmer report.

Not all reform has required inter-governmental cooperation. When there were no identifiable overlaps in responsibilities requiring cooperation, some jurisdictions have been able to pursue a relatively swift reform agenda. For instance, the Victorian Government embraced a rapid and broad program of privatisation.

Unlike some sectors of the economy, infrastructure services have been subject to considerable scrutiny. Regulatory agencies were set up to monitor prices, and to safeguard and enhance competition. In 1991, the Commonwealth, States and

Territories began to benchmark the performance of the more significant infrastructure services.<sup>7</sup>

### **Labour market**

Since the mid 1980s, the labour market and the industrial relations system have been characterised by a trend towards greater regulatory flexibility and decentralisation of the wage setting mechanisms (see chart 1).<sup>8</sup>

There has been a progressive shift away from the centralised wage (and indexation) system towards a system that links wage increases to improvements in work place arrangements that increase productivity and efficiency. For instance, the Commonwealth has supported initiatives towards award restructuring, certified agreements and enterprise bargaining. Some early initiatives included:

- the Commonwealth's *Industrial Relations Act 1988*. The legislation introduced certified agreements while keeping the existing conciliation and arbitration provisions; and
- National Wage Cases in the 1980s began to focus on enhancing labour market flexibility by emphasising workplace reform as a condition for pay increases.

The states and territories also pursued enhanced flexibility. Some approaches were quite distinct. For instance, the Victorian *Employee Relations Act 1992* abolished existing awards and introduced individual and collective contracts.

The compendium illustrates the significant changes in labour markets since the mid 1980s. However, the reform process continues. In 1996, the Commonwealth's Workplace Relations legislation created, amongst other things, a formal system of individual employment contracts and established a process by which awards could be simplified.

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<sup>7</sup> Monitoring performance is an important element in the reform process since it provides a strong foundation for further reform and allows jurisdictions to learn from each other, see BIE (1995c) and SCNPMGTE (various years).

<sup>8</sup> For a more detailed description of the history of the industrial relations system in Australia see BIE (1996a, chapter 5) and PC (1996, chapter 2).

***Finance and taxation***

Some of the microeconomic reforms that fall within this category were important catalysts for further reform.<sup>9</sup> Key reforms were:

- the deregulation of the financial system;
- floating of the Australian dollar; and
- the removal of exchange controls.

Combined with reforms in reducing trade barriers, these reforms exposed the Australian economy to greater international competitive pressures and exposed inefficiencies in other areas of the economy.

Some of the significant financial system reforms involved:

- removing interest rate ceilings;
- easing domestic banking restrictions; and
- allowing foreign banks to establish in Australia.

Many reforms in the taxation system were directed at overcoming various perceived deficiencies and improving equity. For example, following the 1985 National Tax Summit, a number of measures were introduced which were aimed at removing anomalies (eg: dividend imputation) and broadening the tax base (eg: capital gains and fringe benefits tax).

As shown in the compendium, there have been a number of attempts to fine tune the taxation system. For instance:

- company tax rates were adjusted to be more competitive by international standards; and, more recently,
- new measures have been implemented to reduce tax avoidance and better target tax rebates and concessions.

Nevertheless, there remains considerable scope for further reform in these areas. For example, a new set of microeconomic reform initiatives in the financial sector were identified by the 1997 Wallis Inquiry and governments have identified a need for radical changes to indirect taxation.

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<sup>9</sup> See Albon (1996), Bengé (1992) and PC (1996, chapter 6).

### **National Competition Policy**

The first major initiative to promote competition through regulation in the period under review was the *Trade Practices Act 1974*, which covered collusive price fixing, anti-competitive agreements and price discrimination. Over time the legislation was extended to cover mergers and to encompass trans-Tasman markets.

More recently, the inquiry into national competition policy and the intergovernmental reform initiatives that followed, represented a significant advance in microeconomic reform.<sup>10</sup> The National Competition Policy (NCP) package of measures covers a number of important areas, such as:

- competitive neutrality;
- reviews of anti-competitive legislation;
- the application of competition policy to state, local governments and unincorporated businesses; and
- the establishment of access regimes to significant infrastructure services.

New institutions were established to support the implementation of these measures. The National Competition Council (NCC) monitors progress, while the regulatory aspects of the package are predominantly under the control of the Australian Competition and Consumer Commission (ACCC). The package also incorporates arrangements to distribute the benefits of reform — the so-called *competition payments* — based on jurisdictions successfully undertaking specific reform measures.

The NCP reforms are still in the early stages of implementation and it is expected that the reform program will continue well beyond the year 2000.

### **Regulation**

Regulatory reform is separately identified within the compendium because of its diversity and its impact upon many different areas on the economy.<sup>11</sup>

Both the time line (chart 1) and the compendium show that regulatory reform really began in the mid 1980s, when governments established mechanisms and organisations to review the impact of regulations on business. Early examples of such initiatives were:

- the South Australian Deregulation Unit (1981);

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<sup>10</sup> For a more details see PC (1996, chapter 3), NCC (1996), NCC (1997a) and Samuel (1997).

<sup>11</sup> See PC (1996, chapter 9), IC (1997b) and NCC (1997a).

- the Tasmanian Deregulatory Advisory Board (1983);
- the Victorian Office of Regulation Reform (1984); and
- the Commonwealth Business Regulation Review Unit (BRRU) (1986).

Over time, all jurisdictions have moved to enhance mechanisms to review legislation and the making of new regulations — review bodies were set up, regulatory impact statements required and sunset provisions introduced into legislation.

More recently, under the Competition Principles Agreement (CPA), all jurisdictions are required to undertake a systematic review of all existing legislation and regulation that may restrict competition. Another recent initiative is the introduction of Regulatory Impact Statements (RIS). The Commonwealth now requires a RIS for all reviews of exiting regulation and proposed regulation that may directly or indirectly have an affect on business.

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***PART B***

**THE COMPENDIUM**

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
<b>AGRICULTURE</b>				
1970	Commonwealth assistance policy.	<ul style="list-style-type: none"> <li>Under the <i>Marginal Dairy Farms Agreement Act 1970</i> assistance was provided for the more efficient farmers to buy out small uneconomic dairy holdings and to compensate for certain assets rendered redundant in the process.</li> </ul>	1970	Commonwealth assistance policy emphasis began to gradually change from encouraging additional production to sustaining farm incomes, diversifying production and rationalising rural industries. This policy first became effective with the <i>Marginal Dairy Farms Agreement Act 1970</i>
1971	Farm adjustment.	<ul style="list-style-type: none"> <li>The Commonwealth introduced the Rural Reconstruction Scheme (RRS).</li> </ul>	1971	RRS was made available to all primary producers.
1973	Revised assistance arrangements.	<ul style="list-style-type: none"> <li>Commonwealth abolished a number of support measures, such as the superphosphate bounty and the dairy industry subsidy was phased out over a two year period. Tax concessions which allowed farmers to deduct expenditure on capital improvements from income for taxation purposes was withdrawn.</li> </ul>	1973	These initiatives were taken after the Coombs Task Force into non-tariff protection in Australia, which recommended that most assistance given by bounties should be abolished or phased out.
	Export inspection fees.	<ul style="list-style-type: none"> <li>Commonwealth introduced a 1.0 cent per pound charge on export meat inspection in order to recoup some of the costs.</li> <li>Commonwealth export meat inspection charges increased to 50% of the cost and charges were extended to recover 50% of the cost in the grain and wool industries.</li> <li>50% of export inspection cost imposed on dried fruits.</li> <li>Commonwealth imposed full cost recovery for export meat inspection.</li> </ul>	Nov-1973  Jul-1979  Jul-1981 Jan-1991	
	Removal of concessional credit.	<ul style="list-style-type: none"> <li>Trading banks were no longer required by the Reserve Bank to provide farmers with overdraft credit at concessional rates.</li> </ul>	Sep-1973	



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1974	Wheat/grain industry.	<ul style="list-style-type: none"> <li>• Under the Sixth Wheat Stabilisation Plan, the 'guaranteed price' was replaced by a 'stabilised price' which was determined by a formula which moved in line with export prices rather than being based on costs of production or defined cash costs.</li> </ul>	1974-75 to 1978-79	The objective was to give the industry some security against price fluctuations without distorting the underlying trend in market prices and without providing an unduly and often unpredictable contribution from the Commonwealth. The Commonwealth contribution was limited to \$30 million or \$5.51/tonne in any season and to \$80 million over the 5 years.
		<ul style="list-style-type: none"> <li>• Australian Wheat Board (AWB) was allowed to disaggregate storage and handling costs for wheat on a State basis rather than being pooled nationally.</li> </ul>	1978	AWB was empowered to borrow from commercial sources as well as the Reserve Bank to pay the GMP as an advance on delivery.
		<ul style="list-style-type: none"> <li>• Wheat stabilisation was replaced by an underwriting scheme. Growers received a Guarantee Minimum Price (GMP) based on 95% of a 3 year average net returns.</li> </ul>	1979	
		<ul style="list-style-type: none"> <li>• Provision made for 'Grower to Buyer' sales outside of pools, albeit under AWB control. Also, the home consumption price was limited to wheat for human consumption and was determined by a formula to take account of export prices and was aimed to maintain the price at 20% above export prices.</li> </ul>	1979	This was the first step in domestic market deregulation. Stockfeed and industrial use wheat was priced against export parity.
		<ul style="list-style-type: none"> <li>• AWB empowered to borrow from overseas financial markets.</li> </ul>	1983	Reserve Bank borrowings ceased in 1981-82.
		<ul style="list-style-type: none"> <li>• Underwriting was expanded to provide separate GMPs for different categories of wheat and the formula was amended to remove the highest of the three past returns figure.</li> </ul>	1984	
		<ul style="list-style-type: none"> <li>• Further deregulation of the domestic market with the introduction of a permit scheme for the sale of wheat for domestic stockfeed purposes outside of normal pooling arrangements.</li> </ul>	1984	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Dairy Adjustment Program.	<ul style="list-style-type: none"> <li>Commonwealth announced a two year Dairy Adjustment Program in response to the phasing out of butter and cheese and processed milk products bounties over the two years ending 30 June 1975.</li> </ul>	Apr-1974 to Jun-1976	\$28 million was available under the Program but in Aug-1975 the Commonwealth announced that no new applications would be accepted because funds had been almost completely committed.
1976	Preferential tax treatment.	<ul style="list-style-type: none"> <li>An investment allowance available only to primary producers became available to all other industries.</li> </ul>	Jan-1976	
1977	Rural Adjustment Scheme (RAS).	<ul style="list-style-type: none"> <li>Commonwealth introduced the RAS. The scheme replaced existing and ad hoc rural programs and attempted to overcome the lack of coordination and liaison between governments. This ad hoc approach had led to different treatment of farm adjustment across different regions and activities.</li> </ul>	Jan-1977	The RAS was introduced following a Industries Assistance Commission Report on Rural Reconstruction which recommended that adjustment assistance be provided on a continuing basis under a single scheme operating under a Commonwealth-State agreement. Previous schemes were terminated at the end of 1976.
	RAS 1988.	<ul style="list-style-type: none"> <li>Commonwealth implemented changes to RAS in order to reorientate the scheme towards improved farm management.</li> </ul>	1988	
	RAS 1992.	<ul style="list-style-type: none"> <li>Further amendments to the scheme were made to improve the management of the farm business.</li> </ul>	1992 to 1997	RAS 1992 contained a termination clause and provision for a mid-term review. In May-1997 the Commonwealth announced that the RAS would cease in Sep-1997 and would be replaced by a new program following consultation with the States, Territories and farmer organisations.

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1980	Dried vine fruits.	<ul style="list-style-type: none"> <li>• Price stabilisation arrangements ceased at the end of 1980 season.</li> <li>• Last Commonwealth actual underwriting payment made for sultanas.</li> <li>• Commonwealth price equalisation levy removed, statutory equalisation of domestic sales also removed, export equalisation only remained.</li> <li>• Duty of \$0.20/kg replaced with ad valorem tariff of 25% and followed by a phase down to 5% in Jul-1996. Tariffs on imported currants, raisins and sultanas progressively lowered from 12% in 1993-94 to 5% in 1996-97.</li> <li>• Sultana underwriting removed at finalisation of 1993 season.</li> </ul>	<p>1980</p> <p>1982</p> <p>Jan-1991</p> <p>1993-94 to 1996-97</p> <p>1993</p>	
1982	Quarantine and inspection.	<ul style="list-style-type: none"> <li>• The <i>Export Control Act 1982</i> introduced a system of legislative orders to accommodate technological innovation and facilitate prompt introduction of changes as they occur.</li> </ul>	<p>1982 to 1986</p>	<p>From 1986 self regulation was progressively introduced.</p>
1986	Statutory Marketing Arrangements (SMAs).	<ul style="list-style-type: none"> <li>• The Commonwealth SMA reforms included: greater managerial autonomy; moving more closely to a corporate model; loosening of borrowing controls; a 'right to fail'; and establishment of performance indicators.</li> </ul>	<p>1986</p>	<p>In the 1980s there was increased scrutiny of SMAs at both the Commonwealth and State level. This resulted in number of reviews and subsequent reforms. The general direction of the reforms was towards greater reliance on market forces, removal of impediments to efficient marketing of commodities and in some cases the dismantling of some SMAs.</p>

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Dairy industry.	<ul style="list-style-type: none"> <li>'Kerin Plan' introduced. Under the Plan the Commonwealth addressed the adverse affects of previous marketing arrangements for manufactured milk and improved the competitiveness of the dairy industry. The aim was to reduce price distortions between products caused by equalisation and product levies. To achieve this, domestic price support was progressively reduced for manufactured dairy products to the level of import parity for competing products from New Zealand.</li> <li>A Supplementary Market Support Levy was applied to butter, butter-oil and cheese. The applicable rates were reduced to zero in three steps during 1988-89.</li> <li>Under the 'Crean Plan' the Commonwealth continued phased reductions in the market support payments on exports of dairy products. Beyond 30 June 2000 there will be no legislated (Commonwealth) support for the dairy industry.</li> <li>The Commonwealth rationalised export inspection and certification for dairy products – this removed one layer of regulatory intervention.</li> </ul>	Jul-1986 to Jun-1992   Jan-1988 to Jun-1989  Jul-1992 to Jun-2000  Jul-1996	As part of the Kerin Plan a tariff quota on certain (subsidised) cheeses was introduced in 1986. As part of the Uruguay Round commitments, Australia converted this cheese quota into a current access tariff quota. The Kerin Plan expired in Jun-1992 and was replaced by the Crean Plan in Jul-1992.  In Jun-1995 because of the Uruguay Round of trade negotiations a new set of arrangements was required. Export subsidies were replaced with rebates. The scheme provided similar incentives and continued the phase out of Commonwealth support to dairy products by 2000. Responsibility was shifted to state dairy authorities.
	Dairy industry – State government initiatives.	<ul style="list-style-type: none"> <li>New South Wales amalgamated three of the five major coastal dairy cooperatives, closed milk depots and revised the vendor system.</li> <li>NSW Dairy Corporation altered policies in a move towards less regulation and greater flexibility.</li> <li>Tasmania deregulated the dairy processing sector and deregulated all pricing beyond the processors inward door.</li> </ul>	1989  1991  Jun-1992	All States except New South Wales and Queensland have abolished controls on most aspects of milk distribution and pricing beyond the farm gate. New South Wales is scheduled to deregulate the industry in Jul-1998.

		<ul style="list-style-type: none"> <li>Queensland implemented a program to remove post-farm gate regulations, price controls, regulation and licensing of milk runs and regulations limiting market access by milk processors.</li> <li>Victoria abolished price controls at wholesale and retail levels and introduced competitive tendering for the cartage of bulk milk from factory to processor.</li> </ul>	1994-95 1995	Queensland is scheduled to deregulate the industry beyond the farm gate in 1999.
1988	Commodity assistance converted to a tariff.	<ul style="list-style-type: none"> <li>Assistance to the sugar, dried vine fruits, tobacco and citrus industries converted to tariffs and subject to the tariff phase down.</li> </ul>	May-1988	
	General tariff phasing – ‘May 1988’ Statement and ‘March 1991’ Statement.	<ul style="list-style-type: none"> <li>Tariff and border protection was removed for barley, cotton, fresh horticultural products, grain legumes, maize (corn), tobacco, meat, oats, oilseeds, rice, sorghum, wheat and wool by 1995. Tariff phase down continued for citrus, dairy, dried vine fruits, sugar, and wine and brandy.</li> </ul>	1988 to 1998	<p>The impact of agricultural commodity tariffs was significant when combined with domestic pricing arrangements. This allowed domestic prices of export oriented commodities to rise to the tariff inflated import parity price.</p> <p>The removal of tariff and border protection had minimal impact on grains because of quarantine restrictions and lack of import facilities at ports.</p>
	Citrus industry.	<ul style="list-style-type: none"> <li>Assistance to the citrus industry converted to a tariff and followed by a phase down in the tariff from 30% to 5% in 1996.</li> <li>Victoria and New South Wales Citrus Marketing Boards amalgamated, reducing geographical barriers to competition.</li> <li>Local Content Sales Tax Rule for fruit juice removed.</li> </ul>	May-1988 to 1996 1988-89 Jan-1995	
	Revenue tariff removed.	<ul style="list-style-type: none"> <li>The 2% revenue tariff on cotton, wheat and rice removed.</li> </ul>	1988	
	Fertiliser subsidy removed.	<ul style="list-style-type: none"> <li>Fertiliser consumption subsidy removed by the Commonwealth.</li> </ul>	May-1988	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Wine and brandy.	<ul style="list-style-type: none"> <li>Phase down in tariff from 10% for wine and 8% for brandy to 5% from Jul-1996.</li> <li>South Australia and Victoria deregulated their markets for wine grapes.</li> </ul>	1988 to Jul-1996 1988	
1989	Sugar industry.	<ul style="list-style-type: none"> <li>Domestic administered price arrangements and export controls terminated by the Commonwealth. The embargo was replaced with a specific tariff of \$115 per tonne which was reduced to \$55 in Jul-1992. The tariff was frozen at \$55 per tonne until Jun-1997.</li> </ul>	Jul-1989 to Jun-1997	In Mar-1997 the Commonwealth endorsed the recommendations of the Sugar Industry Review, which included the removal of the tariff from 1 July 1997 and agreed to a compensation package to offset the effects of removing the tariff.
	Egg industry – State government initiatives.	<ul style="list-style-type: none"> <li>New South Wales egg production, pricing and monopoly controls of the Egg Corporation were abolished and the free marketing of eggs implemented.</li> <li>A reduction in regulation in the Queensland and Victorian egg industries.</li> <li>South Australian government repealed egg marketing and industry stabilisation legislation.</li> <li>The Queensland statutory market scheme for eggs ended and transitional arrangements were introduced. Total deregulation of the industry is expected by 1998.</li> </ul>	Jul-1989  1989  May-1992  May-1995 to 1998	New South Wales was the major egg producing state and these reforms had a flow on effect in other states. By 1993-94 full deregulation of the egg industry had occurred in New South Wales, South Australia and Victoria.
	Wheat/grain industry.	<ul style="list-style-type: none"> <li>Deregulation of domestic marketing and removal of administered pricing and AWB compulsory acquisition powers (except Queensland).</li> <li>Commonwealth guarantee of AWB borrowings replaced by a underwritten Guarantee Minimum Price.</li> <li>Wheat Industry Fund established – based on a grower levy, it provided a capital base for domestic grain trading operations. It was aimed at eventually replacing the Commonwealth guarantee of AWB borrowing.</li> </ul>	1989 onwards	The AWB became a commercial trader in all grains on the domestic market backed by a levy based Wheat Industry Fund. \$100 million Commonwealth guarantee of borrowings for the Wheat Industry Fund expired in 1994.

		<ul style="list-style-type: none"> <li>Commonwealth introduced changes to wheat marketing arrangements to allow the AWB to contract for storage and handling with other than the state controlled bulk handling authorities and the AWB was required to disaggregate charges for storage, handling, transport and port costs in its accounts to growers.</li> </ul>		Since 1988-89 the States have undertaken a number of measures such as: privatisation of bulk handling authorities; changes to waterfront/port services and charges; and changes to rail services that relate to the wheat and grain industry.
	Food export controls.	<ul style="list-style-type: none"> <li>Progressive implementation of food exports with no controls allowed where government certification was not required.</li> </ul>	1989 ongoing	
	Research and Development.	<ul style="list-style-type: none"> <li>Under the <i>Primary Industries and Energy Research and Development Act 1989a</i> number of Research and Development Corporations or Councils (RDCs) were established. Funding for most of the commodity based RDCs was through a statutory levy on output at the farmgate and matched by funds from the Commonwealth.</li> </ul>	1989	The RDCs coordinate, fund, monitor, evaluate, disseminate and commercialise R&D. The Meat Research Corporation, the Horticultural Research and Development Corporation, and the Australian Wool Research and Promotion Organisation were established under their own legislation.
1990	Horticultural products.	<ul style="list-style-type: none"> <li>Underwriting scheme for apples and pears terminated.</li> </ul>	Dec-1990	
1991	Grain legumes.	<ul style="list-style-type: none"> <li>5% tariff on navy beans removed.</li> </ul>	Jan-1991	
	Apples.	<ul style="list-style-type: none"> <li>Export underwriting for apples ended.</li> </ul>	1991	
	Wool industry.	<ul style="list-style-type: none"> <li>Abolition of the Minimum Reserve Price Scheme and industry review started.</li> </ul>	Feb-1991	
		<ul style="list-style-type: none"> <li>Australian Wool Research and Promotion Organisation established.</li> </ul>	Nov-1993	
		<ul style="list-style-type: none"> <li>Wool International set up to manage the wool stockpile and debt.</li> </ul>	Dec-1993	
		<ul style="list-style-type: none"> <li>Funding for wool promotion ceased.</li> </ul>	1994-95	
		<ul style="list-style-type: none"> <li>The 4.5% debt reduction component of the wool tax removed.</li> </ul>	Jun-1996	
	Joint agreement on agricultural and veterinary	<ul style="list-style-type: none"> <li>National Registration Authority (NRA) established. The NRA operates a national system that evaluates, registers and regulates agricultural and veterinary</li> </ul>	Jun-1993	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	chemicals.	chemicals. <ul style="list-style-type: none"> <li>• Full registration legislation commenced.</li> </ul>	Mar-1995	
1992	National Drought Policy (NDP) agreed to by Commonwealth, State and Territory Governments.	<ul style="list-style-type: none"> <li>• NDP encouraged the rural sector to adopt a self reliant approach to managing climate variability and treated drought as a farmers' normal operating environment.</li> </ul>	1992	Measures to encourage self-reliance included the Income Equalisation Deposit scheme and the Farm Management Bond scheme. In 1997 the NDP was subject to a review.
	Wheat/grain industry.	<ul style="list-style-type: none"> <li>• AWB functions were extended to include grain based value adding activities; underwriting of borrowings was extended until the close of the 1998-99 pools at a level of 85%; and the Wheat Industry Fund was continued to provide a capital base for the AWB to enable it to become independent of Government support after 1999 and to participate in value adding and other commercial activities.</li> </ul>	1992 to 1999	In 1997 the Commonwealth accepted the key elements of the AWB restructure package – which met Government and industry objectives for grower ownership and control, self-reliance and commerciality. The Government guarantee on AWB borrowings is due to expire in 1997-98, when the AWB will be replaced by a private grower owned company which will control marketing from 1 July 1998.
1994	Tobacco industry.	<ul style="list-style-type: none"> <li>• Tobacco Industry Restructuring Package announced in Dec-1994. Tariffs, local content and stabilisation schemes to be abolished and state statutory marketing arrangements phased out by 1996.</li> <li>• All imports of tobacco leaf, manufactured tobacco and tobacco products were freed of customs duties.</li> <li>• The Local Leaf Content Scheme and the Tobacco Industry Stabilisation Plan ceased.</li> <li>• Withdrawal of the vesting power of the Tobacco Leaf Marketing Board by agreement between New South Wales, Queensland, Victoria and the Commonwealth.</li> </ul>	1994 to 1996	
			Jan-1995	
			Jan-1995	
			Aug-1995	



	Meat processing industry.	<ul style="list-style-type: none"> <li>Progressive implementation of most of the 1994 Industry Commission's key recommendations on meat processing, which covered industrial relations, quality assurance, multiple export standards and the structure of the AQIS.</li> <li>Commonwealth exemptions policy changed to provide for the export of meat from establishments not registered by the Commonwealth for export but registered by State/Territory authorities, where agreed by importing country.</li> </ul>	1995 ongoing	This widens the scope for exports to markets which will accept product complying with Australian food law.
	Drought preparedness.	<ul style="list-style-type: none"> <li>Introduction of tax incentives for drought preparedness.</li> </ul>	Mar-1994	
1995	Australian Quarantine Inspection Service (AQIS).	<ul style="list-style-type: none"> <li>AQIS reformed work practices and support services in the majority of its operational programs which allowed reduced prices for AQIS services in several instances.</li> </ul>	Aug-Oct 1995	The revised arrangements require the support of Australia's major trading partners.
		<ul style="list-style-type: none"> <li>AQIS assumed responsibility for quarantine and export inspection of horticulture and live animals in New South Wales, Victoria, Queensland, South Australia and Australian Capital Territory, achieving greater consistency in quarantine delivery and regulation.</li> </ul>	Aug-1995	
		<ul style="list-style-type: none"> <li>AQIS finalised arrangements for the provision of inspection auditing by accredited third parties for fish and dairy plants.</li> </ul>	1996	
		<ul style="list-style-type: none"> <li>AQIS continued the process of implementing significant changes to meat inspection arrangements.</li> <li>The Commonwealth in its 1997-98 Budget announced a four year funding package for AQIS designed to address the recommendations of the Nairn Report (Oct 1996) into efficient operation of the quarantine system.</li> </ul>	1996-97 ongoing 1997 ongoing	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	National Competition Policy (NCP).	<ul style="list-style-type: none"> <li>Under the COAG agreed competition policy package governments agreed to review all legislation that restricted competition by the year 2000. Towards this end, each government published in Jun-1996 a Legislation Review Schedule timetabling reviews to be performed. These Schedules included reviews of regulations covering SMAs.</li> </ul>	1995-96 ongoing	As legislation is reviewed, it would be expected that SMAs and arrangements would be amended or phased out. However, if a net public benefit can be demonstrated, the anti-competitive conduct of SMAs can be maintained.
	Commonwealth and Northern Territory – fishing.	<ul style="list-style-type: none"> <li>Implementation of revised Offshore Constitutional Settlement (OCS) arrangements which better reflect fisheries ecosystem management. This reduced the number of jurisdictions involved and simplified procedures for industry.</li> </ul>	1995	
1996	Northern Territory – grain industry.	<ul style="list-style-type: none"> <li><i>Grain Marketing Act</i> repealed.</li> <li>Privatisation of the Katherine and Douglas Daly Grain Depot.</li> </ul>	1996 Feb-1997	This was in line with the national trend of dismantling SMAs.
	Northern Territory – meat industry.	<ul style="list-style-type: none"> <li><i>Meat Industries Act</i> was introduced in line with a national agreement to enforce agreed minimum standards in all abattoirs.</li> </ul>	1996	This reduced the Territory's involvement in meat inspection.
	New South Wales – fishing.	<ul style="list-style-type: none"> <li><i>Sydney Marketing Authority (Dissolution) Act 1997</i> Sydney Marketing Authority was replaced by the company Sydney Marketing Ltd.</li> <li>Definition of property rights through the <i>Fisheries Management (General) Amendment (Restricted Fisheries) Regulation 1997</i>.</li> </ul>	1996-97 1996-97	Removed direct government involvement in the market. Property rights defined on a shares basis and limited access permitted in restricted fishing areas. This enabled resources to be sustained.
	Victoria – fishing.	<ul style="list-style-type: none"> <li>Negotiation of Offshore Constitutional Settlement (OCS) arrangements.</li> </ul>	1996-97	Rationalisation of fisheries management in South East Australian waters, with industry operating under a single, simplified jurisdiction.
	Tasmania – marine resources.	<ul style="list-style-type: none"> <li>Legislation enacted which covered marine resource management and marine farming planning. Marine Farming</li> </ul>	1996-97 to	The increase in water areas available to the industry through the planning process provided

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		Development Plans had to be prepared for the major marine farming areas in Tasmania.	1988	industry participants with increased investment certainty.
1997	Budget measures.	The Commonwealth terminated the: <ul style="list-style-type: none"> <li>• Clean Food Export Strategy;</li> <li>• Innovative Agricultural Marketing Program;</li> <li>• Australian Horticulture Corporation;</li> <li>• Farm Household Support Scheme; and</li> <li>• Subsidised lending through the Commonwealth Development Bank.</li> </ul>	1997	
	Wool industry.	<ul style="list-style-type: none"> <li>• Commonwealth legislation passed which enabled the winding up of Wool International when the wool stockpile was sold and the distribution of the surplus equity to growers.</li> </ul>	Jun-1997	This reduced government control of the wool industry and provided the industry with greater autonomy.
	Rural Adjustment Scheme (RAS).	<ul style="list-style-type: none"> <li>• The Commonwealth terminated the RAS.</li> </ul>	Sep-1997	A mid-term review found that the scheme was not effective in promoting rural adjustment.
	'Agriculture – Advancing Australia' Statement.	<ul style="list-style-type: none"> <li>• The Commonwealth announced the Integrated Rural Policy Package. Key elements included: <ul style="list-style-type: none"> <li>– Farm Management Deposits;</li> <li>– Farm Business Improvement program;</li> <li>– Farm Family Restart scheme;</li> <li>– Exceptional Circumstances assistance; and</li> <li>– Funding for rural communities.</li> </ul> </li> </ul>	Sep-1997 ongoing	<p>The Farm Management Deposit scheme replaced the Income Equalisation Deposit scheme and Farm Management Bonds.</p> <p>The Farm Business Improvement program provided assistance to farm business and natural resource management.</p> <p>Income support will be provided through the Farm Family Restart scheme.</p>

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Sugar industry.	<ul style="list-style-type: none"> <li>• Sugar tariff removed.</li> </ul>	Nov-1997	
	Meat industry.	<ul style="list-style-type: none"> <li>• The Commonwealth approved the establishment of Meat and Livestock Australia Ltd and the winding up of the Meat Industry Council, the Australian Meat and Livestock Corporation and the Meat Research Corporation.</li> </ul>	Dec-1997 ongoing	The new company would be responsible for all research and development, food safety and quality. The reforms were designed to reduce government intervention and provide primary producers with a greater say in future decision making.

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## MINING

1983	Northern Territory – royalties.	<ul style="list-style-type: none"> <li>Replacement of ad valorem royalty system with a profit based system.</li> </ul>	1983	
1986	Export controls.	<ul style="list-style-type: none"> <li>Relaxation of export controls on coal.</li> <li>Export controls were removed for a range of minerals.</li> <li>Petroleum and petroleum product export restrictions lifted.</li> </ul>	Sep-1986 Oct-1987 Jan-1988	
1990	New South Wales – coal mining.	<ul style="list-style-type: none"> <li>Electricity Commission of NSW (ECNSW) coal mines restructured and competitive tendering of coal supply contracts introduced.</li> </ul>	Nov-1990	
1991	New South Wales revised administrative procedures.	<ul style="list-style-type: none"> <li>Lease consolidation program completed – allowed faster lease processing times and easier management of title administration for both government and industry.</li> <li>Introduction of new access provisions to speed up and promote mineral exploration.</li> <li><i>Mining Act</i> introduced to streamline and simplify administrative procedures.</li> </ul>	1991-92 1991-92 May-1992	
	Commonwealth taxation.	<ul style="list-style-type: none"> <li>Resource rent tax introduced for Bass Strait petroleum, resulting in a more efficient royalty regime.</li> </ul>	1991	
	Queensland revised administrative procedures and charges.	<ul style="list-style-type: none"> <li>Tenure and exploration processing procedures and survey requirements revised to reduce processing time.</li> <li>Up-front royalty element from coal freight rail charges for new mines and mine expansions eliminated.</li> </ul>	1991-92 Apr-1992	
	Taxation.	<ul style="list-style-type: none"> <li>Tax exemption for gold mining abolished.</li> </ul>	Jan-1991	There was no economic justification for the continuation of this measure.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1992	'One Nation' Statement.	<ul style="list-style-type: none"> <li>• Export controls on iron ore lifted while procedures for mineral sands simplified.</li> <li>• More streamlined approach to environmental impact statements via an intergovernmental agreement on the environment.</li> <li>• Foreign investment guidelines liberalised.</li> <li>• Requirement for 50% Australian equity in new mines abolished.</li> </ul>	1992	
	Commonwealth Coal Industry Policy Reform Package.	<ul style="list-style-type: none"> <li>• Coal export duty abolished.</li> <li>• Revision of Joint Coal Board powers and functions.</li> <li>• New R&amp;D arrangements in which industry assumed responsibility from government for its own research efforts.</li> <li>• Coal miner's long service/superannuation transferred from government to employers.</li> <li>• New emphasis on coal under GATT.</li> <li>• Improved coal industry industrial relations arrangements.</li> </ul>	1992	
1995	Coal industry.	<ul style="list-style-type: none"> <li>• Union and employer agreements addressing industrial relations and productivity issues.</li> <li>• Strategy developed to reduce reliance on export price controls for coal.</li> <li>• 4 year Coal Australia Promotion Program.</li> <li>• Integration of the Coal Industrial Tribunal into the Australian Industrial Relations Tribunal.</li> </ul>	1995	In Mar-1995 representatives from the Commonwealth, New South Wales and Queensland Governments, companies and unions agreed to a unified approach in implementing the recommendations of the Taylor Report.
1996	Export prices.	<ul style="list-style-type: none"> <li>• Removal of coal export pricing control.</li> </ul>	1996	
	Commonwealth mining policy.	<ul style="list-style-type: none"> <li>• Revocation of the uranium 'Three Mines Policy'.</li> </ul>	May-1996	

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1997	New South Wales.	<ul style="list-style-type: none"> <li>• <i>Mining Legislation Amendment Act 1996</i> introduced, which simplified regulation, licensing and penalties.</li> </ul>	Mar-1997	
	Export controls.	<ul style="list-style-type: none"> <li>• Remaining export controls on mineral commodities – coal, bauxite, alumina, LNG and mineral sands – abolished.</li> </ul>	May-1997	Uranium remained a controlled export commodity.
	Budget measure.	<ul style="list-style-type: none"> <li>• The Commonwealth abolished and terminated the funding of the Energy Research and Development Corporation.</li> </ul>	1996-97	In addition, the National Energy Efficiency Program was rationalised and its funding reduced.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### MANUFACTURING – TRADE

1971	Tariff review.	<ul style="list-style-type: none"> <li>Commonwealth approved the commencement of a Tariff Review Program spread over seven years. This was the first systematic industry-by-industry review of manufacturing protection.</li> </ul>	Apr-1971 to 1978	The program contributed to improved community awareness of the costs of industry assistance.
1973	Whitlam Government.	<ul style="list-style-type: none"> <li>25% across the board cut in tariffs.</li> </ul>	Jul-1973	The Structural Adjustment Assistance Program offered assistance to firms in adjusting to the effects of the tariff cut.
1977	Further cuts in tariff rates.	<ul style="list-style-type: none"> <li>Duty reduced on some 900 items.</li> </ul>	Jan-1977	These reductions followed the 17.5% devaluation of the dollar in Nov-1996 and formed concessions in the Multilateral Trade Negotiations.
1983	Australia and New Zealand Closer Economic Relations (CER) Agreement.	<ul style="list-style-type: none"> <li>The Agreement introduced a phased removal of barriers to trans-Tasman trade.</li> </ul>	Jan-1983 to Jul-1990	From Jul-1990 merchandise trade in virtually all goods between Australia and New Zealand was free of tariffs and quotas but there were some exceptions.
1984	Passenger motor vehicle (PMV) industry.	<ul style="list-style-type: none"> <li>Under the 'Button Car Plan' tariff quotas were introduced to replace import quotas. They were set at 22% of the expected domestic demand with a penalty duty for out of quota imports. The intention was to phase the penalty duty down to 57.5% by 1992, equal to the general tariff for imports inside the quota, rendering tariff quotas redundant.</li> </ul>	1985 to 1988	The Plan was introduced with a view to gradually expose the PMV industry to international competition. The Plan embodied arrangements designed to reduce the level of assistance available to the industry. Other measures under the Plan included, the broadening of the export facilitation scheme, Labour Adjustment Training Arrangements (LATA), a Component Development Grants Scheme, and the establishment of the Automotive Industry Authority to report on the industry's performance and to undertake certain advisory and administrative functions related to the Plan.



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		<ul style="list-style-type: none"> <li>• PMV import quotas were abolished.</li> <li>• The tariff rate on PMVs was reduced to 45% and scheduled to fall 2.5% per year until 1992.</li> <li>• Tariff rates on light commercial vehicles (LCV) and four wheel-drive vehicles (4WD) reduced to 20%.</li> <li>• The local content scheme was abolished.</li> <li>• The Component Development Grants Scheme ceased.</li> </ul>	<p>Apr-1988 1988 to 1992 1988</p> <p>Jan-1989 1989</p>	<p>These measures flowed from a mid-term review of the Plan.</p>
		<ul style="list-style-type: none"> <li>• Scheduled tariff rate reduction to continue. Tariffs were scheduled to decline to 15% by 2000.</li> <li>• Export facilitation arrangements were expanded and made more flexible and market orientated.</li> </ul>	<p>1991 to 2000 1991</p>	<p>Following a review of the industry by the Industry Commission, new assistance arrangements were announced by the Commonwealth in its <i>March 1991 Industry Policy Statement</i>.</p>
		<ul style="list-style-type: none"> <li>• Tariff rates on LCVs and 4WDs reduced to 15% and scheduled to fall to 5% by 1996.</li> </ul>	<p>1992 to 1996</p>	<p>From 1996 the tariff rate for LCVs and 4WDs was scheduled to remain at 5% until 2000.</p>
1987	Textiles, clothing and footwear (TCF) industry Plan.	<ul style="list-style-type: none"> <li>• Introduction of phased reductions in TCF tariffs and other import barrier assistance measures. Introduction of 'positive' assistance measures to assist industries to adjust to reduced border protection.</li> </ul>	<p>1989 to 2000</p>	<p>This was the first systematic dismantling of TCF industry assistance. Changes to the phasing arrangements resulted in tariff levels falling to 25% for clothing and 15% for most textiles and footwear by 2000. Bounties were phased down and replaced by a 5% tariff in Jul-1995.</p>
1988	'May Economic' Statement.	<ul style="list-style-type: none"> <li>• Four year phased tariff reduction program: <ul style="list-style-type: none"> <li>– tariff rates higher than 15% – phased down to 15%.</li> <li>– tariffs between 10-15% – phased down to 10%.</li> </ul> </li> <li>• 2% revenue duty on imports abolished.</li> </ul>	<p>Jul-1988 to Jul-1992 Jul-1988</p>	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1991	'Building a Competitive Australia' Statement.	<ul style="list-style-type: none"> <li>• General tariffs phased down from 10% and 15% in 1992 to a general rate of 5% over the period Jul-1992 to Jul-1996.</li> <li>• Tariffs on PMV phased down from 35% in 1992 to 15% in 2000.</li> <li>• Tariff phased down reductions in TCF accelerated so that by 2000 the maximum tariff is 25%.</li> <li>• Quotas on TCF and manufacturing imports eliminated.</li> <li>• Phase out of developing country tariff preferences.</li> </ul>	<p>Jul-1992 to Jul-1996</p> <p>1992 to 2000</p> <p>1992 to 2000</p> <p>Mar-1993</p> <p>Jul-1992 to Jul-1996</p>	<p>The Statement confirmed the continuation of tariff reductions which began in 1988. The end of the general tariff reduction program was Jul-1996 with most tariffs at 5%.</p> <p>Phase out of preferential tariffs for Singapore, Taiwan Province, Hong Kong and Republic of Korea. The rates of duty were frozen at the 1 July 1992 rates until the general tariff rate fell to the level of the DC preference rate.</p>
1994	'Working Nation' Statement.	<ul style="list-style-type: none"> <li>• Simplified procedures for TEXCO schemes.</li> <li>• Further phase out of developing country tariff preferences.</li> </ul>	<p>1994</p> <p>May-1994</p>	<p>DC preferences phased out or removed for all but the least developed countries.</p>
1996	Commonwealth bounty schemes.	<ul style="list-style-type: none"> <li>• Computer Bounty, Machine Tools and Robots Bounty terminated.</li> </ul>	<p>Jun-1997</p>	<p>The Commonwealth announced the termination of a number of bounty schemes in Aug-1996. The Book Bounty was scheduled to be terminated in Dec-1997 and the Shipbuilding Bounty was scheduled to be terminated in Jun-1999.</p>
	Food trade.	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<p>Jul-1996</p>	<p>Sought to harmonise food standards between the two countries, assisted in removing regulatory barriers to trade in food, reduced compliance costs for industry and contributed to more cost effective inspection arrangements.</p>

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Budget measures.	<ul style="list-style-type: none"> <li>• The Development Import Finance Facility (DIFF) abolished.</li> <li>• Expenditure on the Export Market Development Grants (EMDG) scheme capped and eligibility criteria were modified to focus on small and medium sized enterprises and the range of claimable expenses narrowed.</li> </ul>	1996-97 1996-97	
Trade liberalisation.	<ul style="list-style-type: none"> <li>• Harmonisation of Customs procedures and processes with New Zealand.</li> <li>• Development of multilateral single sector mutual recognition arrangements on conformity assessment between Australia and other APEC nations.</li> <li>• Alignment of national and 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.</li> <li>• A Memorandum of Understanding 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.</li> </ul>	ongoing 1996-97  ongoing  Nov-1996	<p>Simplified and standardised Customs procedures and processes to reduce the administrative burden on businesses.</p> <p>These arrangements would 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.</p> <p>Expected to reduce the 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.</p> <p>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.</p> <p>The arrangement provided a framework for the development of bilateral and plurilateral arrangements of a more specific nature.</p>

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Tariff concessions.	<ul style="list-style-type: none"> <li>Implementation of legislative amendments to the Tariff Concession Scheme.</li> </ul>	1996-97	Streamlined 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.
1997	Tariff phasing in the PMV and TCF industries.	<ul style="list-style-type: none"> <li>Commonwealth in Jun-1997 confirmed that the current schedule for PMV tariff phasing would continue through to 2000.</li> <li>Commonwealth in Sep-1997 confirmed that the current schedule for TCF tariff phasing would continue through to 2000.</li> </ul>	ongoing	PMV tariffs to continue falling by 2.5% per year to be 15% in 2000. Tariff scheduled to remain at 15%, falling to 10% on 1 January 2005.
			ongoing	TCF tariffs will continue fall to 25% by 2000, and drop to 17.5% in 2005.  In Jun-1997 the Commonwealth announced that a new program to replace the PMV industry Export Facilitation Scheme would be introduced when the scheme expired in 2000.  The Commonwealth confirmed that the TCF Import Credits Scheme would be terminated as scheduled in Jun-2000. The Commonwealth also announced a number of measures to assist the TCF industry, such as, a TCF Investment Program and TCF Technology Development Fund.
	Anti-dumping.	<ul style="list-style-type: none"> <li>Commonwealth introduced a reduced time frame for the investigation of complaints.</li> </ul>	Feb-1997	
	Food trade.	<ul style="list-style-type: none"> <li>Deregulated entry into Australia of certain New Zealand food in accordance with the Trans Tasman Mutual Recognition Treaty.</li> </ul>	1997	

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## MANUFACTURING – GENERAL

1984	R&D tax concession.	<ul style="list-style-type: none"> <li>Commonwealth introduced a 150% tax concession for expenditure on R&amp;D.</li> </ul>	Jul-1985	The concession was also available to other sectors. The concession was introduced to increase business expenditure on R&D in areas of market failure. In Dec-1996 legislation directly related to the concession was amended. This included a reduction in the rate of deduction to 125%.
1985	Dismantling of state purchasing preferences.	<ul style="list-style-type: none"> <li>Under the National Preference Agreement all states and territories agreed to eliminate government purchasing practices which discriminated between Australian suppliers.</li> </ul>	Jul-1986	
1987	Offsets arrangements.	<ul style="list-style-type: none"> <li>State governments wound down (but not abandoned) the application of offsets as a result of a formal offsets agreement signed with the Commonwealth.</li> </ul>	1987	
1988	Commonwealth – privatisation.	<ul style="list-style-type: none"> <li>Transfield acquired the Williamstown naval dockyard from the Commonwealth.</li> </ul>	1988	Following the 1987 Defence White Paper, the Commonwealth divested itself of a direct role in the production of capital equipment and consumables.
		<ul style="list-style-type: none"> <li>Commonwealth sold AeroSpace Technologies of Australia Ltd (ASTA) to Rockwell Systems Australia.</li> </ul>	Jun-1994 to Feb-1997	The sale was part of a reform process that started in 1986 when the Government Aircraft Factory was corporatised. In Feb-1997 the Commonwealth sold its shares in Avalon Airport Geelong Pty Ltd (AAG). This completed the process of the privatisation of (ASTA) which commenced in 1994.
		<ul style="list-style-type: none"> <li>Commonwealth Serum Laboratories in Apr-1991 became an unlisted company under the Corporations Law and was eventually floated on the Australian Stock Exchange.</li> </ul>	May-1994	
	Deregulation of the bread industry.	<ul style="list-style-type: none"> <li>New South Wales bread baking and delivery times deregulated.</li> </ul>	1988	
		<ul style="list-style-type: none"> <li>Queensland deregulated the bread industry – allowing</li> </ul>	May-1992	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
		bread prices to be determined by competition.		
1989	Preference margins.	<ul style="list-style-type: none"> <li>Commonwealth abandoned its formal preference margin.</li> </ul>	1989	
1991	Uniform food standards.	<ul style="list-style-type: none"> <li>National Food Authority (NFA) established to develop uniform food standards in order to reduce variability between jurisdictions.</li> <li>All jurisdictions agreed to adopt national standards. For example: New South Wales revised food standards regulations in line with the National Food Standards Regulation.</li> <li>Australia New Zealand Food Authority created to develop and maintain food standards for Australia and New Zealand. The Standards are published in the <i>Food Standards Code</i> and are enforced by all jurisdictions in Australia and New Zealand.</li> </ul>	1991  Sep-1995  Jul-1996	
1992	Commonwealth offsets.	<ul style="list-style-type: none"> <li>Most civil offsets were abandoned.</li> </ul>	1992	Related programs in information technology remained.
	Procurement policy.	<ul style="list-style-type: none"> <li>Commonwealth's procurement policy aimed at providing an open and competitive procurement process that delivered value for money.</li> </ul>	1992 to 1994	
1997	Review of Commonwealth assistance.	<ul style="list-style-type: none"> <li>A review of the current suite of Commonwealth budgetary assistance to industry undertaken.</li> </ul>	1997	Business programs were reviewed by the Mortimer Report. The information technology (IT) industries were reviewed by the Goldsworthy Report and the Cutler Report.

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## ELECTRICITY – NATIONAL

1959	Interconnection and transfer of electricity between states.	<ul style="list-style-type: none"> <li>Interconnection of New South Wales and Victorian transmission network through the Snowy Mountains Scheme.</li> </ul>	1959	
1989	Interconnection and transfer.	<ul style="list-style-type: none"> <li>South Australia joined the New South Wales and Victorian interconnection (through Victoria).</li> </ul>	1989	Interstate trade between New South Wales, Victoria and South Australia was governed by the Interconnection Operating Agreement (IOA).
1990	Heads of Government – agreement on the potential benefits of reform.	<ul style="list-style-type: none"> <li>Special Premiers Conference reached agreement that there may be additional benefits from an extension of the interstate electricity network covering New South Wales, Victoria, Queensland, South Australia, Tasmania and the Australian Capital Territory.</li> </ul>	Oct-1990	
1991	Heads of Government – agreement on electricity industry reforms.	<ul style="list-style-type: none"> <li>A National Grid Management Council (NGMC) established by COAG to coordinate the planning, operation and development of a competitive electricity market.</li> </ul>	Jul-1991	Heads of Government agreed to the introduction of a National Electricity Market (NEM) as part of microeconomic reforms in government enterprises.
1992	Agreement on network development and to separation of responsibilities.	<ul style="list-style-type: none"> <li>Heads of Government agreement reached to develop an interstate electricity transmission network in Eastern Australia and to the principle of separating generation and transmission functions.</li> </ul>	May-1992	At the Dec-1992 COAG meeting most Heads of Government reaffirmed their commitment to the separation of generation and transmission activities.
1993	Multiple Network Corporations.	<ul style="list-style-type: none"> <li>COAG committed governments to implementing Multiple Network Corporations by Jul-1995 (with some exceptions for some states).</li> </ul>	Jun-1993	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1995	Commercialisation, corporatisation and restructuring.	<ul style="list-style-type: none"> <li>Jurisdictions either commercialised, corporatised, restructured, or in some cases privatised their electricity industries in order to promote competition and private sector participation.</li> </ul>	1995-96 onward	
	Agreement on administration arrangements and cooperative legislation.	<ul style="list-style-type: none"> <li>Intergovernmental agreement signed committing New South Wales, Victoria, Queensland, South Australia and Australian Capital Territory to the establishment of the key organisations required to operate the National Electricity Market (NEM) – the National Electricity Market Management Company (NEMMCO) and National Electricity Code Administrator (NECA). The inter-government agreement also committed the governments to enact cooperative legislation to support the application of the NEM in each participating state and territory.</li> </ul>	1995-96	
	Competition Principles Agreement.	<ul style="list-style-type: none"> <li>The development of a competitive electricity market was given impetus by the COAG agreement to a package of competition policy reforms (Competition Principles Agreement).</li> </ul>	Apr-1995	
1996	Agreement to introduction of Stage 1 of the national market.	<ul style="list-style-type: none"> <li><i>National Electricity (South Australia) Act 1996</i> passed.</li> <li>New South Wales, Australian Capital Territory and Victoria agreed to establish a limited interstate wholesale market called NEM 1 as an interim step to a fully established NEM.</li> <li>NEMMCO and NECA established.</li> </ul>	<p>Jun-1996</p> <p>Oct-1996</p> <p>1996-97</p>	<p>The legislation established the force and effect of the national market and the National Electricity Code.</p> <p>NGMC held its final meeting Feb-1997 and passed responsibility for market implementation to NEMMCO and NECA.</p>



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1997	Start of a national market.	<ul style="list-style-type: none"> <li>• The ACCC granted interim authorisation to the NEM 1 Stage 1 arrangements.</li> <li>• The National Electricity Market Phase I (NEM I) started on 4 May 1997. Power was for the first time competitively traded across the New South Wales and Victorian border.</li> </ul>	Mar-1997	The IOA was terminated 30 April 1997 and was replaced by new agreements reflecting NEM trading systems.
			May-1997	The full National Electricity Market is currently under development and is expected to commence in late Mar-1998.
	Corporatisation.	<ul style="list-style-type: none"> <li>• The corporatisation of the Snowy Mountains Scheme approved by the Commonwealth, New South Wales and Victorian Governments – pending a comprehensive water inquiry.</li> </ul>	Oct-1997 ongoing	In Mar-1997 the Snowy Hydro Trading Co Pty Ltd was established to facilitate participation in NEM.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
<b>ELECTRICITY – NEW SOUTH WALES</b>				
1988	Measures to reduce operating costs.	<ul style="list-style-type: none"> <li>Electricity Commission of NSW (ECNSW) implemented improved work practices, contracted out plant maintenance, reduced employment levels, retired uneconomic plants, rationalised coal mine assets and increased reliance on private sector coal supplies.</li> </ul>	1988 to 1990	Workplace reforms such as multiskilling of staff, award restructuring, elimination of work demarcations, staff reductions continued after ECNSW became Pacific Power in 1991.
1989	Pricing.	<ul style="list-style-type: none"> <li>ECNSW extensively restructured its bulk supply tariff to make it more cost reflective.</li> </ul>	1989	
1991	Commercialisation.	<ul style="list-style-type: none"> <li>Sydney Electricity (electricity distributor) converted to a statutory authority and began operating on a commercial basis.</li> </ul>	Jan-1991	
	Pricing.	<ul style="list-style-type: none"> <li>Electricity tariffs adjusted to reflect costs and reduce cross subsidies.</li> </ul>	Jan-1991	
	Restructuring.	<ul style="list-style-type: none"> <li>ECNSW was renamed Pacific Power and internally restructured into six business units – which consisted of three generating groups, a pool trading unit, a network business and a services unit.</li> </ul>	Aug-1991	
1992	Pricing regulation and surveillance.	<ul style="list-style-type: none"> <li>Government Pricing Tribunal established to regulate the prices of government monopoly services – which included electricity.</li> </ul>	1992	In Jan-1996 the role of the Tribunal was expanded and it was renamed the Independent Prices and Regulatory Tribunal (IPART). Part of its function was to oversee electricity distribution network monopoly prices, and to oversee electricity retail monopoly prices pending the removal of retail area monopolies.
1994	Separation.	<ul style="list-style-type: none"> <li>Pacific Power's transmission functions were transferred to a separate legal subsidiary – PacificGrid.</li> </ul>	Jul-1994	

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1995	Separation.	<ul style="list-style-type: none"> <li>• TransGrid established as a government body to manage, operate control and maintain the state's electricity network.</li> </ul>	Feb-1995	<p>TransGrid's role was performed by Pacific Power until Jun-1994 and then by PacificGrid from Jul-1994 to Jan-1995.</p> <p>In Jun-1995 TransGrid was given the authority to develop and implement the state's wholesale electricity market.</p>
	Aggregation.	<ul style="list-style-type: none"> <li>• Twenty-five electricity distribution companies were amalgamated to form six larger state-owned distributors – each with financially separate retail and distribution network functions.</li> </ul>	Oct-1995	
	Restructuring, pricing and access regulations developed.	<ul style="list-style-type: none"> <li>• Framework legislation was passed by Parliament – which provided the basis for the restructuring of the distribution and generation sectors, the development of a competitive wholesale market and the introduction of retail competition.</li> </ul>	Dec-1995	<p>In May-1995 the Government issued an Electricity Reform Statement which outlined the restructuring of the industry.</p>
1996	Corporatisation.	<ul style="list-style-type: none"> <li>• The six distributors were corporatised. Distributors' monopoly network activities were ring-fenced from their other activities - including retailing.</li> </ul>	Mar-1996	
	Restructuring.	<ul style="list-style-type: none"> <li>• Pacific Power was restructured to create an additional two new generating companies – Delta Electricity and Macquarie Generation.</li> </ul>	Mar-1996	
	Limited competition.	<ul style="list-style-type: none"> <li>• Interim New South Wales wholesale electricity market commenced.</li> </ul>	Mar-1996	<p>In May-1996 the New South Wales wholesale market became fully operational.</p>
		<ul style="list-style-type: none"> <li>• Phased introduction of retail competition.</li> </ul>	<p>Oct-1996 to Jul-1999</p>	<p>New retail suppliers were granted licences to operate in the New South Wales market.</p> <p>By Jul-1999 all customers are expected to be able to choose their electricity supplier.</p>

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Pricing.	<ul style="list-style-type: none"> <li>• NorthPower moved towards cost-reflective pricing, facilitated through the separation of network and retail electricity prices.</li> </ul>	1996-97	
1997	National market.	<ul style="list-style-type: none"> <li>• First Stage of the national market known as NEM 1 Stage 1, involving harmonisation of New South Wales, Victoria and Australian Capital Territory wholesale market commenced.</li> <li>• Cooperative National Electricity Market legislation passed.</li> </ul>	May-1977	
			Jun-1997	

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## ELECTRICITY – VICTORIA

1989	Pricing.	<ul style="list-style-type: none"> <li>• Cross subsidies reduced and the pricing structure was rationalised.</li> </ul>	1989 to 1990	
	Measures to reduce operating costs.	<ul style="list-style-type: none"> <li>• State Electricity Commission of Victoria (SECV) adopted a range of measures to improve productivity and work practices.</li> </ul>	1989 to 1993	Initiatives included – job and work-group redesign, increased contracting out of services, rationalisation of awards and union coverage, and a reduction in the work force.
1991	Pricing.	<ul style="list-style-type: none"> <li>• Electricity tariffs increased to reduce cross subsidies. In addition, time of use tariffs implemented.</li> </ul>	Aug-1991	
1992	Partial privatisation.	<ul style="list-style-type: none"> <li>• Majority interest in Loy Yang B power station was sold.</li> </ul>	Dec-1992	
1993	Structural separation and corporatisation.	<ul style="list-style-type: none"> <li>• The generation, transmission and distribution functions of the SECV were split and became the responsibility of three corporatised bodies – Generation Victoria, National Electricity and Electricity Services Victoria (ESV).</li> </ul>	Oct-1993	In Aug-1993 the government announced the start of its reform program for the Victorian electricity industry.
1994	Pricing and access regulation.	<ul style="list-style-type: none"> <li>• The Office of Regulator General established – in regard to electricity its tasks included: overseeing customer tariffs; service standards; pool rules and operating procedures; transmission and distribution access; and pricing and market conduct.</li> </ul>	Jul-1994	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Disaggregation and corporatisation.	<ul style="list-style-type: none"> <li>• Victorian Power Exchange (VPX) established to administer the new wholesale market and oversee system control.</li> <li>• PowerNet Victoria established as a separate commercial corporation – responsible for the maintenance of high voltage transmission assets.</li> <li>• Five new corporatised distribution businesses formed.</li> <li>• Generation Victoria – comprising five groups of power stations trading as independent producers – was established on an interim basis.</li> </ul>	Oct-1994	The establishment of VPX introduced an internal wholesale electricity market. It was expected that, based on annual demand, large customers would become eligible to choose their own electricity supplier over the period 1994 to 1998 and that individual householders would be able to choose their own supplier from 2000.
	Pricing.	<ul style="list-style-type: none"> <li>• A transitional tariff structure introduced.</li> </ul>	Oct-1994 to 2000	Residential customer tariffs were frozen until Jun-1996, followed by a 2% real price fall in Jul-1996 and a 1% real price fall each year thereafter to 2000.
1995	Disaggregation.	<ul style="list-style-type: none"> <li>• Generation Victoria was disaggregated into five corporatised generation businesses.</li> </ul>	Jan-1995	
	Privatisation.	<ul style="list-style-type: none"> <li>• Privatisation of state government owned distributors, generators and transmission assets commenced.</li> </ul>	1995 ongoing	The first distributor was sold in Sep-1995 while the remaining four distributors were sold between Oct-1995 and Jan-1996. The Loy Lang A power station was sold in Apr-1997 completing the sale of all the brown coal base-load power stations. Southern Hydro was sold in Nov-1997. The transmission business PowerNet (PNV) was sold in Oct-1997. The remaining electricity assets to be sold are the gas fired power stations – Newport and Jeeralang.
1997	NEM 1 Stage 1 commenced.	<ul style="list-style-type: none"> <li>• Victoria wholesale market linked/harmonised with the New South Wales wholesale market as the first stage of the national market.</li> </ul>	May-1997	

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## ELECTRICITY – QUEENSLAND

1983	Rationalisation.	<ul style="list-style-type: none"> <li>Queensland Electricity Commission (QEC) reduced staff numbers and increased the use of external contractors to perform tasks previously undertaken by permanent staff.</li> </ul>	Jan-1983
1987	Initiatives to improve performance.	<ul style="list-style-type: none"> <li>Competitive tendering for the supply of plant, equipment and fuel.</li> <li>Rationalisation of resource use through the closure of older high-cost power stations and temporary closure of surplus capacity.</li> <li>Introduced a single award, reduced staff numbers and reformed work practices.</li> </ul>	1987 to 1991
1993	Corporatisation and restructuring.	<ul style="list-style-type: none"> <li>Corporatisation and restructuring of the Queensland Electricity Supply Industry (QESI) undertaken in order to promote competition and private sector participation.</li> </ul>	May-1993
1994	Privatisation.	<ul style="list-style-type: none"> <li>Sale of Gladstone power station.</li> </ul>	Mar-1994
1995	Structural separation and corporatisation.	<ul style="list-style-type: none"> <li>QEC disaggregated into two corporatised entities – Queensland Generation Corporation (QGC) (trading as AUSTA) for generation and Queensland Transmission and Supply Corporation (QTSC) for transmission and distribution functions.</li> </ul>	Jan-1995
	Regulation.	<ul style="list-style-type: none"> <li>Regulatory functions of QEC transferred to Director-General of the Department of Mines and Energy. Regulatory oversight of the industry became the responsibility of the Director-General.</li> </ul>	Jan-1995

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1996	Administrative measures.	<ul style="list-style-type: none"> <li>Queensland Electricity Reform Unit (QERU) established.</li> <li>QERU was given responsibility to implement various reform actions.</li> </ul>	<p>Aug-1996</p> <p>Dec-1996</p>	<p>The aim of the Unit was to develop policies and processes to implement an interim competitive electricity market and determine what further legislative and regulatory reforms were required to deregulate and reform the industry.</p>
	Electricity strategy.	<ul style="list-style-type: none"> <li>In Dec-1996 the Government announced a package of initiatives to prepare the electricity industry ahead of its participation in the National Electricity Market.</li> </ul>	Dec-1996 ongoing	<p>Features of the strategy were: splitting the major generator AUSTA Electric into three independent and competing government owned generation corporations and an engineering services corporation; retention of the seven existing distribution corporations; creation of three new trading corporations which would buy and sell electricity in the distribution board areas; and the establishment of an interim competitive market in Queensland during the last quarter of 1997, with a fully competitive market by 2001.</p>
1997	Legislative changes.	<ul style="list-style-type: none"> <li>Legislative amendments passed which provided for a new disaggregated structure for the industry including the development of mandatory standard customer contracts between distributors and retailers, and customers.</li> <li>Legislation passed which provided for the commencement of the interim wholesale market as a precursor to Queensland's entry into the NEM from Mar-1998.</li> <li>The third round of legislation contained the framework for a new regulatory regime for the industry.</li> </ul>	<p>May-1997</p> <p>Aug-1997</p> <p>Nov-1997</p>	<p>Industry restructuring was effected on 1 July 1997.</p> <p>A trail wholesale market started on 1 October 1997.</p>



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Queensland and  
New South Wales  
interconnection.

- Agreement reached between New South Wales and Queensland Governments on building of an interstate grid interconnection.

Jun-1997

Restructuring of  
generation.

- AUSTA disaggregated into Stanwell Corporation, Tarong Energy Corporation, C.S. Energy and an engineering services corporation (AUSTA Energy).

Jul-1997

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### ELECTRICITY – SOUTH AUSTRALIA

1987	Pricing.	<ul style="list-style-type: none"> <li>A supply charge was introduced to the Electricity Trust of South Australia (ETSA) tariff to better reflect the fixed costs of supply.</li> <li>Pricing reforms commenced to reduce cross subsidies between classes of users.</li> </ul>	1987	
1990	Commercialisation.	<ul style="list-style-type: none"> <li>ETSA commercialised and structural change was implemented to improve productivity.</li> </ul>	1990	
1995	Administrative measures to implement reforms.	<ul style="list-style-type: none"> <li>Electricity Sector Reform Unit established to oversee and coordinate electricity reform.</li> </ul>	May-1995	
	Structural separation and corporatisation.	<ul style="list-style-type: none"> <li>ETSA corporatised and set up as a holding company for four separate, ring fenced, subsidiary companies – breaking up transmission, generation, distribution, and gas supply. Regulatory functions were transferred to Department of Mines and Energy and the Office of Consumer and Business Affairs.</li> </ul>	Jul-1995	
1996	Lead legislator.	<ul style="list-style-type: none"> <li>South Australia took role of lead legislator in relation to the legislation required to establish the National Market and the Code – <i>the National Electricity (South Australia) Act</i> was the model legislation to be used by other jurisdictions.</li> </ul>	Jun-1996	
	Pricing.	<ul style="list-style-type: none"> <li>Electricity tariffs restructured to eliminate cross subsidies between commercial/industrial and residential customers.</li> </ul>	Jul-1996	
	Access and technical regulation.	<ul style="list-style-type: none"> <li>The South Australian <i>Electricity Act</i> established the regulatory framework for the electricity supply industry.</li> </ul>	1996-97	

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	Regulation.	<ul style="list-style-type: none"> <li>The Office of Energy Policy was established, transferring the regulatory functions from Department of Mines and Energy. Provided necessary support to Technical Regulator under the <i>Electricity Act 1996</i></li> </ul>	Dec-1996
1997	Pricing.	<ul style="list-style-type: none"> <li>The Statutory 5% Sales Levy terminated. This removed an impediment upon ETSA operating within the new competitive market.</li> </ul>	Jan-1997
	Structural separation.	<ul style="list-style-type: none"> <li>A separate generation corporation was established – SA Generation Corporation (renamed Optima Energy). ETSA Corporation became responsible for transmission, distribution and supply.</li> </ul>	Jan-1997
	Preparation to join NEM.	<ul style="list-style-type: none"> <li>SA Trader established to participate in the harmonised New South Wales/Victoria State markets.</li> </ul>	Apr-1997

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
<b>ELECTRICITY – TASMANIA</b>				
1990	Measures to improve efficiency and reduce costs.	<ul style="list-style-type: none"> <li>The Hydro-Electricity Commission (HEC) wound down in-house design and construction activity; reduced branches and management levels; reduced employee numbers; replaced 13 separate awards with a single award covering all employees; increased the use of contractors; and rationalised infrastructure requirements.</li> </ul>	1990 to 1992-93	
1990	Commercialisation.	<ul style="list-style-type: none"> <li>HEC began the process of commercialisation.</li> </ul>	1990 to 1993	
1995	Pricing and access regulation.	<ul style="list-style-type: none"> <li>Legislation passed to allow new entrants into the industry, non-discriminatory access to the grid and the establishment of an independent industry regulator – Government Prices Oversight Commission.</li> </ul>	Jun-1995	The legislation was developed to ensure that Tasmania could meet its commitments under National Competition Policy
	Corporatisation.	<ul style="list-style-type: none"> <li>HEC was made a GBE under the <i>Government Business Enterprises Act 1995</i> The Act allowed for competitive neutrality and included the identification, costing, determination and funding of CSOs.</li> </ul>	1995 to 1996	The Hydro-Electricity Commission was renamed the Hydro-Electricity Corporation in Nov-1996.
1996	Pricing.	<ul style="list-style-type: none"> <li>The Government Prices Oversight Commission determined that maximum price regulation was required to eliminate cross subsidies between retail customer classes.</li> </ul>	1996 ongoing	From Jan-1997 real average business tariffs were to fall by a minimum of 5% per annum in each year to the end of 1999 and there was to be no increase in the real average residential tariff.
1997	Reform strategy.	<ul style="list-style-type: none"> <li>The Government strategy for reform of the electricity industry was released.</li> </ul>	1997 ongoing	Privatisation recommended for HEC transmission and retail distribution assets. Full retail competition to be introduced as soon as practicable. 300MW Basslink cable inter-connection with Victoria to go ahead with private sector involvement.

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## ELECTRICITY – AUSTRALIAN CAPITAL TERRITORY

1988	Amalgamation.	<ul style="list-style-type: none"> <li>ACT Electricity and Water (ACTEW) was formed from the amalgamation of the ACT Electricity Authority and ACT Water.</li> </ul>	Jul-1988	
1995	Structural separation and corporatisation.	<ul style="list-style-type: none"> <li>ACTEW was corporatised and the regulatory functions were transferred to other government agencies. ACTEW 'ring fenced' distribution and retail activities.</li> </ul>	Jul-1995	
1996	Wholesale market entry.	<ul style="list-style-type: none"> <li>ACTEW began participating in the New South Wales wholesale electricity market.</li> </ul>	Mar-1996	ACTEW was licensed to buy and sell in the NSW electricity market.
	Pricing regulation and surveillance.	<ul style="list-style-type: none"> <li>The ACT Energy and Water Charges Commission was established as an independent pricing agency.</li> </ul>	Sep-1996 to Sep-1997	
1997	Retail competition.	<ul style="list-style-type: none"> <li>The ACT Government announced a draft timetable for competition in electricity retailing.</li> </ul>	Apr-1997 ongoing	
	National Electricity Market.	<ul style="list-style-type: none"> <li>Legislation introduced to provide for the Australian Capital Territory's participation in the National Electricity Market.</li> </ul>	Sep-1997	The legislative package was in line with legislation passed in all other participating jurisdictions.
	Pricing regulation and surveillance.	<ul style="list-style-type: none"> <li>An Independent Pricing and Regulatory Commission to be established to monitor and effectively set prices for ACT utilities – including electricity. The new Commission would replace the ACT Energy and Water Charges Commission.</li> </ul>	Sep-1997	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1987	Energy policy advice.	<ul style="list-style-type: none"> <li>The Energy Policy and Planning Bureau was established to advise on energy policy and reform matters.</li> </ul>	1987	
1992	Pricing.	<ul style="list-style-type: none"> <li>Time of use tariffs for industrial and commercial electricity customers of State Electricity Commission of Western Australia (SECWA) were introduced.</li> <li>Further tariff reform saw prices for industrial and commercial customers fall relative to those for residential customers, reducing cross subsidisation between these customer categories.</li> </ul>	Feb-1992  1992 to 1994	
1994	Structural and regulatory separation and corporatisation.	<ul style="list-style-type: none"> <li>SECWA separated into two corporatised government businesses – Western Power and Alinta gas. Regulatory and policy functions were transferred to a new Office of Energy.</li> </ul>	Jan-1995	
1996	Pricing.	<ul style="list-style-type: none"> <li>The availability of time of use charges extended to residential customers.</li> </ul>	1996-97	
1997	Deregulation.	<ul style="list-style-type: none"> <li>Phased introduction of deregulation initiatives.</li> </ul>	Jan-1997 ongoing	Measures included: phased open access to Western Power's transmission and distribution systems over the period Jan-1997 to Jul-1999; and large customers allowed to enter into contracts with Western Power or private sector generators.

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## ELECTRICITY – NORTHERN TERRITORY

1987	Amalgamation.	<ul style="list-style-type: none"> <li>The Northern Territory Electricity Commission and Northern Territory Water Authority were amalgamated to form the Power and Water Authority (PAWA) in order to achieve efficiency in the delivery of services – particularly in remote areas.</li> </ul>	Jul-1987	The <i>Power and Water Authority Act</i> required that PAWA act in a commercial manner.
1988	Private provision of infrastructure.	<ul style="list-style-type: none"> <li>PAWA contracted with the private sector to build, own and operate a 132kV transmission line between Darwin and Katherine and an independent power producer (IPP) station at Pine Creek supplying energy to PAWA.</li> </ul>	1988	
1993	Pricing.	<ul style="list-style-type: none"> <li>PAWA was allowed to charge different tariffs for different categories of users.</li> </ul>	May-1993	
1994	Separation of regulation and service functions.	<ul style="list-style-type: none"> <li>PAWA administration of the <i>Electrical Workers and Contractors Act</i> was transferred to the then Department of Lands, Housing and Local Government.</li> </ul>	1994	
1995	Private provision of infrastructure.	<ul style="list-style-type: none"> <li>An IPP power station was established at McArthur River for supply to PAWA.</li> </ul>	1995-96	
1996	Private provision of infrastructure.	<ul style="list-style-type: none"> <li>An IPP power station was established at Alice Springs for supply to PAWA and a IPP was established at Mt Todd for supply to the Mt Todd Gold Mine and connected to the Darwin – Pine Creek – Katherine grid.</li> </ul>	1996-97	
	Commercialisation.	<ul style="list-style-type: none"> <li>PAWA was classified as a Government Business Division (GBD) in the Northern Territory's statement on competitive neutrality.</li> </ul>	Jul-1996	GBDs were required to implement an equivalent taxation regime, operate under a Charter of Operations (approved by government), establish community service obligations (CSOs) for non commercial activities and adopt cost reflective pricing.

## GAS – NATIONAL

1989	Privatisation and	<ul style="list-style-type: none"> <li>The Moomba-Sydney pipeline was sold to East</li> </ul>	Jun-1994	The Commonwealth first announced its intention to
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## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	access.	Australian Pipeline Ltd. The sale legislation incorporated provisions to facilitate competition by allowing third party access to service of gas haulage.		sell the pipeline (owned and operated by the Commonwealth's Pipeline Authority) in the 1989-90 Budget. In Dec-1990 the Bill was rejected by Parliament and in Apr-1991 the pipeline was withdrawn from sale. In Aug-1992 the Commonwealth announced that it would proceed with the sale and in Sep-1992 a Policy Development Group was established to examine and report on regulatory issues appropriate for a privately-owned interstate pipeline system.
1991	National Gas Strategy.	<ul style="list-style-type: none"> <li>The Commonwealth announced the National Gas Strategy, which encompassed a series of reforms intended to encourage the development of Australia's natural gas industry.</li> </ul>	Nov-1991	
1994	COAG agreement on natural gas.	<ul style="list-style-type: none"> <li>COAG agreed to implement 'free and fair trade' in natural gas. The agreement involved, amongst other things, a national approach to legislative and regulatory reform, third party access to gas transmission and distribution networks, and facilities and pipeline interconnection.</li> </ul>	Feb-1994	All legislative and regulatory barriers to trade in gas both within and across state boundaries were expected to have been removed by 1 July 1996. This target date was not achieved. There was a delay in Victoria because of a dispute over the Petroleum Resource Rent Tax. The dispute was settled in Nov-1996 and removed a major impediment to the COAG gas reforms.



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1995	Reform framework.	<ul style="list-style-type: none"> <li>• A Gas Reform Task Force (GRTF) was established to determine what actions were necessary to meet the COAG objectives and to accelerate the implementation of reforms in the gas industry. The GRTF drafted a national code for third party access to gas transmission and distribution systems, and established a framework to guide regulators in providing access to all pipelines nationally.</li> </ul>	Jun-1995 ongoing	<p>GRTF presented a framework of measures for COAG endorsement on 15 November 1996. The meeting was cancelled but the Heads of Government finally agreed individually to the measures in late March 1997.</p> <p>GRTF was replaced by the Gas Reform Implementation Group (GRIG). The GRIG has progressed the Access Code to a final consultation process jointly with the National Competition Council (NCC), with submissions due by Aug-1997. GRIG has also developed draft access legislation for an application of laws approach, with South Australia as the lead legislature. The Natural Gas Pipeline Access Bill – was due for passage by late 1997, with other jurisdictions to follow with their own application law. An Inter-Governmental Agreement will commit Heads of Government (under COAG) to enacting access legislation, transitional timings and to develop an effective regime for NCC certification.</p>
<p><i>(Tasmania's requirements under the reform arrangements differ from other jurisdictions since there is no natural gas industry in Tasmania.)</i></p>				
1997	COAG agreement.	<p>COAG signed the national Natural Gas Pipelines Access Agreement. Under the new arrangements any supplier, retailer or gas consumer would be able to contract with the monopoly pipeline owners on 'fair and reasonable terms' to transport gas across a pipeline.</p>	Nov-1997	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### **GAS – NEW SOUTH WALES**

1990	Pricing and regulation.	<ul style="list-style-type: none"><li>Amendments to the <i>Gas Act 1986</i> established an economic regulatory system for gas distribution that incorporated a price control formula for retail sales not sold under contract. The Gas Council of NSW was established to act as an independent industry regulator. Third party access provisions were inserted in the Act.</li></ul>	Jun-1990	
1994	Access provisions.	<ul style="list-style-type: none"><li>Further amendments to the <i>Gas Act 1986</i> improved third party access provisions.</li></ul>	Dec-1994	
1996	Competition and access.	<ul style="list-style-type: none"><li>The <i>Gas Supply Act 1996</i> removed anti-competitive provisions in the <i>Gas Act 1986</i>, established third party access rights and assigned responsibility for approving reference access prices to the Independent Prices and Regulatory Tribunal (IPART).</li></ul>	Jul-1996	
1997	Access.	<ul style="list-style-type: none"><li>Certification of the New South Wales access regime for natural gas distribution networks.</li></ul>	Aug-1997	

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## GAS – VICTORIA

1991	Pricing.	<ul style="list-style-type: none"><li>Gas tariffs increased to reduce cross subsidies.</li></ul>	Aug-1991
	Restructuring.	<ul style="list-style-type: none"><li>The Gas and Fuel Corporation of Victoria (GFCV) was downsized and restructured to operate in business units.</li></ul>	1991-92
1994	Contracting out.	<ul style="list-style-type: none"><li>The GFCV contracted out support services.</li></ul>	May-1994
	Disaggregation and separation.	<ul style="list-style-type: none"><li>The GFCV was disaggregated into separate transmission (GTC) and distribution (GASCOR – trading as Gas and Fuel) businesses. The exploration and production arm of GFCV (GFE Resources) ownership was transferred to the state pending a public float.</li></ul>	Dec-1994
1995	Closure.	<ul style="list-style-type: none"><li>The GFCV was wound up.</li></ul>	Jun-1995
	Privatisation.	<ul style="list-style-type: none"><li>GFE Resources was sold to Cultus Petroleum NL.</li></ul>	Sep-1995
	Pricing.	<ul style="list-style-type: none"><li>Standard natural gas tariff policy was changed to enable communities when converting to natural gas supply to negotiate a non-uniform tariff.</li></ul>	Nov-1995
	Outsourcing.	<ul style="list-style-type: none"><li>GASCOR outsourced appliance and mains repairs and maintenance.</li></ul>	1995-96
1996	Separation.	<ul style="list-style-type: none"><li>Implementation of a 'ring fenced' structure for GASCOR's distribution and marketing activities.</li></ul>	Jul-1996

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1997	Disaggregation.	<ul style="list-style-type: none"><li>• Three new gas retailers and distributors were launched within GASCOR prior to corporatisation and possible privatisation.</li></ul>	Jul-1997 to Nov-1997	<p>In Aug-1997 the Government announced a new gas tariff price protection system. The Office of Regulator General (ORG) would monitor retail prices and service, while the ACCC would regulate the transmission of gas.</p> <p>It is expected that bulk gas consumers would be able to choose their supplier from Sep-1998, while small business and domestic customers would progressively enter the competitive market by Sep-2001.</p>

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## GAS – QUEENSLAND

1988	Deregulation.	<ul style="list-style-type: none"><li>The <i>Gas Act</i> was amended to increase competition by allowing alternative suppliers to distribute bulk LPG in a franchise area and remove restrictions on the business operations of utilities relating to capital raising, profit distribution, dividend payments and pricing.</li></ul>	1988	
1995	Access.	<ul style="list-style-type: none"><li>Provisions for third party access to pipelines was established with the aim of removing impediments to free and fair trade in gas.</li></ul>	Apr-1995	
1996	Access.	<ul style="list-style-type: none"><li>Principles governing third party access to the Roma to Brisbane gas pipeline approved.</li></ul>	Jul-1996	Open access arrangements for the gas pipeline are expected to reduce the price of natural gas delivered to markets in south-east Queensland.
	Privatisation.	<ul style="list-style-type: none"><li>The State Gas Pipeline was sold.</li></ul>	Jun-1996	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### GAS – WESTERN AUSTRALIA

1987	Energy policy advice.	<ul style="list-style-type: none"> <li>The Energy Policy and Planning Bureau was established to advise on energy policy and reform matters.</li> </ul>	1987	
1988	Deregulation.	<ul style="list-style-type: none"> <li>The State Energy Commission of Western Australia (SECWA) monopoly over gas supply was removed.</li> </ul>	1988	Companies finding commercial amounts of gas were allowed to use it or sell it freely and were allowed to construct and operate private pipelines.
1994	Access.	<ul style="list-style-type: none"> <li><i>Goldfields Gas Pipeline Agreement Act</i> provided for third party access to the proposed pipeline and for independent power producers using gas from the pipeline to have access to electricity systems in prescribed areas.</li> </ul>	Mar-1994	The pipeline was subsequently constructed and third party access to both gas and electricity systems were provided. The Goldfields Gas Pipeline is privately owned and operated.
1995	Structural and regulatory separation and corporatisation.	<ul style="list-style-type: none"> <li>The SECWA was separated into two corporatised businesses – Western Power and Alinta gas. Regulatory and policy functions transferred to a new Office of Energy.</li> </ul>	Jan-1995	
	Access.	<ul style="list-style-type: none"> <li>Unrestricted access to gas markets in the Pilbara and Eastern Goldfields was allowed. Access to the Dampier to Bunbury Natural Gas Pipeline and South West Distribution System to be progressively opened up.</li> </ul>	Jan-1995 ongoing	
1996	Pricing.	<ul style="list-style-type: none"> <li>A two part gas tariff for residential customers (comprising a supply charge and a consumption charge) was introduced and replaced the consumption only tariff.</li> </ul>	Jul-1996	
1997	Deregulation.	<ul style="list-style-type: none"> <li>Timetable for further deregulation of the gas industry announced. Customers consuming at least 100 TJ at a single site would be able to contract directly with a gas supplier of their choice from January 2000.</li> </ul>	Jan-1997 ongoing	Access reforms would open about 94% of total gas sales in the State to competition. AlintaGas would continue to be the sole supplier of reticulated natural gas to the small business and household markets.

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## GAS – SOUTH AUSTRALIA

1988	Restructuring.	<ul style="list-style-type: none"><li>Amalgamation of privately owned SA Gas Company Ltd with government owned SA Oil and Gas Corporation to form SAGASCO Holdings.</li></ul>	1988
1990	Commercialisation and pricing.	<ul style="list-style-type: none"><li>SAGASCO commercialised most of its operations and introduced more cost reflective pricing.</li></ul>	1990
1993	Privatisation.	<ul style="list-style-type: none"><li>Sale of government holding in SAGASCO completed – which resulted in the control of the enterprise being transferred to the private sector.</li></ul>	Nov-1993
	Regulatory separation.	<ul style="list-style-type: none"><li>The Energy Division of the Department of Mines and Energy was established (changed to Office of Energy Policy in Dec-1996) separating regulatory functions from energy provision.</li></ul>	Apr-1995
1995	Access regulations.	<ul style="list-style-type: none"><li>Legislative framework established for third party access to gas transmission pipelines – in line with the national competition policy.</li></ul>	May-1995
	Privatisation.	<ul style="list-style-type: none"><li>Sale of the Pipeline Authority of SA – which resulted in private sector control of production, transmission and distribution of gas in South Australia.</li></ul>	Jun-1995
	Access regulations.	<ul style="list-style-type: none"><li>Direct negotiation between commercial producers and consumers for uncontracted gas permitted. This allowed contestability and increased competition in gas contracting.</li></ul>	Jul-1995

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1996	Competition.	<ul style="list-style-type: none"> <li>The <i>Petroleum Act 1940</i> and the <i>Natural Gas (Interim Supply) Act 1985</i> were amended to remove anti-competitive elements.</li> </ul>	1996	
	Regulation.	<ul style="list-style-type: none"> <li>The Office of Energy Policy was established to provide the regulatory functions required under the <i>Gas Act 1997</i>.</li> </ul>	Dec-1996	
1997	Review.	<ul style="list-style-type: none"> <li>An Independent review of the <i>Cooper Basin (Ratification) Act 1975</i> commenced to fulfil obligations under the Feb-1994 COAG agreement for 'free and fair' trade in gas.</li> </ul>	Apr-1997	
	Regulatory framework.	<ul style="list-style-type: none"> <li>The <i>Gas Act 1997</i> established the economic and technical regulatory framework for a competitive gas market.</li> </ul>	Jul-1997	<p>The Act established a prices oversight framework for licensed retailers and distributors and provided for technical, safety and commercial regulation of the gas industry.</p> <p>The Act also provided for third party access to distribution pipelines, a Technical Regulator and an independent Pricing Regulator for gas transportation.</p> <p>In addition, it set out the contestability timetable for open access to distribution pipelines, the first tranche being for loads greater than 100 TJ on 1 April 1998.</p>



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## **GAS – AUSTRALIAN CAPITAL TERRITORY**

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|------|---------------------|---|-----------------|
| 1992 | Pricing and access. | <ul style="list-style-type: none"><li>• The <i>Gas Act 1992</i> provided for independent regulation of tariffs and allowed access.</li></ul>  | Nov-1992        |
| 1996 | Reform framework.   | <ul style="list-style-type: none"><li>• The ACT Government gave in principle agreement to the national timetable for access legislation to open access to contract markets from 1 July 1998 and the tariff market from 1 July 1999.</li></ul> | 1996<br>ongoing |

## **GAS – NORTHERN TERRITORY**

- |      |   |  |          |   |
|------|---|--|----------|---|
| 1996 | National competition policy compliance. | <ul style="list-style-type: none"><li>• The Northern Territory Government reviewed all legislation pertaining to gas pricing, exploration, development and transportation.</li></ul> | Jul-1996 | There were no legislative barriers to the interstate sale of gas. |
|------|---|--|----------|---|

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
<b>WATER, SEWERAGE AND DRAINAGE – NATIONAL</b>				
1988	Tradeable discharge rights.	<ul style="list-style-type: none"> <li>Salinity and Drainage Strategy implemented in Murray-Darling Basin (MDB).</li> </ul>	1988 ongoing	The Strategy established limits on each state for salinity impacts taken by that state. These credits were tradeable.
1994	COAG agreement on water industry reforms.	<ul style="list-style-type: none"> <li>COAG endorsed a framework of initiatives for the water industry to run over a seven year period. The framework covered water pricing reform based on the principles of consumption based pricing and full cost recovery, elimination of cross subsidies and making subsidies transparent. Also covered were issues on water allocation and entitlement, reform of irrigation systems, allocating water for environmental purposes and institutional reform.</li> </ul>	Feb-1994 to 2001	<p>The Agricultural and Resource Management Council of Australia and New Zealand established an inter-governmental Task Force on water reform to manage and report on the progress and implementation of the COAG reform framework.</p> <p>All jurisdictions have started to plan or implement the COAG water reform framework.</p>
1995	National Competition Policy Reform Package.	<ul style="list-style-type: none"> <li>On 11 April 1995, three intergovernmental agreements were signed, including the National Competition Policy and Related Reforms Agreement, effectively linking the achievement of the COAG strategic water reform framework adopted in 1994 to a series of tranche payments under the National Competition Policy.</li> </ul>	Apr-1995 ongoing	<p>Reform in urban stormwater and sewerage effluent management as well as in ground water management were subsequently added.</p> <p>The NCC will provide advice to COAG on whether jurisdictions have implemented the required reforms under the National Competition Policy Reform Package, including the COAG water reforms.</p>
	Interstate water trading.	<ul style="list-style-type: none"> <li>Temporary irrigator-to-irrigator interstate trade between Victoria and New South Wales started.</li> </ul>	Jul-1995 ongoing	<p>South Australia has given in-principle agreement to allow the temporary trading of River Murray water across the South Australian Border.</p> <p>A temporary trade from New South Wales to South Australia took place in 1996-97.</p>

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1995 Development of water markets.

- The Murray-Darling Basin Ministerial Council placed a moratorium on further diversions of water in order to establish an appropriate balance between in stream water requirements and consumption. This was aimed at assisting in driving effective markets for the trading of water entitlements.

Jun-1995 ongoing

The Murray-Darling Basin initiative was established in 1985 – a partnership between the Commonwealth, New South Wales, Victoria, South Australia and Queensland governments. The aim was to ensure an equitable, efficient and sustainable use of the water, land and environment resources of the Murray-Darling Basin.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
<b>WATER, SEWERAGE AND DRAINAGE – NEW SOUTH WALES</b>				
1982	Pricing.	<ul style="list-style-type: none"> <li>The Hunter Water Board began a process of demand management through user-pays price reforms.</li> </ul>	1982 to Jul-1994	
1988	Water rights.	<ul style="list-style-type: none"> <li>The New South Wales government introduced tradeable water licences.</li> </ul>	1988	A temporary, one-year state-wide, scheme of water transfers was introduced by New South Wales in 1983.
1990	Pricing.	<ul style="list-style-type: none"> <li>Sydney Water Board began to phase out the property tax component of water bills and increased the usage component.</li> </ul>	Jul-1990	
1992	Corporatisation.	<ul style="list-style-type: none"> <li>The Hunter Water Board was corporatised.</li> </ul>	Jan-1992	
	Pricing controls.	<ul style="list-style-type: none"> <li>The government established the Government Pricing Tribunal to review and determine maximum prices charged by GBEs – this included water.</li> </ul>	Jul-1992	
1993	Corporatisation and privatisation.	<ul style="list-style-type: none"> <li>The Department of Water Resources began corporatisation of irrigation districts.</li> <li>Privatisation of Gumly Gumly Irrigation District near Wagga Wagga.</li> </ul>	1993 Jun-1993	This was the first government irrigation scheme to be privatised in Australia.
	Separation.	<ul style="list-style-type: none"> <li>The Sydney Water Board adopted a holding company subsidiary model for its operations. Three subsidiaries were established – Utilities, Bulk Water and Waste Water, and Australian Water Technologies (AWT). Internal services provided by AWT were opened to market competition.</li> </ul>	1993-94	

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	Regulation.	<ul style="list-style-type: none"> <li>• Sydney Water Board's regulatory responsibility for drinking water quality was transferred to the Department of Health.</li> </ul>	1993-94
	Pricing.	<ul style="list-style-type: none"> <li>• For the first time Sydney Water Board's prices were set as a result of a determination process involving the Government Pricing Tribunal. The Tribunal endorsed a single water price replacing a four tier water charging arrangement.</li> </ul>	1993-94
1994	Regulatory reforms and pricing.	<ul style="list-style-type: none"> <li>• A five year package of regulatory reforms for the Hunter Water Corporation was introduced. Reforms covered access to raw water, service standards, pricing, and discharge standards. The property valuation component of the Hunter Water Corporation tariff was removed.</li> </ul>	1995 to 2000
	Corporatisation and privatisation.	<ul style="list-style-type: none"> <li>• Corporatisation and sale of four Government Irrigation Areas and Districts to irrigators.</li> </ul>	1994-95
1995	Corporatisation.	<ul style="list-style-type: none"> <li>• The Sydney Water Board was corporatised and placed under a regulatory regime similar to that of the Hunter Water Corporation. Regulatory and operation functions were separated.</li> </ul>	Jan-1995
	Pricing.	<ul style="list-style-type: none"> <li>• Continued shift by Sydney Water Corporation from property-value based charges to usage charges.</li> </ul>	1995-96
	Pricing.	<ul style="list-style-type: none"> <li>• The Hunter Water Corporation abolished all fire service charges and water and sewer availability charges previously levied on unconnected lands.</li> </ul>	1995-96
	Pricing.	<ul style="list-style-type: none"> <li>• Rural councils moved towards usage-based water pricing following referral of rural water pricing issues to IPART.</li> </ul>	1995-96

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Reform package.	<ul style="list-style-type: none"> <li>The Government announced a water reform package which included a process to establish water quality and river flow objectives for all rivers, adoption of a new range of charges for all water users and referral of bulk rural water pricing to IPART.</li> </ul>	1995-96 ongoing	
1996	Pricing.	<ul style="list-style-type: none"> <li>Medium path price determination for Sydney Water and Hunter Water (for four years) and Gosford and Wyong Councils (for three years) announced by IPART.</li> </ul>	Jun-1996	
	Separation.	<ul style="list-style-type: none"> <li>Bulk Water Delivery Business established to separate the provision of bulk water to rural areas from the natural resource management issues.</li> </ul>	1996-97	
1997	Corporatisation.	<ul style="list-style-type: none"> <li>The remaining government owned irrigation schemes in the Murrumbidgee and Coleambally regions were corporatised.</li> </ul>	Jul-1997	

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## WATER, SEWERAGE AND DRAINAGE – VICTORIA

1990	Water rights.	<ul style="list-style-type: none"> <li>Transferable water rights introduced.</li> </ul>	Nov-1990	A temporary, one-year, scheme of water transfers was introduced by Victoria in 1987-88.
	Pricing.	<ul style="list-style-type: none"> <li>Water charges in Melbourne and Geelong moved towards consumption based charging rather than fixed property based ratings.</li> </ul>	1990-91	
1991	Corporatisation.	<ul style="list-style-type: none"> <li>The Melbourne Water Corporation was established by the merger of Melbourne and Metropolitan Board of Works (MMBW) and six other authorities.</li> </ul>	1991	
1993	Supervision.	<ul style="list-style-type: none"> <li>Office of Water established to oversee the management of water resources.</li> </ul>	Oct-1993	
1994	Pricing.	<ul style="list-style-type: none"> <li>Phasing in of a user-pays pricing system for the Melbourne metropolitan region.</li> </ul>	Jul-1994 to 2002	By 2002 the pricing system should reflect a 50/50 split between water consumption and property valuation. The pricing system in 1996 consisted of a water consumption component of about 30% while the remainder was based on rate valuation.
1995	Disaggregation.	<ul style="list-style-type: none"> <li>Melbourne Water Corporation disaggregated into separate business units – three retailers (City West Water, South East Water and Yarra Valley Water), a bulk water unit and a sewerage unit (Melbourne Water Corporation).</li> </ul>	Jan-1995	
	Amalgamation and commercial focus.	<ul style="list-style-type: none"> <li>83 non-metropolitan water authorities were amalgamated into 18 regional authorities.</li> </ul>	1995	The new authorities were encouraged to adopt a more commercial focus; reduce operating expenses and financing charges; improve drinking water quality and the standard of treatment of sewage.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Disaggregation, separation and restructuring.	<ul style="list-style-type: none"> <li>The Rural Water Corporation (RWC) — which managed rural water services in Victoria — was separated into four rural water authorities (Goulburn-Murray, Wimmera-Mallee, Sunraysia and Gippsland and Southern). Policy and regulatory functions were removed.</li> <li>Several non core groups of RWC were restructured and transferred to the private sector.</li> </ul>	1995	Focus of this reform was to improve customer service, increase customer involvement and choice, limit future price increases, achieve a financially viable rural water service and reduce management costs.
	Access.	<ul style="list-style-type: none"> <li>Legislative amendments to the licensing arrangements for the three metropolitan retail companies allowed third parties to access their infrastructure.</li> </ul>	Sep-1995	
	Pricing.	<ul style="list-style-type: none"> <li>All non-metropolitan water authorities began using two-part user-pays pricing, a fixed service charge and a usage charge.</li> </ul>	1995 to 1996-97	
1996	Contracting out.	<ul style="list-style-type: none"> <li>Significant contracting out by non-metropolitan urban water authorities of maintenance, management and billing services.</li> </ul>	1996-97	
	Privatisation.	<ul style="list-style-type: none"> <li>Melbourne Water Corporation sold off its infrastructure construction and management arm.</li> </ul>	1996-97	
1997	Revised pricing arrangements.	<ul style="list-style-type: none"> <li>In Oct-1997 the government announced that the current system of calculating water bills using property rates would be replaced with a system based on consumption.</li> </ul>	Jan-1998	The new system to begin in Jan-1998 would abolish property based water and sewerage rates for all domestic and non domestic customers; introduce a flat fixed fee for each property connected to the water companies systems; a user pays approach to pricing through water and sewerage disposal charges; and retention of concessions for low income households.



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## WATER, SEWERAGE AND DRAINAGE – SOUTH AUSTRALIA

1969	Water for the environment.	<ul style="list-style-type: none"> <li>River Murray environmental flows protected by the introduction of limits on diversions.</li> </ul>	1969 ongoing	Limits on total diversions from the River Murray introduced in 1969. Limits reviewed and reduced in 1979 and 1983. Operational strategies to enhance environmental benefits progressively introduced from 1990 onwards.
1982	Water rights.	<ul style="list-style-type: none"> <li>Introduction of temporary and permanent transferable water entitlement schemes.</li> </ul>	1982-83 to 1988-89	
1990	Pricing.	<ul style="list-style-type: none"> <li>A standard water allowance introduced for residential customers, breaking the nexus between water allowances and residential property values.</li> </ul>	Dec-1990	
1992	Pricing.	<ul style="list-style-type: none"> <li>Restructure of pricing towards user pays.</li> </ul>	1992-93	
1994	Pricing.	<ul style="list-style-type: none"> <li>Government introduced a new water pricing system which established consumption based pricing based on a two part tariff for all non-commercial customers.</li> </ul>	Dec-1994	
	Separation.	<ul style="list-style-type: none"> <li>Water resources management functions were separated from water service provision with the transfer of these functions from the Engineering and Water Supply Department (EWSD) to the Department of Environment and Natural Resources.</li> </ul>	Jan-1994	
1995	Pricing.	<ul style="list-style-type: none"> <li>Further reform of water pricing extended user pays to non-residential users.</li> </ul>	1995 to 1997	
	Corporatisation.	<ul style="list-style-type: none"> <li>EWSD corporatised to form the South Australian Water Corporation (SAWC).</li> </ul>	Jul-1995	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1996	Privatisation.	<ul style="list-style-type: none"> <li>EWSD's manufacturing and fabrication businesses were sold to the private sector.</li> </ul>	1996	
	Outsourcing and restructuring.	<ul style="list-style-type: none"> <li>Management, operation and maintenance of Adelaide's water and sewerage network, together with management of capital works program, was contracted out to United Water International for a 15 year period. Functions remaining in SAWC were restructured.</li> </ul>	Jan-1996	
	Pricing oversight.	<ul style="list-style-type: none"> <li>The SA Water Corporation was declared as being subject to prices oversight in relation to the water supply and sewerage markets under the <i>GBE (Competition) Act</i> Declaration was effective for the period 21 November 1996 to 21 November 1999.</li> </ul>	Nov-1996 ongoing	The <i>Government Business Enterprises (Competition) Act SA</i> came into operation in Aug-1996. The Act provided for the establishment of mechanisms for pricing oversight of GBEs having monopoly market power, following appropriate declaration by the Minister.
	Separation	<ul style="list-style-type: none"> <li>Legislation amended and other preparatory work undertaken to facilitate conversion of 8 Government Highland Irrigation Districts to self management from 1 July 1997.</li> </ul>	1996-97	
1997	Restructuring and water rights.	<ul style="list-style-type: none"> <li>The <i>Water Resources Act 1996</i> provided for a devolution of water resource management to local government and established property rights for water licensing.</li> </ul>	Jul-1997	
	Separation.	<ul style="list-style-type: none"> <li>Transfers of remaining non-commercial functions to government departments.</li> </ul>	1997-98	
	Community Service Obligation (CSO).	<ul style="list-style-type: none"> <li>Implementation of CSO policy.</li> </ul>	1997-98	

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## WATER, SEWERAGE AND DRAINAGE – QUEENSLAND

1989	Water rights.	<ul style="list-style-type: none"><li>• Introduction of permanent transfer of water allocations purchased at auction or 'off-the-shelf'.</li></ul>	1989 to 1991	A limited water transfer scheme was introduced in 1987-88.
1993	Pricing and separation.	<ul style="list-style-type: none"><li>• Government initiated pricing reforms followed a review of water pricing. Separation of regulatory and commercial functions of the Water Resources Unit of the Department of Primary Industries commenced.</li></ul>	1993 to 1996	Brisbane City Council's Department of Water Supply and sewerage was excluded from the 1993 reform process.
1995	Commercialisation.	<ul style="list-style-type: none"><li>• As a first stage in commercialisation, the State Water Projects was established as a business unit in the Department of Natural Resources.</li></ul>	Jul-1995	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### WATER, SEWERAGE AND DRAINAGE – WESTERN AUSTRALIA

1987	Water rights.	<ul style="list-style-type: none"> <li>A limited transferable water entitlement scheme operated in the South West of the state for several years.</li> </ul>	1987-88	
1993	Pricing.	<ul style="list-style-type: none"> <li>Two tariff reform programs were introduced with effect from Jul-1993:                             <ul style="list-style-type: none"> <li>- A two year program to phase out the free water consumption allowance for metropolitan residential customers; and</li> <li>- A five year program to phase in water access charges based on meter size for metropolitan non residential customers (with access charges based on property valuations phased out).</li> </ul> </li> </ul>	1993 to 1995	
1994	Community Service Obligation (CSO).	<ul style="list-style-type: none"> <li>The Western Australian Water Authority (WAWA) identified and costed CSOs.</li> </ul>	1994-95	
1995	Pricing.	<ul style="list-style-type: none"> <li>Phase in of water charges for non residential country customers based on meter size and volume consumed. Start of a five year program to replace valuation based charges with fixture based and volumetric charges for non residential metropolitan sewerage customers.</li> </ul>	1995-96 to 2000	
	Outsourcing.	<ul style="list-style-type: none"> <li>Operation and maintenance of the Perth water and waste water reticulation service was outsourced.</li> </ul>	1995-96	

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1996	Restructuring and separation.	<ul style="list-style-type: none"> <li>• WAWA was replaced by three single purpose entities: Office of Water Regulation – provided independent advice to government on water issues and administered a utility licensing regime; Waters and Rivers Commission – functions included assessment, allocation and conservation of the State’s water resources; and Water Corporation – a corporatised entity having a commercial focus, providing water, sewerage, drainage and irrigation services to the public.</li> </ul>	Jan-1996
	Community Service Obligation (CSO).	<ul style="list-style-type: none"> <li>• The Consolidated Fund commenced funding CSOs undertaken by the Water Corporation in relation to uneconomic country services, social welfare concessions and the infill sewerage program.</li> </ul>	Jul-1996
	Pricing.	<ul style="list-style-type: none"> <li>• Change in water tariffs aimed at reducing cross-subsidisation between residential and business customers, and a move towards full cost recovery.</li> </ul>	1996-97
		<ul style="list-style-type: none"> <li>• Continued phasing in of new sewerage charges for commercial customers, a move away from a gross rental value based charging system to a charging system based on the number of fixtures and a usage charge.</li> </ul>	1996-97

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### WATER, SEWERAGE AND DRAINAGE – TASMANIA

1989	Water rights.	<ul style="list-style-type: none"> <li>Introduction of temporary transferable water entitlement scheme.</li> </ul>	1989-90	
1995	Corporatisation and separation.	<ul style="list-style-type: none"> <li>Three water authorities – Hobart Regional Water Board, North West Regional Water Authority and Rivers and Water Supply Commission became GBEs with the passage of the <i>Government Business Enterprises Act 1995</i>. The Act introduced competitive neutrality principles and provided for the establishment of an independent commission to investigate and report on GBE pricing policies.</li> </ul>	Jul-1995	
	Pricing.	<ul style="list-style-type: none"> <li>User-pays water pricing policy implemented by the Hobart Regional Water Board.</li> </ul>	1995-96	
1996	Bulk water supply.	<ul style="list-style-type: none"> <li>Transfer of ownership of, and governance responsibility for the Hobart Regional Water Board to a consortium of local councils in the South of the State. Ownership of the North Esk Regional and West Tamar Water Supply Schemes was transferred from the Rivers and Water Supply Commission to a consortium of local Councils in the greater Launceston area.</li> <li>The Rivers and Water Supply Commission and the North West Regional Water Authority were established as GBEs to allow greater autonomy and more business oriented management of government owned water schemes.</li> </ul>	1996-97	

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Irrigation.	<ul style="list-style-type: none"><li>• Water prices increased for government owned irrigation schemes to achieve full recovery of operating and maintenance costs and to contribute to asset replacement.</li><li>• Responsibility for setting water prices was transferred from Cabinet to the Rivers and Water Supply Commission.</li></ul>	1996-97
Water management.	<ul style="list-style-type: none"><li>• Moratorium on the issue of new licences for direct water diversions from rivers and streams pending the development of policies for the sustainable allocation of water, including environment requirements.</li></ul>	1996-97

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### WATER, SEWERAGE AND DRAINAGE – NORTHERN TERRITORY

1987	Amalgamation.	<ul style="list-style-type: none"> <li>The Power and Water Authority (PAWA) was established by the amalgamation of the Northern Territory Electricity Commission, the Northern Territory Water Authority and the Water Resources Division of the Department of Mines and Energy.</li> </ul>	1987	The <i>Power and Water Authority Act</i> required that PAWA act in a commercial manner.
1991	Commercialisation and pricing.	<ul style="list-style-type: none"> <li>Commercialisation of some water resource services and progressive adjustment of tariffs towards the cost of service provision.</li> </ul>	1991 to 1996	
1996	Commercialisation.	<ul style="list-style-type: none"> <li>PAWA was classified as a Government Business Division (GBD) under the <i>Financial Management Act</i></li> </ul>	Apr-1995	<p>GBDs were required to pursue cost efficiency, operate in a commercially oriented manner and under a formally approved charter of operations.</p> <p>GBDs were required to implement an equivalent taxation regime, operate under a Charter of Operations (approved by government), establish community service obligations for non commercial activities and adopt cost reflective pricing.</p>
	Separation of functions.	<ul style="list-style-type: none"> <li>The Water Resources Division, with the responsibility for water resource management and regulation, was transferred from PAWA to the Department of Lands, Planning and Environment.</li> </ul>	Oct-1996	



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## WATER, SEWERAGE AND DRAINAGE – AUSTRALIAN CAPITAL TERRITORY

1988	Amalgamation.	<ul style="list-style-type: none"> <li>The ACT Electricity and Water (ACTEW) was formed from the amalgamation of the ACT Electricity Authority and ACT Water.</li> </ul>	Jul-1988	
1994	Pricing.	<ul style="list-style-type: none"> <li>A usage-based water pricing system introduced and the free water allowance was removed for all customers.</li> </ul>	Jul-1994	
	Policy framework.	<ul style="list-style-type: none"> <li>Adoption of the COAG strategic framework for the efficient and sustainable reform of the Australian water industry.</li> </ul>	1995 to 2001	Amongst other things this required that pricing reflect all the costs of supply (including environmental costs); all government subsidies on CSO payments be made transparent; and the provision of necessary environmental flows. The framework has a range of environmental, economic and social objectives, and its implementation was tied to competition policy payments in 1995.
1995	Structural separation and corporatisation.	<ul style="list-style-type: none"> <li>ACTEW was corporatised and regulatory functions were transferred to other government agencies.</li> </ul>	Jul-1995	
1996	Pricing regulation and surveillance.	<ul style="list-style-type: none"> <li>The ACT Energy and Water Charges Commission was established as an independent pricing agency.</li> </ul>	Sep-1996 to Sep-1997	
1997	Pricing regulation and surveillance.	<ul style="list-style-type: none"> <li>An Independent Pricing and Regulatory Commission to be established to monitor and effectively set prices for ACT utilities – including water. The new Commission would replace the ACT Energy and Water Charges Commission.</li> </ul>	Sep-1997	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1983	Commercialisation.	<ul style="list-style-type: none"> <li>The <i>Australian National Railways Commission Act 1983</i> provided Australian National (AN) with commercial freedom.</li> </ul>	1983	
1986	Community Service Obligation (CSO) funding.	<ul style="list-style-type: none"> <li>The Commonwealth commenced CSO payments to AN.</li> </ul>	1986-87	
1989	Restructuring.	<ul style="list-style-type: none"> <li>AN was given further commercial autonomy in wages and employment conditions and contractual arrangements, allowing AN to implement restructuring and rationalisation of its activities.</li> </ul>	1989	These measures were part of a wider package of reforms of Commonwealth transport and communications GTEs.
1991	National freight system.	<ul style="list-style-type: none"> <li>National Rail Corporation (NR) established to operate the interstate rail freight business in Australia on a fully commercial basis. The aim was to overcome the inefficiencies in carrying freight across five state rail systems.</li> </ul>	1991	NR was created by a formal agreement between the Commonwealth, New South Wales, Victoria, Western Australia and Queensland.
		<ul style="list-style-type: none"> <li>NR commenced commercial operations.</li> </ul>	Apr-1993	
1995	Access and pricing.	<ul style="list-style-type: none"> <li>AN, Public Transport Corporation (Victoria) (PTC) and Westrail negotiated access to track and provision of locos – this enabled the first private firm to compete with NR on the Melbourne to Perth track.</li> </ul>	Jul-1995	
	Standardisation.	<ul style="list-style-type: none"> <li>Completion of a standard gauge line linking all major cities from Brisbane to Perth.</li> </ul>	Mid-1995	
	Access and pricing.	<ul style="list-style-type: none"> <li>Entry of private operators to the interstate rail network followed the establishment of an interim access pricing regime for AN's interstate rail network in 1995.</li> </ul>	1995	

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1996	Divestment and privatisation.	<ul style="list-style-type: none"><li>The Commonwealth announced its intention to sell its share of NR and the sale of AN (which the Commonwealth wholly owned).</li></ul>	Nov-1996 ongoing	
1997	National access.	<ul style="list-style-type: none"><li>The Commonwealth and State governments agreed to establish a national track authority (from Jul-1998) which would manage Australia's interstate rail network.</li></ul>	Sep-1997 ongoing	The agreement committed governments to establish a national system of access for all rail freight operators to the entire network.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### RAIL – NEW SOUTH WALES

1989	Commercialisation and separation.	<ul style="list-style-type: none"> <li>• <i>Transport Administration Act 1989</i> required the State Rail Authority (SRA) to operate on a commercial basis and delineated the SRA's managerial responsibility for commercial decisions and Ministerial responsibility for social policy.</li> </ul>	Jan-1989	
	Deregulation and rationalisation.	<ul style="list-style-type: none"> <li>• New South Wales intrastate rail freight transport was deregulated and uneconomic passenger services on country services closed.</li> </ul>	1989	
1992	Community Service Obligation (CSO).	<ul style="list-style-type: none"> <li>• SRA started to receive CSO payments from the government to cover revenue shortfalls as a result of the provision of non-commercial services directed by the government.</li> </ul>	Jul-1992	
1993	Separation.	<ul style="list-style-type: none"> <li>• Separate financial structures, balance sheets and transfer pricing arrangements introduced for SRA business groups.</li> </ul>	1993-94	
	Outsourcing.	<ul style="list-style-type: none"> <li>• Revenue collection and maintenance of CityRail automatic ticketing machines contracted out. Leasing arrangements introduced for new rolling stock and locomotives owned and maintained by private companies.</li> </ul>	1993-94	
1994	Separation.	<ul style="list-style-type: none"> <li>• SRA's business groups non-core functions – such as construction and maintenance of tracks and signals, and maintenance of locomotives and rolling stock transferred to Rail Services Group.</li> </ul>	1994-95	

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1995	Separation and corporatisation.	<ul style="list-style-type: none"> <li>• SRA was restructured into four independent bodies – Rail Access Corporation took over track ownership, access and related infrastructure; Railway Services Authority took over track maintenance and construction; and Freight Rail controlled freight services. The new SRA provided urban and non-urban passenger services.</li> </ul>	1995-96	
1996	Outsourcing.	<ul style="list-style-type: none"> <li>• Outsourcing of all infrastructure maintenance and track enhancement.</li> </ul>	1996 ongoing	
	Access.	<ul style="list-style-type: none"> <li>• A rail access regime was established for third party access to the New South Wales rail network.</li> </ul>	Aug-1996	Third party access to rail transport of coal was excluded from the Hilmer reforms (1995) until 2000.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### RAIL – VICTORIA

1989	Merger and corporatisation.	<ul style="list-style-type: none"> <li>The Public Transport Corporation (PTC) was established with the merger of the Metropolitan Transit Authority (The Met) and the State Transport Authority (V/Line).</li> </ul>	Jul-1989	
1993	Package of reform measures.	<ul style="list-style-type: none"> <li>A comprehensive transport reform package announced by the government. The aim was to make the public transport system more responsive to customer needs and to ensure the long term viability of public transport in Victoria. Changes included: revised staffing/manning levels; tendering of country passenger lines; replacement of rail services with coach services; start of a new automated ticketing system; and contracting out of cleaning, maintenance, security and infrastructure services.</li> </ul>	1993-94 ongoing	
	Deregulation.	<ul style="list-style-type: none"> <li>Phased removal of restrictions to the transportation by road of bulk oil, minor bulk commodities, timber, cement and briquettes.</li> </ul>	1993 to 1995	
	Separation.	<ul style="list-style-type: none"> <li>The PTC was restructured into five business units with the aim of operating as separate trading entities.</li> </ul>	1993-94	
1995	Competition.	<ul style="list-style-type: none"> <li>Introduction of private rail freight service providers with the aim of increasing competition in the market place.</li> </ul>	1995	
	Deregulation.	<ul style="list-style-type: none"> <li>Removal of remaining regulations requiring the transport of certain bulk commodities by rail. This ended the rail system's monopoly on the transportation of bulk products.</li> </ul>	1995-96	

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1996	Outsourcing.	<ul style="list-style-type: none"> <li>• Operation of Bendigo railway workshops contracted out to the private sector.</li> </ul>	Feb-1996	
	Separation.	<ul style="list-style-type: none"> <li>• Responsibility for rail safety transferred from the Public Transport Corporation to the Transport Department and a transport safety accreditation unit established.</li> </ul>	1996-97	
1997	Corporatisation and separation.	<ul style="list-style-type: none"> <li>• Victorian Rail Track Corporation established to own and manage the Victorian country railway infrastructure necessary for freight and country passenger rail operations.</li> </ul>	1997	Given the existence of ten non-metropolitan train operators in Victoria, a separate infrastructure corporation was needed for competitive neutrality. The corporation was also expected to gain from outsourcing of maintenance.
		<ul style="list-style-type: none"> <li>• V/Line Freight Corporation established to operate rail freight services. The establishment of the corporation was in preparation for sale.</li> </ul>	1997	V/Line Freight Corporation operates independently of other public rail operations and in competition with private freight operators.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### RAIL – WESTERN AUSTRALIA

1989	Deregulation.	<ul style="list-style-type: none"> <li>Transport of grain was deregulated.</li> </ul>	1989	
1992	Access.	<ul style="list-style-type: none"> <li>Transportation of bulk fuels, minor bulks and timber deregulated.</li> </ul>	1992-93	
1994	Access.	<ul style="list-style-type: none"> <li>Competition allowed in the transportation of bulk ore, minerals and woodchips.</li> </ul>	1994-95	
1996	Commercialisation.	<ul style="list-style-type: none"> <li>Westrail was commercialised under the 'Right Track' program.</li> </ul>	Jul-1996	This enabled Westrail to operate according to commercial principles and provide scope for competition with the private sector on a competitively neutral basis.
	Contracting out.	<ul style="list-style-type: none"> <li>Westrail contracted out track maintenance and development work.</li> </ul>	Jul-1996	
	Community Service Obligation (CSO).	<ul style="list-style-type: none"> <li>The Consolidated Fund commenced funding CSO obligations undertaken by Westrail in relation to uneconomic country passenger rail and bus services.</li> </ul>	Jul-1996	
	Deregulation	<ul style="list-style-type: none"> <li>Total deregulation of the freight transport market.</li> </ul>	Oct-1996	



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## RAIL – QUEENSLAND

1990	Separation.	<ul style="list-style-type: none"> <li>Queensland Rail (QR) created three business groups focussing on customer service and commercial imperatives.</li> </ul>	1990	
1991	Commercialisation.	<ul style="list-style-type: none"> <li><i>Transport Infrastructure (Railways) Act 1991</i> established QR as a corporate body and required QR to operate according to sound commercial principles.</li> </ul>	1991	
1993	Community Service Obligation (CSO).	<ul style="list-style-type: none"> <li>CSO payments to QR introduced.</li> </ul>	1993-94	
	Pricing.	<ul style="list-style-type: none"> <li>Phased removal of export coal royalty collected through rail freight rates.</li> </ul>	1993-94 to 2000	
1995	Corporatisation and separation.	<ul style="list-style-type: none"> <li>QR corporatised and technical and safety functions moved to Department of Transport. The aim was to create a commercial trading environment and competitive neutrality.</li> </ul>	1995-96	
	Regulation and access.	<ul style="list-style-type: none"> <li><i>Transport Infrastructure Amendment (Rail) Act 1995</i> covered construction, maintenance and the operation of the State's rail infrastructure following corporatisation, and established a framework giving third party access to the rail network.</li> </ul>	1995-96	Third party access to rail transport of coal was excluded from the Hilmer reforms (1995) until 2000.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1991	National agreement on standards.	<ul style="list-style-type: none"> <li>Under the Commonwealth and State Heavy Vehicles Agreement the National Road Transport Commission (NRTC) was established to develop and implement reforms concerning vehicles over 4.5 tonnes covering: uniform technical and operating regulations; and nationally consistent and efficient road charges for heavy vehicles. The aim was to promote a more efficient and effective provision and maintenance of roads.</li> </ul>	Nov-1991	In Oct-1990 a Special Premiers Conference (SPC) reached agreement on rationalising road funding responsibilities between levels of government; untying funding for local roads from 1991-92; and introducing cost recovery and uniform regulation of heavy vehicles.
1992	Extension of national agreement.	<ul style="list-style-type: none"> <li><i>National Road Transport Commission Act 1991</i> was amended to cover light vehicles.</li> </ul>	May-1992	
1993	Standardisation.	<ul style="list-style-type: none"> <li>The Australian Transport Council (ATC) was established – states and territories were required to abide by ATC decisions as set out in the Heavy and Light Vehicles Agreements.</li> </ul>	Jun-1993	
	Funding responsibility.	<ul style="list-style-type: none"> <li>The Commonwealth assumed funding responsibility for the National Highway System. This removed overlapping and confusing road funding responsibilities.</li> </ul>	Dec-1993	
1995	Uniform regulations.	<ul style="list-style-type: none"> <li>Establishment of a nationally uniform regulatory environment. The Commonwealth tabled National Road Transport Regulations (NRTR) and made amendments to the Interstate Road Transport Legislation.</li> </ul>	1995 ongoing	
1996	National agreements.	<ul style="list-style-type: none"> <li>National Highway Maintenance Performance Agreements signed with the states and territories.</li> </ul>	1996-97	The new agreements sought 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.

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Regulation simplification.

- Implementation of 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.

1996-97

Simplified the regulation of road transport, reduced costs for businesses operating between jurisdictions and facilitated competitive neutrality.

Uniform regulatory environment.

- *Commonwealth Road Transport Reform Acts (Heavy Vehicle Registration and Dangerous Goods)* enacted and mass and loading regulations amended.

Dec-1996

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### ROAD – NEW SOUTH WALES

1988	Deregulation.	<ul style="list-style-type: none"> <li>Heavy vehicle regulations were amended to improve productivity: Heavy vehicle weight limit was increased; B-double type vehicles were approved for specific routes; and increased vehicle height in designated areas.</li> </ul>	1987 to 1989	
	Deregulation.	<ul style="list-style-type: none"> <li>Buses deregulated – long distance and tourist services opened to competition with no restriction on routes and entry.</li> </ul>	1988	
1990	Deregulation.	<ul style="list-style-type: none"> <li>Reform of private bus, taxi, hire car industries: Introduction of short-term taxi licences; elimination of unnecessary transport related regulations and reporting; and private bus operators placed on performance based contracts.</li> </ul>	Jul-1990	
1991	Private provision of infrastructure.	<ul style="list-style-type: none"> <li>Pilot road maintenance contract commenced. This increased competition in the area of road maintenance and separated the roles of purchaser and provider.</li> </ul>	Jul-1991	
		<ul style="list-style-type: none"> <li>Private sector toll roads introduced: Sydney Harbour Tunnel (opened Aug-1992); F4 Tollway (opened May-1992); F5 Tollway (first section opened Aug-1992 and second section opened Sep-1992).</li> </ul>	1992	
1994	Competitive tendering.	<ul style="list-style-type: none"> <li>Competitive tendering introduced for all maintenance and rehabilitation works on National Highways.</li> </ul>	1994-95	
1995	Standardisation.	<ul style="list-style-type: none"> <li><i>Road Transport (Heavy Vehicles) Registration Charges Act 1995</i> passed and national licence classes adopted by the Roads and Traffic Authority (RTA).</li> </ul>	Dec-1995	

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Outsourcing.	<ul style="list-style-type: none"><li>Contracting out of all maintenance activities on a 450 kilometre network of roads in north-east Sydney to Transfield.</li></ul>	1995-96
Separation and contestability.	<ul style="list-style-type: none"><li>Separation of policy setting and service delivery functions within the RTA to increase contestability for road maintenance provision.</li></ul>	1995-96

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### ROAD – VICTORIA

1993	Contracting out.	<ul style="list-style-type: none"> <li>80% of government bus services in Melbourne were contracted out to a private company.</li> </ul>	1993	
1995	Standardisation.	<ul style="list-style-type: none"> <li>Implementation of national heavy vehicle reforms including consistent national rules for mass and loading, vehicle charges, in-service standards, common roadworthiness, vehicle registration and driver licensing.</li> </ul>	1995-96	
	Private provision of infrastructure.	<ul style="list-style-type: none"> <li>Legislation passed and agreements signed to facilitate private construction and operation of the \$2 billion CityLink toll road.</li> </ul>	Oct-1995 ongoing	
1996	Contracting out.	<ul style="list-style-type: none"> <li>The amount of road construction and maintenance work contracted to the private sector increased.</li> </ul>	1996-97	In 1996-97, 66% of routine maintenance was carried out by contract.
	Uniform standards.	<ul style="list-style-type: none"> <li>Implemented agreed national heavy vehicle reforms which involve freeing up restrictions on vehicle size.</li> </ul>	1996-97	
	Separation.	<ul style="list-style-type: none"> <li>Separation of purchaser and provider functions within VicRoads.</li> </ul>	1996-97	

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## ROAD – QUEENSLAND

1994	Outsourcing.	<ul style="list-style-type: none"><li>Established targets for competitive tendering of road maintenance (70% in 1995 1996) and road works (85% by 1996-97).</li></ul>	1994 to 1996-97
1995	Commercialisation.	<ul style="list-style-type: none"><li>Performance based commercial service contracts introduced for urban bus scheduled passenger services.</li></ul>	1995-96
	Standardisation.	<ul style="list-style-type: none"><li>Proclamation of the <i>Transport Operations (Road Use Management) Act 1995</i> and introduction of national heavy vehicle charges.</li></ul>	Jul-1995

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### ROAD – WESTERN AUSTRALIA

1988	Commercialisation.	<ul style="list-style-type: none"> <li>Buses became more commercialised and charges became more closely related to costs.</li> </ul>	1988-90	
1995	Outsourcing.	<ul style="list-style-type: none"> <li>Private contractors were appointed to provide Transperth's information services and to manage the City Busport.</li> </ul>	1995-96	
	Standardisation.	<ul style="list-style-type: none"> <li>Implementation of the set of heavy vehicle charges developed at the national level.</li> </ul>	1995-96	
	Deregulation.	<ul style="list-style-type: none"> <li>Regulations restricting competition between road and rail for 'major bulk' traffic removed.</li> </ul>	Jul-1995	Major bulks defined by large tonnages (>100 000 tonnes pa) and constitute 30% of Westrail freight. Significant benefits yielded to both transport users (through lower freight rates) and the taxpayer (through lower rail deficits).
	Outsourcing.	<ul style="list-style-type: none"> <li>Half of the bus routes in the Perth Metropolitan area have been subject to competitive tender, with 80% of the resulting contracts awarded to private sector companies.</li> </ul>	1995	
1996	Transfer of ownership.	<ul style="list-style-type: none"> <li>Ownership of the public transport bus fleet was transferred from MetroBus to the Department of Transport.</li> </ul>	1996	



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## ROAD – TASMANIA

1990	Deregulation.	<ul style="list-style-type: none"><li>• Regulations on major bus routes eased to facilitate competition.</li></ul>	1990
1995	Standardisation.	<ul style="list-style-type: none"><li>• Introduction of the national road transport reforms, including charging schedules and determinations on vehicle standards, the elimination of state log truck tolls, and the abolition of local government toll roads.</li></ul>	1995-96
	Deregulation.	<ul style="list-style-type: none"><li>• Reforms to taxi licensing under the <i>Taxi Industry Act 1995</i></li></ul>	1995-96
	Separation and outsourcing.	<ul style="list-style-type: none"><li>• Creation of business units and competitive tendering of road maintenance functions in the Department of Transport.</li></ul>	1995-96
1996	Separation.	<ul style="list-style-type: none"><li>• Regulatory and policy control functions transferred 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.</li></ul>	1996-97
	Outsourcing.	<ul style="list-style-type: none"><li>• Responsibility for light vehicles, including pre-registration inspections, transferred to the private sector and a network of Approved Inspection Stations established.</li></ul>	1996-97

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
<b>ROAD – SOUTH AUSTRALIA</b>				
1990	Deregulation.	<ul style="list-style-type: none"> <li>Government partially deregulated the taxi and hire vehicle industry.</li> </ul>	1990	
1994	Separation and commercialisation.	<ul style="list-style-type: none"> <li>Metropolitan road construction and corporate information services required to operate as separate business units within the Department of Transport and compete for works against external providers.</li> </ul>	1994-95	
		<ul style="list-style-type: none"> <li>Separation of purchaser and provider (Passenger Transport Board and TransAdelaide) with regard to urban bus operations.</li> </ul>	1994	
1995	Outsourcing.	<ul style="list-style-type: none"> <li>Commencement of a major program to contract out metropolitan bus services.</li> </ul>	Mar-1995	
	Separation and joint venture.	<ul style="list-style-type: none"> <li>Hills Transit established as a subsidiary of TransAdelaide – as the vehicle for a joint public/private sector partnership providing passenger transport services in the Adelaide Hills.</li> </ul>	Jul-1995	
1996	Competitive tendering.	<ul style="list-style-type: none"> <li>Completed competitive tendering for road maintenance services for the principal road network.</li> </ul>	1996-97	
	Passenger transport.	<ul style="list-style-type: none"> <li>Policy and purchasing roles separated from service delivery, accrual accounting and cost-reflective pricing adopted, and tax equivalent regime implemented.</li> </ul>	1996-97	Increased accountability and efficiency of public administration and service delivery. Adoption of accrual accounting assisted in implementing cost reflective pricing for bus and depot asset leasing.
	Vehicle fleet.	<ul style="list-style-type: none"> <li>Sale and lease-back of TransAdelaide vehicle fleet.</li> </ul>	1996-97	

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## ROAD – AUSTRALIAN CAPITAL TERRITORY

1992	Rationalisation.	<ul style="list-style-type: none"><li>• Closure of bus vehicle workshop and introduction of new automated ticketing system.</li></ul>	1992-93	
1995	Standardisation.	<ul style="list-style-type: none"><li>• Introduction of national road transport reforms including heavy vehicle registration and operations, driver licensing, dangerous goods and road rules, and national heavy vehicle charges.</li></ul>	1995 ongoing	As the Commonwealth completed its preparatory work for the modules, implementation in the ACT began. The Charges module has been implemented and work on dangerous goods and vehicle operations modules is well advanced.
1996	Commercialisation.	<ul style="list-style-type: none"><li>• Commercialisation of the public transport provider (ACTION).</li></ul>	1996 ongoing	An advisory board with business representation has been established to assist ACTION in this task.
1997	Rationalisation.	<ul style="list-style-type: none"><li>• Introduction of performance based agreement with the taxi network.</li></ul>	1997	The Agreement required the accreditation of operators and owners of public transport enterprises.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### ROAD – NORTHERN TERRITORY

1975	Private provision of services.	<ul style="list-style-type: none"> <li>Private companies authorised to carry out vehicle licensing inspections.</li> </ul>	1975	
1979	Competitive tendering.	<ul style="list-style-type: none"> <li>Competitive tendering introduced for major road construction projects.</li> <li>Competitive tendering introduced for minor road construction projects.</li> </ul>	1979-80 1983-84	
1981	Standardisation.	<ul style="list-style-type: none"> <li>Commencement of a major overhaul of road transport legislation in line with nationally endorsed approaches.</li> </ul>	1981	
1984	Outsourcing and private provision of services.	<ul style="list-style-type: none"> <li>All road maintenance outsourced through competitive tendering and closure of government plant and maintenance workshops.</li> <li>40% to 60% of all road design work outsourced.</li> <li>100% of all road design work outsourced.</li> </ul>	1984 to 1991 1987 to 90 1991	
1988	Revised traffic regulations.	<ul style="list-style-type: none"> <li>Local government and other road owners allowed to manage roads in their own right; removal of formal driving hours requirement for heavy vehicles; and application of nationally endorsed traffic rules unless there were clear reasons not to adjust them.</li> </ul>	1988	
1992	Standardisation.	<ul style="list-style-type: none"> <li>Development and acceptance of National Heavy and Light Vehicle Agreements through the Special Premiers Conference.</li> <li>Progressive adoption of nationally endorsed requirements in NT legislation.</li> <li>Implementation of National Heavy Vehicle Registration Charges.</li> </ul>	1992 1993 ongoing 1996	

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1994	Bus service.	<ul style="list-style-type: none"> <li>• Introduction of permanent part time employment and contracting out of all public and school bus services.</li> <li>• New tenders called for supply of urban bus services in Darwin.</li> </ul>	1994	
			1996	The tender was designed to stimulate competition for the supply of services.
1995	Changes to vehicles/loads.	<ul style="list-style-type: none"> <li>• Changes to vehicle mass and loadings in order to enhance productivity without compromising safety or infrastructure costs</li> </ul>	1995-96	.
1996	Establishment of GBDs and separation.	<ul style="list-style-type: none"> <li>• The Darwin bus service, NT Fleet and NT Construction Agency were established as GBDs. Policy, regulation and planning functions were moved to the Department of Transport and Works.</li> </ul>	1996	
	Uniform standards.	<ul style="list-style-type: none"> <li>• The national heavy vehicle charges under the <i>Road Transport Charges (Northern Territory) Act</i> implemented.</li> </ul>	Jul-1996	Complies with the national scheme.
1997	Changes to vehicle freight allowance.	<ul style="list-style-type: none"> <li>• Introduction of additional heavy vehicle freight allowance for companies in alternative compliance mass management scheme.</li> </ul>	Jan-1997	This enabled vehicles to carry an increased mass.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### AVIATION – NATIONAL

1958	Transfer of facilities.	<ul style="list-style-type: none"> <li>Aerodrome Local Ownership Plan (ALOP) – Commonwealth transferred the operation of aerodromes to local ownership.</li> </ul>	1958 to 1993	<p>ALOP encouraged the transfer of aerodromes from the Commonwealth to local ownership on the belief that local airports were best owned and operated by the local community. The Commonwealth provided technical and financial assistance to local operators and 50% of cost of maintenance but maintained user charges.</p> <p>In 1991 all ownership/funding responsibility was transferred to local operators and the Commonwealth no longer collected revenue from landing fees.</p> <p>The last aerodromes transferred to full local ownership were in 1991.</p>
1979	Deregulation of domestic freight services.	<ul style="list-style-type: none"> <li>The Domestic Air Transport Policy Review recommended freight flights be excluded from Two Airline policy. This allowed other operators to enter the market.</li> </ul>	1981	
1987	Deregulation.	<ul style="list-style-type: none"> <li>The Commonwealth removed controls covering air fares (the Independent Air Fares Committee was abolished), importation of aircraft, passenger capacity, entry of new operators on domestic trunk routes, and restrictions on international freight charter flights.</li> </ul>	Oct-1990	<p>In 1986 the Morris Review – presented five options for change. The review was critical of existing arrangements and drew attention to public dissatisfaction with the price and quality of airline service.</p> <p>In 1987 the Commonwealth gave notice that it would terminate the domestic Two Airline policy.</p>

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1988	Separation and commercialisation.	<ul style="list-style-type: none"> <li>• The Commonwealth removed airport activities from departmental control and funding from consolidated revenue by separating airport management activities from air traffic control and navigation. Control of civil airports and regulation of safety matters was transferred to separate agencies:               <ul style="list-style-type: none"> <li>– Federal Airports Corporation (FAC) to control main civil airports.</li> <li>– Civil Aviation Authority (CAA) responsible for safety and regulatory control.</li> </ul> </li> </ul>	<p style="text-align: right;">Jan-1988</p> <p style="text-align: right;">Jul-1988</p>	<p>The FAC was to: provide airport facilities appropriate to community needs; operate airports on a sound commercial basis; and develop and manage airports to meet present and future needs in a safe, efficient, effective and economic manner. In Jul-1991 the FAC became liable to pay income tax. In Jul-1988 the CAA was established as a GBE and in Jul-1991 was made subject to income tax.</p>
	Interim domestic deregulation measures.	<ul style="list-style-type: none"> <li>• Restrictions on Qantas carrying the passengers of other international carriers on the domestic sectors of its services were removed.</li> <li>• Domestic carriers other than Ansett and Australian Airlines permitted to operate large jet domestic charter flights.</li> </ul>	<p style="text-align: right;">Jul-1988</p>	<p>These measures were intended to stimulate competition prior to domestic deregulation in Oct-1990.</p>
1989	Change to international ASA negotiating policy.	<ul style="list-style-type: none"> <li>• The emphasis of policy in negotiating international air service agreements (ASA) changed from protecting the rights of Qantas to maximising the welfare of the users and Australia as a whole.</li> </ul>	<p style="text-align: right;">Jun-1989</p>	
1990	Sale of Qantas and Australian Airlines.	<ul style="list-style-type: none"> <li>• A change in Commonwealth policy allowed the sale of 100% of Australian Airlines and 49% of Qantas.</li> <li>• Commonwealth allowed Qantas to buy 100% of Australian Airlines.</li> <li>• Operations of the two airlines were merged and the Commonwealth decided to sell 100% of the merged carrier.</li> <li>• British Airways purchased 25% of Qantas from Commonwealth.</li> <li>• Qantas floated and shares listed.</li> </ul>	<p style="text-align: right;">Jun-1991</p> <p style="text-align: right;">Jun-1992</p> <p style="text-align: right;">Oct-1993</p> <p style="text-align: right;">Mar-1993</p> <p style="text-align: right;">Jul-1995</p>	
1992	‘One Nation’ Statement – common user terminals.	<ul style="list-style-type: none"> <li>• Decision to develop common user facilities at Sydney, Melbourne and Coolangatta airports.</li> </ul>	<p style="text-align: right;">Feb-1992</p>	<p>This was prompted by Trade Practices Commission (TPC) concern about the role of terminal access in the Compass Airline collapse.</p>

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## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Removal of barriers between domestic and international markets.	<ul style="list-style-type: none"> <li>• Qantas allowed to re-enter the domestic market after an absence of over 40 years.</li> <li>• Other Australian carriers allowed to compete with Qantas for capacity entitlements on international routes.</li> <li>• Establishment of International Air Services Commission (IASC) to allocate international capacity between Australian carriers.</li> </ul>	Nov-1992	
	Australia-New Zealand – single aviation market.	<ul style="list-style-type: none"> <li>• Multiple designation regime for Australian and New Zealand carriers in the international market.</li> <li>• Exchange of interlining rights but not cabotage.</li> <li>• Access to domestic routes in either country by either country's carriers.</li> <li>• Exchange of international beyond rights.</li> </ul>	1992 ongoing	MOU signed 1 August 1992. The planned implementation period was 1992 to 1994 however actual implementation is still ongoing.
1994	'Working Nation' Statement – announced start of airport sell-off.	<ul style="list-style-type: none"> <li>• Commonwealth legislation passed allowing the leasehold sale of Federally-owned airports. The Commonwealth started the process of selling long term leases over the Federal airports.</li> <li>• Sale of leases for Melbourne, Brisbane and Perth airports completed.</li> </ul>	1994 ongoing	
1995	Separation.	<ul style="list-style-type: none"> <li>• The CAA was separated into Airservices Australia – a Commonwealth GBE to provide air traffic services in Australia and the Civil Aviation Safety Authority – exclusively responsible for air safety.</li> </ul>	Jul-1995	Adelaide lease sale expected between Sep 1997-Mar 1998.



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1996	Access.	<ul style="list-style-type: none"> <li>The NCC received an application for declaration of services related to international freight operations at Sydney and Melbourne Airports.</li> </ul>	Dec-1996 ongoing	
	Bilateral negotiations.	<ul style="list-style-type: none"> <li>Increased liberalisation of international aviation arrangements through successful bilateral negotiations with 18 countries including four new bilateral air service agreements.</li> </ul>	1996-97	This should increase competition and numbers of services for passengers. Exporters benefit from increased availability of dedicated freight entitlements to airline carriers under bilateral arrangements.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### AVIATION – NEW SOUTH WALES

1991	Temporary deregulation.	<ul style="list-style-type: none"> <li>Temporary deregulation of air service routes.</li> </ul>	Sep-1991 to May-1996	When Hazelton Airlines withdrew its services to 14 ports in 1991 the government deregulated those routes. In May 1996 the government re-regulated these routes to make consistent the regulatory environment.
1996	Review of air services.	<ul style="list-style-type: none"> <li>IPART recommended that air services should be fully deregulated from May-1999 when licences expire in Apr-1999.</li> </ul>	Jul-1997	New South Wales currently has the most extensive intrastate air services regulation/licensing in Australia. IPART's recommendations are being considered by the government.

### AVIATION – NORTHERN TERRITORY

1991	Deregulation.	<ul style="list-style-type: none"> <li>The intrastate regional airline market was deregulated.</li> </ul>	Apr-1991	
1992	Deregulation.	<ul style="list-style-type: none"> <li>All commuter air services were deregulated.</li> </ul>	Jan-1992	

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## AVIATION – WESTERN AUSTRALIA

1989	Deregulation.	• The intrastate airfreight market was deregulated	1989
1991	Deregulation.	• Intrastate air services were deregulated.	Mar-1991
1995	Deregulation.	• Non-jet air services were deregulated.	Apr-1995

## AVIATION – TASMANIA

1996	Liberalised intrastate air services.	• The Tasmanian Transport Commission moved towards a more liberal approach to the regulation of air services. Multiple operators allowed to provide intrastate services. Fares, freight rates, timetables and aircraft types were no longer regulated. Operators would be granted licences to operate provided they have the appropriate safety accreditation from the Civil Aviation Safety Authority (CASA).	1996-97
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## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
<b>SHIPPING AND PORTS – NATIONAL</b>				
1982	Coastal shipping.	<ul style="list-style-type: none"> <li>The Commonwealth introduced tax incentives (accelerated depreciation) for new ships with specified (reduced) crew levels.</li> </ul>	Oct-1984 to Dec-1986	Based on recommendations of the Crawford Committee.
1987	Commonwealth grants.	<ul style="list-style-type: none"> <li>The Commonwealth introduced Ships Capital Grants to facilitate investment in ships crewed to Marine Industry Development Committee standards.</li> </ul>	1987	
1988	Crew reduction and capital grants.	<ul style="list-style-type: none"> <li>Accepting Shipping Reform Task Force (SRTF) recommendations the Commonwealth extended capital grants under the <i>Ships (Capital Grants) Act 1987</i> in order to reduce crew numbers.</li> </ul>	1989	The SRTF was established in 1988 to recommend reforms in Australian shipping. The Shipping Industry Reform Authority (SIRA) was set up (for a three year term – 1989 to 1992) to implement the SRTF recommendations.
	Permit system extended.	<ul style="list-style-type: none"> <li>The Commonwealth decided to facilitate the greater use of single voyage permit (SVP) and continuous voyage permit (CVP) systems.</li> </ul>	1989	
1989	Waterfront reform package.	<ul style="list-style-type: none"> <li>The Waterfront Industry Reform Authority (WIRA) was established. Key tasks of the WIRA were: the introduction of enterprise employment; dismantling former industry employment arrangements and regulations; the establishment of a competitive, commercial environment; and substantially improving reliability, efficiency and performance of the waterfront industry.</li> </ul>	Sep-1989 to 1992	Part of the process involved a substantial reduction in waterfront employment. The Commonwealth committed \$145 million towards redundancy payments on a dollar-for-dollar basis with industry. In Dec-1991 the Commonwealth increased its commitment to \$165 million.
	Enterprise agreements.	<ul style="list-style-type: none"> <li>The WIRA established enterprise employment arrangements in place of industry-wide arrangements.</li> </ul>	1989	The first enterprise agreement under the reform program approved by WIRA was National Terminals in Jan-1991.

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	Towage industry – crew reduction.	<ul style="list-style-type: none"> <li>Under the towage industry program, harbour tug crew size was reduced from eight to four and on ocean going tugs the crew size was reduced from fourteen to nine.</li> </ul>	Dec-1989	
	Corporatisation.	<ul style="list-style-type: none"> <li>Australian National Line (ANL) was corporatised.</li> </ul>	1989	
1990	Flexible permits.	<ul style="list-style-type: none"> <li>Introduction of flexible permit arrangements allowed the use of foreign flag vessels where licensed vessels were unavailable.</li> </ul>	1990	
1991	Restructuring and privatisation.	<ul style="list-style-type: none"> <li>The decision to sell ANL was reversed and a new board was appointed to reconstruct the company.</li> </ul>	Aug-1995	In Nov-1995 the Commonwealth announced that ANL had to be restructured prior to any sale.
1996	Restructuring.	<ul style="list-style-type: none"> <li>ANL was restructured. Measures included: exit from the Europe trade and sale of the Australian Venture; sale of ANL's 50% share holding in Coastal ExpressLine; and sale of its Brisbane container operation.</li> </ul>	1996 ongoing	ANL also commenced the first phase of a rationalisation of corporate structure and staffing.
	Revision.	<ul style="list-style-type: none"> <li>Repeal of the <i>Ships (Capital Grants) Act 1987</i> the PAYE grants scheme and the accelerated depreciation arrangements.</li> </ul>	1996	In May-1997 the Shipping Reform Group report recommended a package of reform measures for the industry.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### SHIPPING AND PORTS – NEW SOUTH WALES

1989	Separation, pricing, commercialisation and contracting out.	<ul style="list-style-type: none"> <li>Under the <i>Maritime Administration Act 1989</i> the Maritime Services Board was reorganised. An independent Board was appointed with a clear and commercial focus. In addition three subsidiary port authorities were established. Pricing reform was undertaken with the aim of introducing user-pays principles and the removal of cross-subsidies. Coal and bulk loading operations in Newcastle were transferred to the private sector.</li> </ul>	1989-90	
1990	Separation and divestment.	<ul style="list-style-type: none"> <li>The landlord model of port management was adopted. Commercial, non-commercial and regulatory functions were separated and non-core assets and responsibilities were divested. The Port Kembla coal loader was leased to the private sector.</li> </ul>	1990-91	
1991	Rationalisation.	<ul style="list-style-type: none"> <li>Closure of the Balmain Coal Loader and Goat Island shipyard. Staff rationalisation and relocation of marine operations.</li> </ul>	1991-92	
1993	Rationalisation and contracting out.	<ul style="list-style-type: none"> <li>Sydney maintenance workshop closed. Increased contracting out of services.</li> </ul>	1993-94	
1995	Corporatisation and separation.	<ul style="list-style-type: none"> <li>Maritime Services Board was dissolved and replaced by three independent port corporations – Sydney, Newcastle and Port Kembla – and the Waterways Authority. Regulatory functions were separated and transferred to the new Office of Marine Administration.</li> </ul>	Jul-1995	This resulted in better defined commercial objectives and freedom to compete for business.
1996	Commercialisation.	<ul style="list-style-type: none"> <li>Implementation of a new capital structure for the port corporations – based on commercial principles.</li> </ul>	1995-96	

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## SHIPPING AND PORTS – VICTORIA

1990	Pricing.	<ul style="list-style-type: none"> <li>• Port service charges aligned more closely to costs.</li> </ul>	Jul-1990	
1993	Commercialisation.	<ul style="list-style-type: none"> <li>• The Melbourne, Geelong and Portland Port Authorities were declared as 'reorganising bodies' under the <i>State Owned Enterprises Act 1992</i> and commercial boards appointed.</li> </ul>	1993	
1994	Pricing.	<ul style="list-style-type: none"> <li>• Port authority charges were reduced, state tonnage duty abolished and wharfage charges at the Port of Melbourne reduced by 15%.</li> </ul>	1994	
1995	Separation.	<ul style="list-style-type: none"> <li>• Non commercial community ports were removed from port authority controls and placed under the management of local committees and with separate budget funding.</li> </ul>	1995	
	Disaggregation and separation.	<ul style="list-style-type: none"> <li>• The <i>Port Services Act 1995</i> disaggregated the Port of Melbourne Authority into the Melbourne Port Corporation (MPC) and the Victorian Channels Authority (VCA). The MPC acted as a port landlord. The Act provided for the separation of regulatory functions to other Government bodies such as the EPA and ORG.</li> </ul>	Nov- 1995 to 1996	
1996	Privatisation.	<ul style="list-style-type: none"> <li>• Portland Port sold.</li> </ul>	Mar-1996	As part of the sale agreement the government required that that the purchaser reduce usage charges at the port by 20% over a four year period.
		<ul style="list-style-type: none"> <li>• Port of Geelong sold.</li> </ul>	May-1996	

**MICROECONOMIC REFORMS IN AUSTRALIA**

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Privatisation	<ul style="list-style-type: none"> <li>Melbourne Port Services (MPS) privatised. MPS provided contestable services (such as mooring, dredging, cleaning, security services, etc) in the Port of Melbourne.</li> </ul>	1996-97	
	Access regime certification.	<ul style="list-style-type: none"> <li>The Victorian Government applied to the NCC requesting it to consider the effectiveness of the Victorian Regime in relation to the commercial shipping channel services administered by the VCA.</li> <li>Certification granted.</li> </ul>	Dec-1996  Aug-1997	This was the first certification application the NCC received from the Victorian Government and the first access issue concerning the maritime industry considered by the NCC.
	Contracting out.	<ul style="list-style-type: none"> <li>Port of Hastings management contracted out. The initial contract was for 10 years with an option for a further 5 years.</li> </ul>	1996-97	



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## SHIPPING AND PORTS – QUEENSLAND

1994	Corporatisation and CSO.	<ul style="list-style-type: none"><li>• Corporatisation of Brisbane Port Authority, Gladstone Port Authority and Ports Corporation of Queensland. The <i>Government Owned Corporations Act 1993</i> allowed for direct funding of CSOs and payment of tax equivalents.</li></ul>	Jul-1994
1995	Corporatisation.	<ul style="list-style-type: none"><li>• Corporatisation of Cairns, Townsville, Mackay, Rockhampton and Bundaberg Port Authorities.</li></ul>	Jul-1995

## SHIPPING AND PORTS – WESTERN AUSTRALIA

1990	Pricing.	<ul style="list-style-type: none"><li>• User-pays based port charges introduced in Fremantle in Jul-1990 and Bunbury in Jul-1991.</li></ul>	1990-91
1993	Commercialisation.	<ul style="list-style-type: none"><li>• The <i>Ports (Functions) Act</i> provided a commercialised legal structure for State port authorities (Albany, Bunbury, Dampier, Esperance, Fremantle, Geraldton and Port Hedland).</li></ul>	1993 ongoing
1995	Outsourcing.	<ul style="list-style-type: none"><li>• The state run shipping service was closed and a private sector contractor was engaged to provide regular shipping services to the State's North West.</li></ul>	1995
	Outsourcing.	<ul style="list-style-type: none"><li>• Dampier and Wyndham port pilotage services were outsourced.</li></ul>	1995
1996	Commercialisation.	<ul style="list-style-type: none"><li>• Fremantle Port Authority commercialised.</li><li>• Bunbury Port Authority commercialised.</li></ul>	Jul-1996 Oct-1996

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
<b>SHIPPING AND PORTS – SOUTH AUSTRALIA</b>				
1991	Commercialisation and restructuring.	<ul style="list-style-type: none"> <li>Department Marine and Harbours was commercialised and reorganised. Work practises were changed and the work force was reduced.</li> </ul>	1991-92	
1993	Pricing.	<ul style="list-style-type: none"> <li>The Marine and Harbours Agency pricing policy was revised.</li> </ul>	1993	
1994	Corporatisation.	<ul style="list-style-type: none"> <li>The Marine and Harbours Agency was restructured into new a corporate authority – the SA Ports Corporation. The Corporation was subject to a tax equivalent regime from 1 July 1995.</li> </ul>	Oct 1994	
	Separation.	<ul style="list-style-type: none"> <li>Non-commercial and regulatory responsibilities were transferred from the SA Ports Corporation to the Department of Transport.</li> </ul>	Oct 1994	
	Pricing.	<ul style="list-style-type: none"> <li>Further pricing reforms – based solely on commercial considerations with an increased focus on user-pays.</li> </ul>	1994-95	
1996	Access.	<ul style="list-style-type: none"> <li>Establishment of the <i>South Australian Ports (Bulk Handling Facilities) Act 1996</i> which included an access regime for bulk handling facilities.</li> </ul>	Dec-1996	Facilitated the sale of the bulk handling facilities operated by the Ports Corporation and ensured that third party access to the facilities was on fair commercial terms.

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## SHIPPING AND PORTS – TASMANIA

1993	Commercialisation.	<ul style="list-style-type: none"><li>Competitive neutrality principles were introduced to Tasmania's main port authorities by requiring income tax equivalent payments and guarantee fees. CSOs were recognised and separately funded.</li></ul>	Jun-1993	
1997	Comprehensive revision to maritime legislation.	<ul style="list-style-type: none"><li>Maritime legislation comprehensively revised. This involved repealing 28 Acts and the establishment of various port authorities in Tasmania as separate entities under Corporations Law. The reforms clearly established the prime responsibility of the ports as trade facilitation, while operating in accordance with sound commercial practice. The ports were divested of their non-commercial activities allowing them to concentrate on their core business. The reforms also provided for the establishment of the Marine and Safety Authority, which assumed the functions of the Navigation and Survey Authority of Tasmania.</li></ul>	Jun-1997	These measures were expected to increase the commercial focus of the ports and generate greater efficiencies in the services provided. Ports would no longer be required to focus on regulatory or non-commercial matters. As the ports would operate fully under Corporations Law, they would be placed on an equal footing with the private sector.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### SHIPPING AND PORTS – NORTHERN TERRITORY

1993	Enterprise agreement.	<ul style="list-style-type: none"> <li>Darwin port was the first port to renegotiate a second round of enterprise based agreements (EBA).</li> </ul>	1993	In 1994 a new EBA was introduced at the Port Authority with increased flexibility in employment of staff.
1994	Restructuring and divestment.	<ul style="list-style-type: none"> <li>Darwin Port Authority adopted the landlord model. Port Authority land not required for core business and repairs and maintenance was transferred to the private sector.</li> </ul>	1994	
1996	Private provision of services.	<ul style="list-style-type: none"> <li>The <i>Marine Act</i> permitted the appointment of private surveyors of ships radio equipment, private examiners for deck certificates and private compass adjustors.</li> </ul>	1996	All shipping services in the Northern Territory are privately provided and no subsidies are paid.
	Commercialisation.	<ul style="list-style-type: none"> <li>Under the <i>Financial Management Act</i> the Darwin Port Authority became a Government Business Division and was required to pursue cost-efficiency and operate in a commercially oriented manner.</li> </ul>	Jun-1996	
	CSOs.	<ul style="list-style-type: none"> <li>Government started funding for all CSOs provided by the Ports Authority and a tax equivalent regime was introduced.</li> </ul>	Jul-1996	

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## COMMUNICATIONS – NATIONAL

1975	Separation.	<ul style="list-style-type: none"> <li>• Telecommunications arm of the Postmaster-General's Department separated to become the Australian Telecommunications Commission (Telecom).</li> </ul>	1975	
1988	'May Economic' Statement – partial deregulation and separation.	<ul style="list-style-type: none"> <li>• Increased competition in cabling and wiring of customer premises, PABX maintenance and standard telephone.</li> <li>• Separation of Telecom's service provider and regulatory functions with AUSTEL established as an independent industry regulator.</li> </ul>	Jan-1989	The <i>Telecommunications Act 1989</i> provided AUSTEL with responsibility for economic and technical regulation of Australian telecommunications including implementing Commonwealth policy relating to telecommunications. Telecom was re-established by the <i>Australian Telecommunications Corporation Act 1989</i> .
			Jun-1989	
1990	Continued deregulation and new entrants.	<ul style="list-style-type: none"> <li>• Telecom's first phone monopoly ended.</li> </ul>	Jul-1991	The <i>Telecommunications Act 1991</i> replaced the <i>Telecommunications Act 1989</i> and set out the regulatory arrangements and the structure of the industry for the transition to open competition (July 1991 to June 1997). It enabled the introduction of limited infrastructure competition and full resale of telecommunications services. Government policy established a duopoly on the fixed network until June 1997. The <i>Australian and Overseas Telecommunications Corporation Act 1991</i> merged Telecom and OTC. OTC was originally established by the <i>Overseas Telecommunications Corporation Act 1946</i> as the monopoly provider of overseas telecommunications services after the Commonwealth acquired the radio-communications assets of Cable & Wireless and AWA.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
		<ul style="list-style-type: none"> <li>• Telecom and OTC merged to form the Australian and Overseas Telecommunications Corporation (AOTC), and AUSSAT was sold to the second national carrier (Optus).</li> </ul>	Jan-1992	Telstra Corporation Limited was created in Apr-1993, replacing the previous corporate identity of AOTC.
		<ul style="list-style-type: none"> <li>• Optus selected as the second national carrier and started operation.</li> </ul>	Jan-1992	
		<ul style="list-style-type: none"> <li>• Optus started mobile services.</li> </ul>	Jun-1992	
		<ul style="list-style-type: none"> <li>• Optus started domestic, long distance and international services.</li> </ul>	Nov-1992	
		<ul style="list-style-type: none"> <li>• Vodafone granted third mobile carrier licence in Dec-1992 and started services in Oct-1993.</li> </ul>	Oct-1993	
		<ul style="list-style-type: none"> <li>• Review of post 1997 arrangements.</li> </ul>	Aug-1995	The review confirmed that the infrastructure duopoly was to end in 1997.
1994	Application of a new telecommunications national code.	<ul style="list-style-type: none"> <li>• The code specified national technical, design, safety, environmental and other standards. The code facilitated a network roll-out by establishing a uniform national regulatory regime.</li> </ul>	June 1994	
	Access.	<ul style="list-style-type: none"> <li>• Regulatory provisions for access to broadband cable tabled in Parliament.</li> </ul>	Aug-1994	
		<ul style="list-style-type: none"> <li>• Access regime established for service providers in relation to broadband cable infrastructure. The access regime allowed service providers access to broadband cable for the provision of telephony and broadband services with limited exemptions.</li> </ul>	Jul-1995	

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1996	Competitive tendering.	<ul style="list-style-type: none"> <li>• The Commonwealth competitively tendered the operation and maintenance of the Commonwealth's transmission network (used primarily to broadcast programs produced by the ABC and SBS). This measure introduced competition into a sector previously dominated by Telstra.</li> </ul>	Apr-1996	
	Partial privatisation.	<ul style="list-style-type: none"> <li>• Legislation passed allowing the one-third sale of Telstra.</li> <li>• Telstra floated and shares listed</li> </ul>	Dec-1996 Nov-1997	
1997	Sale of spectrum.	<ul style="list-style-type: none"> <li>• The <i>Radiocommunications Amendment Act 1997</i> amended the <i>Radiocommunications Act 1992</i> to facilitate increased competition in telecommunications and improve the management of the radiofrequency spectrum. The amendments included the sale of declared spectrum and that the ACCC was to administer the application of section 50 of the <i>Trade Practices Act</i> to the allocation and issue of spectrum and apparatus licences.</li> </ul>	Jun-1997	
	Full competition and access.	<ul style="list-style-type: none"> <li>• The legislative package enacted by the Commonwealth facilitated the introduction of full and open competition in telecommunications from 1 July 1997. This included amendments to the <i>Trade Practices Act 1974</i> providing the ACCC with specific powers to regulate anti-competitive conduct in telecommunications markets (subject to review before 1 July 2000) and to administer a telecommunications specific access regime.</li> </ul>	Jul-1997	<p>The <i>Telecommunications Act 1997</i> set out the regulatory framework to achieve the long term objective of an internationally competitive telecommunications industry through full and open competition. It provided for increased industry self-regulation through codes of practice, with the ACA having the ability to intervene where necessary. The ACA is responsible for technical and consumer matters and management of the radiofrequency spectrum.</p>
	Regulation.	<ul style="list-style-type: none"> <li>• Economic and access regulation was transferred to the ACCC. AUSTEL was merged with the Spectrum Management Agency (SMA) to form the Australian Communications Authority (ACA).</li> </ul>	Jul-1997	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### POSTAL – NATIONAL

1975	Separation.	<ul style="list-style-type: none"> <li>Postal arm of the Postmaster-General's department separated to become the Australian Postal Commission.</li> </ul>	1975	
1988	May Economic' Statement – GBE reforms, which covered Australia Post.	<ul style="list-style-type: none"> <li>Modification and removal of government day-to-day controls.</li> <li>Revised corporate and financial structures.</li> <li>New planning and accountability mechanisms.</li> </ul>	1988	
1989	Corporatisation.	<ul style="list-style-type: none"> <li>Australia Post was corporatised under the Commonwealth Government Business Enterprise reform process.</li> </ul>	1989	
1994	Further deregulation.	<p>The <i>Australian Postal Corporation Amendment Act 1994</i></p> <ul style="list-style-type: none"> <li>Lowered the minimum delivery charges for private competitors on letters less than the minimum weight from ten times the standard rate to four times the standard rate.</li> <li>Lowered the minimum weight on letters carried by private competitors at no minimum price from 500g to 250g.</li> <li>Permitted competitors to carry mail within and between different parts of an organisation.</li> <li>Permitted the carriage of a newspaper, magazine, book catalogue or leaflet whether or not directed to a particular person or address and whether or not enclosed.</li> <li>Deregulated all outgoing international mail and partial deregulation of incoming international mail.</li> <li>Allowed interconnection with Australia Post's network.</li> </ul>	Dec-1994 Feb-1995	



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1996	Interconnection to postal network.	<ul style="list-style-type: none"> <li>• Provided business with a mechanism to negotiate bulk rates with Australia Post based on final delivery locations.</li> </ul>	1996	
1997	Revised GBE Governance arrangements.	<ul style="list-style-type: none"> <li>• Closer alignment of GBE accountability arrangements with the general accountability arrangements prevailing for private sector firms.</li> <li>• More effective shareholder monitoring of GBE financial performance.</li> <li>• All community CSOs to be Budget funded rather than funded through internal cross-subsidies.</li> <li>• The provision of a universal letter service at a uniform price was considered to be a universal service obligation (USO) not a CSO. USOs will continue to be funded by cross-subsidies.</li> <li>• On going assessment of the scope to bring any functions of GBEs that are primarily administrative in character back under Ministerial control.</li> </ul>	1997 ongoing	This followed the Humphrey 'Review of GBE Governance' report in Mar-1997.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1985	Commonwealth – deregistration and code of conduct.	<ul style="list-style-type: none"> <li>The Commonwealth announced its intention to deregister the Builders Labourers Federation (BLF) and introduced a code of conduct for all contractors, lessors and developers of Commonwealth construction projects.</li> </ul>	Sep-1985 to Dec-1986	BLF deregistered by Commonwealth and State legislation in the Commonwealth industrial relations jurisdiction and Territories. The BLF was also deregistered in New South Wales and Victoria.
1991	Construction industry in principle reform and development agreement.	<ul style="list-style-type: none"> <li>Commonwealth and State Governments (except New South Wales and the Northern Territory), industry associations and unions signed the Construction industry in principle reform and development agreement.</li> </ul>	Dec-1991 to Jun-1995	The agreement ran until Jun-1995 and expressed the commitment of the parties to achieve substantial measurable reform in the industry.
1992	New South Wales – Building Industry Task Force.	<ul style="list-style-type: none"> <li>Gyles Royal Commission Report tabled. The report identified illegal activities and practices and conduct significantly affecting efficiency and productivity. The New South Wales Government established a Building Industry Task Force (BIT) to follow up on the Royal Commission recommendations and initiate prosecutions in relation to illegal activities.</li> </ul>	May-1992 to May-1995	In Jul-1990 the New South Wales Government established the Gyles Royal Commission to inquire into and report on the extent and effects of practices and conduct in, or in relation to the building industry, which may significantly affect efficiency and productivity within that industry.  In May-1995 the New South Wales Government disbanded the BIT.
	New South Wales – code of practice.	<ul style="list-style-type: none"> <li>Government introduced a code of practice which applied to all government construction work in the state.</li> </ul>	Oct-1992 to Jul-1996	

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	Commonwealth – creation of agencies promoting reform.	The Commonwealth <i>Construction Industry Reform and Development Act 1992</i> established: <ul style="list-style-type: none"> <li>• Construction Industry Development Agency (CIDA)</li> <li>• Construction Industry Development Council (CIDC) within the Department of Industrial Relations portfolio.</li> </ul>	May-1992 to Jun-1995	CIDA was established to promote and facilitate reform of the construction industry in Australia. In Jun-1995 CIDA was disbanded pursuant to the sunset provision in the legislation.
			Nov-1992 to Nov-1995	CIDC was established to act as a national forum for the construction industry and to advise governments on matters concerning the industry. In Nov-1995 CIDC was replaced by the Australian Construction Industry Council (ACIC) within the Department of Industry, Science and Tourism portfolio. The role of ACIC was to provide leadership to the industry, review strategic issues, and develop priorities for reform. In Jun-1997 the ACIC was superseded by the National Building and Construction Committee.
1993	Northern Territory – building and planning.	<ul style="list-style-type: none"> <li>• Implementation of the new <i>Building Act</i> which privatised the building approval process and placed it on a fully user pays basis.</li> </ul>	1993	
1994	States – codes of practice.	<ul style="list-style-type: none"> <li>• Codes of practice introduced in Victoria, Western Australia, South Australia and the Northern Territory which applied to government construction work and to the private sector in Western Australia.</li> </ul>	1994-95	
	National approach to building codes and standards.	<ul style="list-style-type: none"> <li>• Australia Building Codes Board (ABCD) established as a joint initiative of all levels of government in cooperation with the building industry.</li> </ul>	Mar-1994 to 1999	ABCD had responsibility for developing and managing a national approach to building codes and building standards known as the Building Code of Australia.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1996	New South Wales – codes of practice.	<ul style="list-style-type: none"> <li>Government introduced revised codes of practice and tendering.</li> </ul>	Jul-1996	
	Queensland – revised building code.	<ul style="list-style-type: none"> <li>A nationally consistent performance-based Building Code of Australia issued. Replaced a prescriptive building code.</li> </ul>	Oct-1996	
	Victoria – revised planning scheme.	<ul style="list-style-type: none"> <li>The <i>Planning and Environment Act (Planning Schemes) 1996</i> replaced the existing three section planning scheme adopted by local councils with one standard.</li> </ul>	Dec-1996	The Act implemented a State-wide planning framework which ensured clarity and consistency and that development controls were underpinned by strategic planning and policy.
1997	Development of a national code of practice for the construction industry.	<ul style="list-style-type: none"> <li>Commonwealth and State Labour Ministers agreed to the industrial relations elements of a National code of practice for the construction industry.</li> </ul>	May-1997 ongoing	
	Introduction of a national code of practice.	<ul style="list-style-type: none"> <li>Commonwealth and State Construction and Procurement Ministers agreed to a National code of practice incorporating the industrial relations elements.</li> </ul>	Aug-1997 ongoing	
	Australian capital territory – planning and land management.	<ul style="list-style-type: none"> <li>New planning and land management practices introduced. They included: 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.</li> </ul>	1997	

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## EDUCATION AND TRAINING

1985	Commonwealth – ‘Priority One’ Statement.	<ul style="list-style-type: none"> <li>• The first national system of traineeships for school leavers in non-trade occupations – the Australian Traineeship System (ATS). ATS was of 52 weeks duration, with a fixed period of 13 weeks spent in off-the-job training and was for people aged between 16 and 19 years.</li> </ul>	1986 onwards	The Report of the Committee of Inquiry into Labour Market Programs (the Kirby Committee) proposed the introduction of a system of traineeships in non-trade occupations combining broad based general education and training with on-the-job experience in a related occupation. The scheme was introduced through the award system in 1986.
1986	Liberalisation of Australian international education and training markets.	<ul style="list-style-type: none"> <li>• The Commonwealth adopted a more trade orientated approach which allowed international students into publicly funded institutions on a full-fee basis.</li> </ul>	1986	
1987	Commonwealth – education funding.	<ul style="list-style-type: none"> <li>• Introduction of a Higher Education Contribution Scheme (HECS) and AUSTUDY.</li> <li>• Introduction of the AUSTUDY/ABSTUDY Supplement Scheme.</li> </ul>	1987	In 1987 fees for domestic students studying at publicly funded higher education institutions were re-introduced.
	Fee restrictions.	<ul style="list-style-type: none"> <li>• The prohibition on charging fees for postgraduate courses covering the upgrading of vocational skills of employed people was removed.</li> </ul>	1993	In 1996 there was a substantial restructuring of the HECS. The main change involved the introduction of a three band system with contribution levels related to course costs and likely future benefits to students.
			1987	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1988	Code of conduct for international education providers.	<ul style="list-style-type: none"> <li>To ensure quality in education provided to overseas students, the Australian Education Council (AEC) adopted a Code of Conduct.</li> </ul>	1988	This resulted in the endorsement, in 1990, of national minimum standards which institutions must satisfy before courses for international students can be approved by State/Territory authorities. The AEC was replaced by the Ministerial Council on Employment, Education, Training and Youth Affairs.
1989	National Vocational Education and Training (VET) system.	<ul style="list-style-type: none"> <li>Commonwealth, States and Territories, employers and industrial parties started developing a more diverse and responsive national VET system. Key elements included: <ul style="list-style-type: none"> <li>- the implementation of a competency based approach to training;</li> <li>- the reform of entry level training arrangements; and</li> <li>- the provision of structured training in the work place.</li> </ul> </li> </ul>	1989 onwards	In 1991 work began on the development of a new system of VET qualifications and included implementation of competency based training, a new integrated entry level training system (now known as AVTS) and more flexible arrangements for the recognition of training.
	Northern Territory – training.	<ul style="list-style-type: none"> <li>Pioneered flexible alternative delivery strategies to provide access to training in a number of fields.</li> </ul>	1989	
1990	New South Wales – competition in vocational training.	<ul style="list-style-type: none"> <li>The Training Vocational Education and Training Accreditation Board was established to encourage competition in provision of vocational training.</li> </ul>	1990	
1991	Registration of providers.	<ul style="list-style-type: none"> <li>The Education Services for Overseas Students (ESOS) legislation was introduced to help create a stable environment favourable to the further development of international education by Australian providers and to protect the credibility of Australia's international education and training services.</li> </ul>	1991 to 1999	The ESOS Act included a requirement for a Commonwealth Register of Institutions and Courses for overseas students (CRICOS). In 1994 the ESOS Act was amended to require non-exempt (private) providers to be members of a Tuition Assurance Scheme (or alternative arrangements) to ensure that overseas students get the education and training they paid for. The amendments also introduced a Notified Trust Account to protect overseas students pre-paid course money.

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	Northern Territory – training.	<ul style="list-style-type: none"> <li>• First in Australia to introduce competency based training in apprenticeships and traineeships.</li> </ul>	1991
	Northern Territory – devolution.	<ul style="list-style-type: none"> <li>• School councils and their communities given greater input to and control of education programs, through their ability to direct school financial resources.</li> </ul>	Nov-1991
1992	'One Nation' Statement.	<ul style="list-style-type: none"> <li>• Australian National Training Authority (ANTA) was established to develop a national system of vocational education and training.</li> </ul>	1992
	Northern Territory – job training.	<ul style="list-style-type: none"> <li>• First state or territory to introduce skills based rather than time based recognition of on the job training.</li> </ul>	1992
	National Framework for the Recognition of Training (NFROT).	<ul style="list-style-type: none"> <li>• Nationally agreed principles and processes for the accreditation of courses, registration of training providers, credit transfer assessment and recognition of prior learning.</li> </ul>	1992 to 1997
1993	Carmichael Report – national training reform agenda.	<ul style="list-style-type: none"> <li>• Northern Territory Centralian College became one of the first multi-field institutions in Australia (year 11 &amp; 12, VET and higher education).</li> </ul>	1993
1994	'Working Nation' Statement.	<ul style="list-style-type: none"> <li>• A new system of training wages (the National Training Wage) was established via the AIRC.</li> <li>• Intensive personalised case management for disadvantaged job seekers.</li> <li>• Move towards a competitive framework for the delivery of case management.</li> </ul>	1994 May-1994 to Feb-1996
1995	Uniform vocational credentials.	<ul style="list-style-type: none"> <li>• ANTA implemented the Australian Vocational Training System (AVTS) in all States and Territories. AVTS enabled trainees to obtain nationally recognised vocational credentials.</li> </ul>	Jan-1995

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	Administrative uniformity.	<ul style="list-style-type: none"> <li>Changes to the tertiary admissions system provided common dates for applications and main round offers and developed a single national approach to the calculation of tertiary rank equivalence.</li> </ul>	May 1995	
	Victoria – competition in the provision of training.	<ul style="list-style-type: none"> <li>The State Training Board introduced a notional target of 20% of total funds available for tendering within three to four years.</li> </ul>	Oct-1995	
	South Australia – training market.	<ul style="list-style-type: none"> <li>Contestable funding in the training system introduced.</li> </ul>	1995 to 1998	
1996	Commonwealth – broadbanding.	<ul style="list-style-type: none"> <li><i>States Grants (Primary and Secondary Education Assistance) Act 1996</i> introduced a new program structure focusing on five priority areas for Commonwealth national programs for Australian schools: Literacy; Languages; Special Learning Needs; School to Work; and Quality Outcomes.</li> </ul>	1997 to 2000	
	Australian Capital Territory – school based management.	<ul style="list-style-type: none"> <li>Introduction of school based management of resources and services.</li> </ul>	1996 ongoing	This built upon current structures within the government school system and gave schools greater flexibility and control over the use of resources such as utilities, services and property management.
	Queensland – competitive purchasing.	<ul style="list-style-type: none"> <li>Competitive purchase of training programs introduced.</li> </ul>	1996-97	This improved the cost-effectiveness of training programs.



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Commonwealth – apprentice and trainee wages.	<ul style="list-style-type: none"> <li>The <i>Workplace Relations Act 1996</i> enabled agreements to include flexible apprentice and trainee wage arrangements which complement the flexibility in training arrangements to be made available under the New Apprenticeships scheme.</li> </ul>	1996-97 onwards	<i>New Apprenticeships</i> would facilitate the introduction of more flexible training arrangements – for example: different mixes of time spent in training and in productive work; training arrangements of different duration, a more flexible progression through traineeships; competency based progression through training programs; part-time training arrangements, including traineeships for part-time workers and part-time traineeships for senior school students; and expansion of provision for apprenticeships and traineeships in industries where the coverage is currently limited.
Commonwealth – fee anomaly.	<ul style="list-style-type: none"> <li>The prohibition on offering fee-paying places to Australian undergraduates above the 'target' number of Commonwealth-funded places removed.</li> </ul>	1996-97	This removed an anomaly in the treatment of Australian and overseas students.
Victoria – revised employment arrangements in schools.	<ul style="list-style-type: none"> <li>Implementation of 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.</li> </ul>	1996-97	Benefits include reduced recruitment costs and promoting greater workplace flexibility. Extension of the program to teachers in government schools would enhance productivity and promote innovation in teaching.
Victoria – private sector participation.	<ul style="list-style-type: none"> <li>Community Business Employment Program opened up to private sector providers.</li> </ul>	1996-97	
Victoria – competitive tendering.	<ul style="list-style-type: none"> <li>Competitive tendering of publicly funded Vocational Education and Training (VET) programs extended. Programs amounting to \$50.5m or 10% of the VET budget were awarded through competitive tendering with about 50% of this total going to private providers.</li> </ul>	1996-97 ongoing	The State Training Board has moved towards increasing the proportion of VET programs being offered by competitive tender to 20% by 2000.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	New South Wales – competitive tendering.	<ul style="list-style-type: none"> <li>Competitive tendering of Vocational Education Training (VET) programs.</li> </ul>	1996-97	Approximately \$60 million (5% of VET spending) was funded on a competitive basis.
	South Australia – competitive tendering.	<ul style="list-style-type: none"> <li>Tendering expanded and a preferred provider program developed to encourage competition, choice and greater diversity in the SA training market and to provide clients with an opportunity to have greater influence over how training is delivered and by whom.</li> </ul>	1996-97	About 19% of training for apprentices and trainees was contracted out, using both public and private registered training organisations.
	Tasmania – competitive training market.	<ul style="list-style-type: none"> <li>User choice of training providers for government funded training introduced. Applied to all new traineeships and three apprenticeship areas (hairdressing, fitting and turning and electrical mechanics).</li> </ul>	1996-97	The aim was to promote a more competitive and flexible training market. Funding made available to both public and private training providers.
1997	Commonwealth – education contribution scheme.	<ul style="list-style-type: none"> <li>HECS charges altered to better reflect the actual cost of a course undertaken and the likely future benefits to the individual in terms of increased life-time earnings. The new charges will only apply to students commencing a new course after 1 January 1997.</li> </ul>	Jan-1997	
	Joint agreement on implementing a new national training system.	<ul style="list-style-type: none"> <li>Ministerial agreement was reached on implementing a national training system for all apprentices and trainees.</li> </ul>	May-1997	The new national training system is expected to commence in 1998.
	Australian Capital Territory – open and competitive training market.	<ul style="list-style-type: none"> <li>Introduction of purchaser/provider arrangements.</li> <li>15% of overall training budget subject to contestability.</li> <li>Implementation of user choice in apprenticeships and traineeships.</li> </ul>	Jul-1997 1997 to 1999 Jan-1998	

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Commonwealth –  
jobs tender.

- Government launched \$1.7 billion jobs tender. Commonwealth tendered for: job placement services, where the amount of assistance varied according to a jobseeker's level of disadvantage; a one stop shop for employers and jobseekers wishing to pursue apprenticeships or traineeship opportunities; and assistance for unemployed people on benefit or young people wanting to start a new small business.

Aug-1997

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1987	Nursing home funding.	<ul style="list-style-type: none"> <li>Introduction of a funding system based on the needs of residents rather than costs incurred by nursing homes; establishment of a standards monitoring system; funding of an Australia wide system of Aged Care Assessment Teams; and introduction of a needs based planning system for the allocation of new nursing home places.</li> </ul>	1987	
1988	Development of new hospital funding arrangements.	<ul style="list-style-type: none"> <li>The Medicare agreement allocated \$29.3 million for the support of casemix related research and resulted in the development of a number of casemix tools relevant to Australian conditions.</li> </ul>	1988 to 1993	
	New South Wales – competitive tendering.	<ul style="list-style-type: none"> <li>A policy of competitive tendering for hospital support services introduced.</li> </ul>	1988	By 1989 20 pilot projects were competitively tendered and other support services were market tested.
1989	Uniform regulatory system – therapeutic goods.	<ul style="list-style-type: none"> <li>A national regulatory system for therapeutic goods supplied in Australia established under the Commonwealth <i>Therapeutic Goods Act 1989</i> This reduced interstate variation in standards.</li> </ul>	1990	
1990	New South Wales – amalgamation of institutions.	<ul style="list-style-type: none"> <li><i>Private Hospitals and Day Procedures Centre Act</i> came into force and allowed for the amalgamation of smaller private hospitals into larger institutions.</li> </ul>	Sep-1990	The legislation allowed market forces to determine the location and range of private sector services provided.
1991	New South Wales – private sector provision.	<ul style="list-style-type: none"> <li>The New South Wales Department of Health tendered out to the private sector the design, construction, maintenance and management of the Port Macquarie Hospital.</li> </ul>	1991-92	

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1992	General practice strategy.	<ul style="list-style-type: none"> <li>• Initiatives established to improve the integration of general practice with the rest of the health care system. The aim was to enhance the quality and cost effectiveness of general practice and support for GPs.</li> </ul>	1992-93 ongoing
	First national mental health strategy.	<ul style="list-style-type: none"> <li>• Mental health services incorporated for the first time in the 1993 to 1998 Medicare Agreements. The major thrust was reform of state run public mental health services, especially psychiatric hospitals, community mental health services and consumer rights.</li> </ul>	1992 to 1998
	Northern Territory – delivery of community services.	<ul style="list-style-type: none"> <li>• Contracts, through service agreements, for the delivery of health and community services from for-profit and not-for-profit organisations (NGOs) introduced.</li> </ul>	1992 ongoing
	Transfer and sale of facilities.	<ul style="list-style-type: none"> <li>• Repatriation General Hospital Hobart, Concord, Heidelberg, and Daw Park were transferred to State Health Departments.</li> <li>• Hollywood Hospital for Veterans Western Australia was sold and a ten year contract was entered into between the new owners and the Repatriation Commission.</li> <li>• Repatriation General Hospital Greenslopes was sold on a 10 year contract.</li> <li>• Repatriation Artificial Limb and Appliance Centres in Perth and Sydney were closed. Centres in Albury and Newcastle were transferred to the New South Wales Government. The Western Australian and New South Wales Governments assumed responsibility for the Artificial Limbs Scheme in those states.</li> </ul>	<p>1992 to 1995</p> <p>Feb-1994</p> <p>1995</p> <p>1996-97</p>

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1993	Five year plan for revised hospital funding arrangements.	<ul style="list-style-type: none"> <li>• Under an updated Medicare Agreement, jurisdictions agreed to move towards establishing a nationally consistent casemix classification systems.</li> <li>• 'Incentive' grants through Schedule E of the Agreement aimed to promote structural and microeconomic reform of the public hospital system.</li> <li>• Introduction of cross-border charging arrangements between all States and Territories.</li> </ul>	1993 to 1998	Most of the incentive funding was allocated to support reforms in the valuation and management of capital stock.
	Victoria revised hospital funding arrangements.	<ul style="list-style-type: none"> <li>• Introduction of casemix based funding.</li> </ul>	Jul-1993	Hospitals were paid the same amount for equivalent work, rather than on the basis of historical budgets. The casemix system rewarded lower cost hospitals and created incentives for additional throughput.
1994	Western Australian – outsourcing.	<ul style="list-style-type: none"> <li>• Non-core public hospital functions opened to competition from the private sector.</li> </ul>	1994-95	
	Tasmania revised hospital funding.	<ul style="list-style-type: none"> <li>• Phased introduction of casemix information collection.</li> </ul>	1994-95 ongoing	
	Victoria ambulance – outsourcing.	<ul style="list-style-type: none"> <li>• Some Metropolitan Ambulance Service functions were outsourced — non-emergency transport services; fleet management; and operation of the subscription scheme.</li> </ul>	1994	
	South Australia revised hospital funding.	<ul style="list-style-type: none"> <li>• Phased casemix funding system introduced.</li> </ul>	Jul-1994 ongoing	
1995	Development of a broad agreement on reforming health and community services.	<ul style="list-style-type: none"> <li>• COAG agreed to launch major long term reforms of health and health related community services.</li> </ul>	Apr-1995 ongoing	The Feb-1994 COAG meeting endorsed the need for reform of health and community services. A Task Force on Health and Community Services was required to report on key reform directions and develop of specific reform options.

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National youth suicide prevention strategy.	<ul style="list-style-type: none"> <li>• Best practice model of service delivery for young people at risk of suicide developed.</li> </ul>	1995 to 1999	
Relative Value Study (RVS) of the Medicare Benefits Schedule (MBS).	<ul style="list-style-type: none"> <li>• Major review of relative value of items of service within MBS.</li> </ul>	1995 to 1998	
Queensland revised hospital funding.	<ul style="list-style-type: none"> <li>• Phased introduction of casemix based funding and management system for Queensland hospitals.</li> </ul>	Jan-1995 ongoing	
New South Wales – revised funding model.	<ul style="list-style-type: none"> <li>• Cost benchmarking for peer hospitals.</li> <li>• Networking of support services.</li> <li>• Purchasing of patient flows between Area Health Services.</li> <li>• Development of capital funding policy.</li> <li>• Use of casemix funding by Areas Health Service to guide internal budget allocations.</li> </ul>	Oct-1995 ongoing	In Oct-1995 the New South Wales Government released the Health Economic Statement which announced a number of measures.
Victorian health and emergency services reforms.	<ul style="list-style-type: none"> <li>• Introduction of Emergency Services and Elective Bonus payments for meeting performance targets relating to emergency treatment and waiting lists.</li> <li>• Introduction of output based funding for community health centres, providing increased autonomy and allowing centres to be more innovative in delivering services.</li> <li>• Implemented a unit cost funding model for the purchase of disability support services from the non-government sector and introduced competitive tendering of some services for disabled people.</li> </ul>	1995-96	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	South Australian health funding and contracting out.	<ul style="list-style-type: none"> <li>Contracting out of the management of Modbury Public Hospital.</li> <li>Private sector provision of infrastructure at Mt Gambier and Pt Augusta.</li> <li>Extension of the casemix funding model to include mental health and rehabilitation services, and new arrangements for funding of intensive care units.</li> <li>Contracting out of activities within the health sector including hospital, hostel services, diagnostic services, maintenance and engineering services, cleaning, catering, and portering services.</li> </ul>	1995-96	
1996	Commonwealth revised Over the Counter (OTC) drug regulations.	<ul style="list-style-type: none"> <li><i>Therapeutic Goods Act 1989</i> amended to streamline scrutiny of over the counter (OTC) drugs by the Therapeutic Goods Administration (TGA). Electronic lodgement facility introduced, which placed greater reliance on industry self-regulation, subject to safeguards.</li> </ul>	Jun-1996	
	Victoria – revised funding and tendering arrangements.	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	1996-97	



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Agreement to develop Coordinated Care Trials.	<ul style="list-style-type: none"> <li>• Agreements signed by the Commonwealth, South Australia, New South Wales, Queensland, Victoria, Tasmania and the Australian Capital Territory to develop trials which would test the effectiveness of various models of coordinated care.</li> </ul>	Jun-1996 ongoing	
Australian Capital Territory – revised hospital funding and health care arrangements.	<ul style="list-style-type: none"> <li>• Introduction of outputs-based accrual management system.</li> <li>• Introduction of casemix-based funding for public hospital services.</li> <li>• Establishment of a statutory authority to deliver Government health and community care services.</li> <li>• Introduction of purchaser/provider model for the delivery of acute and community care services.</li> <li>• Review of the potential for contestability in Government health sector.</li> </ul>	Jul-1996 ongoing	Contestability explored in pathology, information systems, personnel and financial services.
Northern Territory – revised hospital funding.	<ul style="list-style-type: none"> <li>• Introduction of casemix-based funding in all five public hospitals.</li> </ul>	Jul-1996 ongoing	Hospital funding was further refined in Jul-1997.
Tasmania – revised arrangements.	<ul style="list-style-type: none"> <li>• The Department of Community and Health Services contracted-out services in line with the Government's Competitive Tendering and Contracting policy, introduced fee-for-service charges for Home and Community Care Services, and implemented case-mix funding for public hospitals.</li> </ul>	1996-97	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	South Australia Health Commission management process.	<ul style="list-style-type: none"> <li>• Introduction of funder/owner/purchaser/provider environment for the management of health care provision.</li> <li>• SA HealthPlus – 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. The integrated care programs in HealthPlus will strive to: improve the health and well being of clients; provide more responsive, more efficient and better service delivery to clients; and set up more efficient methods of funding services to clients.</li> </ul>	1996-97 ongoing	It is proposed that better coordinated health services will improve health outcomes for individual patients and contain health costs.
1997	Structural reform of Commonwealth disability service providers and programs.	<ul style="list-style-type: none"> <li>• Corporatisation of the Australian Government Health Service. Became Health Services Australia Ltd, a wholly Commonwealth owned company.</li> <li>• Separation of the purchaser/provider/regulator function of the Hearing Services Program. This initiative included restructuring the Australian Hearing Services (AHS) Authority to become a wholly Commonwealth owned company.</li> <li>• Separation of the Commonwealth Rehabilitation Service (CRS) from the purchaser – the Department of Health and Family Services.</li> </ul>	Jul-1997  1997-98  1997-98	Health Services Australia Ltd competes with the private sector on a competitively neutral basis.   The future structure of the CRS is yet to be decided.
	Commonwealth – child care.	<ul style="list-style-type: none"> <li>• Improved targeting of child care assistance to those families that most need the assistance.</li> <li>• Removal of capital funding to Community Long Day Care centres.</li> </ul>	Apr-1997  1996-97	

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Review of Therapeutic Goods Administration (TGA) and statement on Regulation of Medicinal Products.	<ul style="list-style-type: none"> <li>• Introduction of a number of Commonwealth initiatives with the aim of freeing up business from inappropriate regulatory requirements and promoting greater efficiency, while maintaining high public health standards in relation to medicinal products.</li> </ul>	Apr-1997 ongoing	
'More time for Business' Statement.	<ul style="list-style-type: none"> <li>• Introduction of an on line processing system for the Pharmaceutical Benefits Scheme (PBS).</li> </ul>	Jul-1997 ongoing	
Western Australia – management arrangements.	<ul style="list-style-type: none"> <li>• Consolidation of metropolitan teaching hospitals and other health services under a single statutory board.</li> </ul>	Jul-1997	The aim was to reduce duplication and overlap between health campuses, minimise 'competition' between service units for limited financial resources and promote more effective strategic planning and location of services in areas of greatest need.
Commonwealth – centralised agency.	<ul style="list-style-type: none"> <li>• A range of Commonwealth services delivered by different Departments became available from a new network of Centrelink offices.</li> </ul>	Sep-1997	Centrelink was created as part of the Commonwealth's public sector reforms designed to produce more efficient and streamlined services. Centrelink combined a range of services that were delivered by the Department of Employment, Education, Training and Youth Affairs, Department of Social Security, Department of Health and Family Services and Department of Primary Industries and Energy.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### OCCUPATIONAL HEALTH & SAFETY (OH&S) AND WORKERS' COMPENSATION

1991	Uniform regulations.	<ul style="list-style-type: none"> <li>Development of a set of common essential requirements related to the regulation of plant and equipment safety, by Victoria, New South Wales, Queensland and the Australian Capital Territory. This formed the basis of a national approach to occupational health and safety standards.</li> </ul>	1991	
	Special Premiers conference – national standards.	<ul style="list-style-type: none"> <li>National Occupational Health and Safety Commission (NOHSC or WorkSafe Australia) undertook to produce national standards which had tripartite agreement.</li> </ul>	Mar-1992 to 1997	In Jul-1997 NOHSC advised that there would be a reduced emphasis on the development of national standards and codes of practice
1992	Northern Territory – national uniformity	<ul style="list-style-type: none"> <li>Introduction of new OHS regulations based on national standards.</li> </ul>	1992 to 1995	
1994	Joint rationalisation of OHS legislation.	<ul style="list-style-type: none"> <li>The NOHSC declared a national standard for users and operators of industrial equipment. Implementation proceeded through passage of State, Territory and Commonwealth OHS legislation.</li> </ul>	Jun-1994	Achievement of nationally uniform minimum performance-based standards in selected areas.
	Queensland – national uniformity.	<ul style="list-style-type: none"> <li>Implementation of the NOHSC standard and rationalisation of certificate arrangements for partially regulated occupations.</li> </ul>	Aug-1994	
1995	South Australia – national uniformity.	<ul style="list-style-type: none"> <li>South Australia moved from industry-specific regulation to hazard-based control focusing on injury and disease prevention.</li> </ul>	April 1995	
	Victoria – national uniformity.	<ul style="list-style-type: none"> <li>Implementation of national OH&amp;S standards which covered plant safety and certification of plant users and operators.</li> </ul>	Jul-1995	

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	Tasmania – national uniformity.	<ul style="list-style-type: none"> <li>Diverse occupational health and safety legislation replaced by a single Act.</li> </ul>	Jun-1995	
	New South Wales – national uniformity.	<ul style="list-style-type: none"> <li>Moved towards national uniformity of OH&amp;S legislation through commencement of certification and hazardous substances regulation.</li> </ul>	1995-96	
		<ul style="list-style-type: none"> <li>Introduced comprehensive occupational health and safety and rehabilitation guidelines for the construction industry.</li> </ul>	1995-96	
	Queensland – national uniformity.	<ul style="list-style-type: none"> <li>Introduction of new workplace health and safety standards, and allowed private provision of some OH&amp;S services.</li> </ul>	1995-96	
1996	New South Wales – notification requirements.	<ul style="list-style-type: none"> <li>The <i>Regulatory Reduction Act 1996</i> removed the requirement to notify WorkCover that certain safety standards and qualifications were met.</li> </ul>	1996-97	Onus now placed on employers and operators to meet these standards. Outcome focus replaced prescriptive focus
1997	Australian Capital Territory – revised requirements.	<ul style="list-style-type: none"> <li>Workers compensation legislation amended. Defined the home state for an employee and allowed the employee to be paid compensation under a policy of insurance issued in their home state.</li> </ul>	Jun-1997	This reduced or eliminated the requirement for employers to maintain policies in all the jurisdictions in which their employees might operate.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### LOCAL GOVERNMENT

1983	South Australia – financial functions.	<ul style="list-style-type: none"> <li>Local Government Finance Authority established as a common investment and borrowing agency.</li> <li>Local Government Superannuation Scheme provided for portable superannuation and Local Government Workers Compensation Scheme.</li> </ul>	1983 1984-85	
1984	Northern Territory – legislation.	<ul style="list-style-type: none"> <li>Review of local government legislation to provide a general competence legislative framework for the development of local government.</li> </ul>	1984 to 1986	
1988	South Australia – functions and finances of Councils revised.	<ul style="list-style-type: none"> <li><i>Local Government (Amendment) Act 1988</i> -decreased the degree of prescription of Council functions and gave Councils power to undertake any activity for the benefit of their areas, including commercial and entrepreneurial activity.</li> </ul>	1988	
1990	South Australia – measures to facilitate cooperation between State and Local Government.	<ul style="list-style-type: none"> <li>Over the period 1990 to 1994 a scaling down of State Government overseeing of Local Government infrastructure was accompanied by legislation which introduced new Local Government accounting and reporting requirements. The new requirements: specified the general management functions and objectives of Councils; redefined the role of the Chief Executive Officer; abolished the Local Government Qualifications Committee to improve access to and competition for senior positions in Local Government; and removed various requirements for Ministerial notification and approval. In 1992 the Local Government Reform Fund was established to facilitate reform of State/Local Government roles and responsibilities in specified program areas.</li> </ul>	1990 ongoing	<p>Memoranda of Understanding between Local and State Government, the first of which was signed in 1990, set out objectives for improved cooperation and clarification of functional divisions.</p> <p>Administrative agreements made under this framework covered matters ranging from area planning to metropolitan kerbside recycling.</p>

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1992	Queensland revised procedures.	<ul style="list-style-type: none"> <li>• Removal of administrative procedures requiring ministerial approval for a range of local government planning activities. This allowed quicker planning and development decisions by local government and removed restrictions on local government to undertake and to enter into joint ventures with the private sector. This provided for a more efficient use of public infrastructure and resources.</li> </ul>	May-1992	
1993	Victoria – revised procedures and rationalisation.	<ul style="list-style-type: none"> <li>• Extension of Freedom of Information legislation to local government.</li> <li>• Local government financial reporting requirements were revised to include full accrual accounting and more stringent annual statements.</li> <li>• Comprehensive program of local government amalgamations and installation of interim administrations.</li> </ul>	1993 1993 1993 to 1994	Reduced the number of councils from 210 to 78.
1993	South Australia – integrated system of strategic planning and development control introduced.	<ul style="list-style-type: none"> <li>• The <i>Development Act 1993</i> provided for: an integrated system of strategic planning governing development; revised the roles of State and Local Government in the planning and development assessment process, required revision of all Councils development control policies; introduced an integrated system for appeals and enforcement; facilitated the adoption and application of national uniform building standards and national uniform accreditation of building products; design and methods; and provided a framework for the further rationalisation of statutory controls on development.</li> <li>• Mandatory application of accrual accounting introduced.</li> </ul>	1993 1993	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	New South Wales – revised procedures.	<ul style="list-style-type: none"> <li>The new <i>Local Government Act</i> introduced: modern management processes; better integration of corporate and environmental planning; clearer roles for management versus elected members; and improved community participation in decision making.</li> <li>Local government financial reporting requirements were amended to include full accrual accounting and more stringent annual statements and annual reports.</li> </ul>	1993	
	Queensland – revised procedures and amalgamation.	<ul style="list-style-type: none"> <li>Adoption of a new <i>Local Government Act</i> which included requirements for integrated corporation and financial planning and more open and accountable decision making processes.</li> <li>A series of local government amalgamations.</li> </ul>	1993	
	Tasmania – amalgamation.	<ul style="list-style-type: none"> <li>State wide municipal amalgamations.</li> </ul>	1993 to 1995	Reduced the number of councils from 132 to 125.
	Tasmania – revised procedures.	<ul style="list-style-type: none"> <li>State wide municipal amalgamations.</li> </ul>	1993	Reduced the number of councils from 46 to 29. In 1997 the Tasmanian Government announced further restructuring of local government with the aim of reducing council numbers from 29 to no more than 15.
1994	Compulsory competitive tendering by Victorian local governments.	<ul style="list-style-type: none"> <li>Local governments were required to tender at least 20% of total expenditure in 1994-95. In the second year, councils were required to submit 30% of their total expenditure to market testing. By 1996-97, compulsory competitive tendering rose to 50%.</li> </ul>	1994-95 ongoing	The aim was to promote the review and clearer specification of council services, and reduce the cost of those services to local government.
	Tasmania – revised procedures.	<ul style="list-style-type: none"> <li>A new <i>Local Government Act</i> was adopted, which improved management processes.</li> </ul>	1994	
1995	New South Wales – comparative performance data.	<ul style="list-style-type: none"> <li>The State government began publishing annual comparative performance information on each council.</li> </ul>	1995	



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Queensland – funding.	<ul style="list-style-type: none"> <li>• Changes to the capital works subsidy scheme enabled local government to receive subsidies for infrastructure owned by the private sector where it is of a type normally provided by local government. This removed a bias towards public ownership of infrastructure by local government and helped to ensure the best method of provision.</li> </ul>	1995-96	
National Competition Principles Agreement – extended reform to local government.	<ul style="list-style-type: none"> <li>• Clause 7 of the Competition Principles Agreement (CPA) committed governments to publish a statement, in consultation with local government, specifying the application of CPA principles to local government activities and functions. All governments have published these statements.</li> </ul>	Jul-1996	The CPA gave formal responsibility to the relevant State and Territory governments to apply the competition principles to local government.
Commonwealth – monitoring of local government.	<ul style="list-style-type: none"> <li>• The <i>Local Government (Financial Assistance) Act 1995</i> included a requirement for the Commonwealth Minister for Local Government to report annually to Parliament on, among other things, the performance of local government, including its efficiency.</li> </ul>	1995	The first Local Government national report was tabled in Parliament in Dec-1996.
Commonwealth – funding.	<ul style="list-style-type: none"> <li>• The Local Government Development Program provided funding for a range of local government initiatives including those that foster delivery of national priorities, such as microeconomic reform.</li> </ul>	1995 to 1997	
South Australian – rationalisation.	<ul style="list-style-type: none"> <li>• Local Government Boundary Reform was established to replace previous machinery for structural change and achieve specific structural reform objectives.</li> </ul>	1995 to 1998	<p>The program was designed to strengthen the capacity of Councils to contribute to the development of the State and meet the needs of local communities.</p> <p>Voluntary structural reform proposals were facilitated which, to date, have reduced the total number of Councils from 118 to 69 and created the potential for savings of at least \$20m.</p>

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1996	Australian Capital Territory – public administration.	<ul style="list-style-type: none"> <li>• Introduction of measures and targets for all outputs and material deliverables.</li> <li>• Benchmarking of service levels and costs.</li> <li>• Commercial practices introduced in building maintenance and project management services, ACT Forests and the ACT Fleet.</li> <li>• Implementation of competitive tendering for community halls, sportsgrounds, government owned pools and sports halls, and in information technology services.</li> <li>• Introduction of accrual accounting, separating the purchaser and provider roles within Government agencies, improved reporting and monitoring of performance and full costing of services to enable more accurate comparisons with external suppliers.</li> <li>• The <i>Financial Management Act 1996</i> required significantly enhanced disclosure of financial information in both budget documentation and financial statements.</li> <li>• Introduction of an incentive regime to encourage agencies to increase efficiency and effectiveness.</li> </ul>	<p>1996 ongoing</p> <p>1996 ongoing</p> <p>1996-97</p> <p>1996-97</p> <p>1996-97</p>	<p><i>A number of ACT measures have been included in this section because of its unique role in managing both state and municipal functions.</i></p>
	Western Australia – revised procedures and arrangements.	<ul style="list-style-type: none"> <li>• Commencement of new <i>Local Government Act</i></li> </ul>	Jul-1996	The Act allowed: amalgamations and rationalisation of services; reduced recruitment restrictions/barriers; introduction of performance controls and appraisals; and required forward planning and greater financial autonomy.
	Northern Territory – benchmarking.	<ul style="list-style-type: none"> <li>• Development and implementation of a performance monitoring and benchmarking framework for local governing bodies.</li> </ul>	1996 ongoing	Full implementation expected by Jul-1998.

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1997	Queensland – revised accounting practices.	<ul style="list-style-type: none"> <li>• Requirement to introduce accrual accounting in all Councils by 1997.</li> </ul>	1997	
	Queensland – revised procedures and arrangements.	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1993</i> amended 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.</li> </ul>	May-1997	Changes comply with NCP requirements to implement reforms in local government.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### ENVIRONMENT

1984	Northern Territory – improved coordination.	<ul style="list-style-type: none"> <li>• Implementation of a new <i>Environment Assessment Act</i> to provide a coordinated government/industry/community process for addressing the environmental implications of development proposals.</li> <li>• Conservation Strategy released which provided a framework for a coordinated approach to the protection of the Territory's natural and cultural values.</li> </ul>	1984  1994	
1987	Australia signed the Montreal Protocol on substances that deplete the ozone layer.	<ul style="list-style-type: none"> <li>• All governments endorsed ANZECC Strategy on Ozone Protection.</li> <li>• Establishment of Halon Bank to collect, manage and destroy ozone depleting substances.</li> <li>• All jurisdictions agreed to introduce similar legislation regarding ozone depleting substances.</li> </ul>	1989  1993 ongoing 1994 ongoing	
1990	Northern Territory – administrative measures.	<ul style="list-style-type: none"> <li>• A 'one stop shop' approach adopted for coordinating responses to waste management and pollution control issues.</li> <li>• A new Department of Lands, Planning and Environment created to effectively integrate consideration of environmental issues with planning and development approval processes and to stream line those approval processes.</li> <li>• Integrated waste management and pollution control strategy, which provided a framework for an integrated approach to resolving waste and pollution issues.</li> </ul>	1990  1995  1995	
1990	New South Wales – regulations rationalised.	<ul style="list-style-type: none"> <li>• The State Pollution Control Commission implemented a new licensing regime to set attainable pollution standards, whilst attempting to introduce uniformity in the licensing system.</li> </ul>	1990-91	

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	Victorian – regulations rationalised.	<ul style="list-style-type: none"> <li>• Rationalisation of Environment Protection Agency (EPA) regulations.</li> </ul>	1990	
1991	Queensland – regulations rationalised.	<ul style="list-style-type: none"> <li>• Revised environmental legislation combined several administrative steps into one.</li> </ul>	Apr-1991	
1992	Intergovernmental relations – agreement on environmental issues.	<ul style="list-style-type: none"> <li>• Signing of an Intergovernmental Agreement on the Environment. Features of the Agreement included: elimination of functional duplication; a national approach to the collection and handling of data; and a common set of principles to achieve greater consistency of environmental impact assessments throughout Australia.</li> <li>• COAG endorsed the National Strategy for Ecologically Sustainable Development which also underpinned the National Greenhouse Response Strategy. This further enhanced the integration of environmental and economic decision making in Australia.</li> </ul>	May-1992	The proposal to develop a cooperative approach to environmental issues was announced at the first Special Premiers Conference in Oct-1990. The 'One Nation' Statement of Feb-1992 announced that an agreement on the environment had been reached.
	Northern Territory – protection of natural resources.	<ul style="list-style-type: none"> <li>• Implementation of the new <i>Water Act</i> provided a comprehensive framework for water usage rights, and the allocation and environmental protection of natural water resources.</li> </ul>	Dec-1992	In 1992 a joint agreement for the sustainable management and use of forests was reached – the National Forest Policy Statement.
1993	South Australia – rationalisation of environment protection legislation.	<ul style="list-style-type: none"> <li>• Repeal of six pieces of environmental legislation and amendment of three other Acts, as a consequence of establishing an <i>Environment Protection Act</i> and administering Authority. The Act supported the equitable allocation of costs associated with environmental protection and restoration – with polluters bearing an appropriate share of the costs that arise from their activities.</li> </ul>	1992	
			1993	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1994	COAG meeting – uniform environment measures.	<ul style="list-style-type: none"> <li>National Environment Protection Council (NEPC) established by the <i>National Environment Protection Act 1995</i> (Cth). All jurisdictions (except Western Australia) were party to the Act under the Intergovernmental Agreement on the Environment. One objective of the Council was to provide uniform national environmental protection measures.</li> <li>Adoption of the COAG strategic framework for the efficient and sustainable reform of the Australian water industry.</li> </ul>	Sep-1995	Western Australia joined the NEPC in 1996.
			1995 to 2001	Amongst other things, the COAG framework required that pricing reflect all the costs of supply (including environmental costs) and that all government subsidies on CSO payments be made transparent. The framework has a range of environmental, economic and social objectives, and its implementation was tied to competition policy payments in 1995.
1995	New South Wales – tradeable discharge rights.	<ul style="list-style-type: none"> <li>Extension of the Hunter Valley Salinity Discharge Strategy which involved the introduction of tradeable discharge rights.</li> </ul>	Nov-1995	
	Queensland – revised environmental charges and licensing.	<ul style="list-style-type: none"> <li>Full cost recovery through user-charging introduced for initial consideration and ongoing monitoring of Environmental Management Programs.</li> <li>Introduced a policy of allowing full or partial licence fee waiver if business can demonstrate that their activities have a lower risk of environmental harm than other similar activities.</li> <li>Implemented an integrated environmental management system which allowed a business to apply for a single licence for multiple activities on a single site or for activities undertaken at multiple sites.</li> </ul>	1995-96	

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	Tasmania – applied polluter pays principles.	<ul style="list-style-type: none"> <li>• New environmental management and enforcement tools established which applied a polluter-pays principle.</li> </ul>	Jan-1995	
	Western Australian – applied polluter pays principles.	<ul style="list-style-type: none"> <li>• Legislation introduced which established a framework for the prevention and remediation of contaminated sites which promoted a polluter pays principle.</li> </ul>	1996	
1996	Commonwealth – industry self regulation.	<ul style="list-style-type: none"> <li>• Commonwealth introduced import controls for ozone depleting substances and allowed industry to self-regulate providing that total activity remained below a pre-set maximum level.</li> </ul>	Jan-1996	
	Commonwealth – forestry.	<ul style="list-style-type: none"> <li>• The <i>Export Controls (Unprocessed Wood) Regulations</i> were amended 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.</li> <li>• The <i>Export Control (Regional Forest Agreement) Regulations</i> removed export controls over wood sourced from native forests which are covered by an Regional Forest Agreement (RFA).</li> </ul>	Dec-1996	Lifting of export controls removed a substantial impediment to investment in plantations, allowing growers to freely seek international markets for their timber.
			Apr-1997	The Regulations provided 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 <i>Export Control (Hardwood Wood Chips) 1996 Regulations</i>
	Victoria – catchment management.	<ul style="list-style-type: none"> <li>• Purchaser provider split within catchment management and sustainable agriculture business in line with COAG principles, in order to improve transparency and accountability.</li> <li>• Waterway Management Authorities and Catchment and Land Protection Boards amalgamated to create nine catchment management authorities.</li> </ul>	1996-97	
			1996-97	Implementation of reformed catchment management arrangements.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	Victoria – water management.	<ul style="list-style-type: none"> <li>• Specification of bulk water entitlements for one half of State's water resources.</li> </ul>	1996-97	Established sustainable, tradeable property rights for water, allowing for the efficient operation of market signals.
	New South Wales – licensing.	<ul style="list-style-type: none"> <li>• Licence conditions imposed on industry participants relating to reductions in greenhouse emissions. Electricity distributors required to offer 'green electricity' tariffs to customers.</li> </ul>	1996-97	Sought to achieve environmental goals through capitalising on consumer willingness to purchase 'green' energy.
	Western Australia – environmental planning.	<ul style="list-style-type: none"> <li>• Environmental Protection Authority (EPA) powers enhanced to assess and protect land from inappropriate use during the initial stage of the planning process.</li> </ul>	Aug-1996	Previously, EPA assessments were delayed until sub-division and development were proposed. The aim was to enhance certainty in land development, and reduce potential conflicts over future land uses.
	Northern Territory – pollution.	<ul style="list-style-type: none"> <li>• <i>Environment Offences and Penalties Act</i> passed. Provided penalties of up to \$1.25m for polluting. Can be applied to individuals and companies.</li> </ul>	Nov-1996	Sought to reduce pollution via deterrence and achieve cost savings in clean-up and rehabilitation.
	New South Wales – pollution licensing and waste management.	<ul style="list-style-type: none"> <li>• Sydney Water Bubble licence implemented.</li> </ul>	1996-97	A flexible licence system which enabled licensees to allocate their allowable pollution between point sources at least cost. Provided the foundation for tradeable permits in the future.
		<ul style="list-style-type: none"> <li>• Introduction of the <i>Waste Minimisation and Management Regulation</i>.</li> </ul>	Nov-1996	Regulation introduced to minimise environmental impacts from waste generation and remove distortions in waste disposal pricing.
	Joint agreement.	<ul style="list-style-type: none"> <li>• Cap on water diversion in the Murray Darling Basin.</li> </ul>	1996	The aim was to improve the sustainable ecological and economic management of river systems in the Murray Darling Basin.



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1997	Review of Commonwealth and State roles and responsibilities for the environment.	<ul style="list-style-type: none"> <li>• To develop a more effective framework for inter-governmental relations on the environment which would provide greater certainty for participants in environmental issues, minimise duplication of effort to achieve common goals and facilitate improved environmental outcomes.</li> </ul>	1997 ongoing	
	Australian Capital Territory – separation.	<ul style="list-style-type: none"> <li>• Purchaser/provider model implemented in conservation and land management.</li> </ul>	1997	The aim was to increase accountability by separating purchaser and provider functions within the organisation.

**MICROECONOMIC REFORMS IN AUSTRALIA**

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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**LABOUR MARKET**

1987	Two-tier wage system and the Restructuring and Efficiency Principle.	<ul style="list-style-type: none"> <li>The Australian Conciliation and Arbitration Commission (ACAC) introduced a two-tier wage system. This consisted of a flat pay rise of \$10 per week for all workers under the first tier and a second tier of up to 4% to be negotiated in return for improved working arrangements.</li> </ul> <p>Under the Restructuring and Efficiency Principle (REP) negotiations between employers and unions occurred at the enterprise level. This resulted in agreements covering matters such as performance based pay, multiskilling, removal of demarcations, new shift arrangements and improved management practices.</p>	1987	
1988	Commonwealth industrial relations legislation.	<ul style="list-style-type: none"> <li>The <i>Industrial Relations Act 1988</i> established the Australian Industrial Relations Commission and provided it with additional powers for the settling of industrial disputes.</li> </ul> <p>Certified agreements were also introduced. These were fixed term non-variable agreements which were able to be approved subject to a Full Bench of the Commission being satisfied that the public interest test was met.</p> <p>The Act also made specific provision for the restructuring and amalgamation of organisations, with the stated aim of reducing the number of unions and reducing demarcation disputes.</p>	Mar-1989	The <i>Industrial Relations Act 1988</i> flowed from the Government's consideration of the recommendations of the Committee of Review into Australia Industrial Relations Law and Systems (the Hancock Report) which was presented to Parliament in May-1985.

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	Commonwealth award restructuring.	<ul style="list-style-type: none"> <li>AIRC endorsed award restructuring, under what was known as the Structural Efficiency Principle (SEP), to replace the two tier system. The SEP was directed at addressing the institutional constraints to increased productivity and efficiency. Wage increases were available where unions committed themselves to a review of their awards.</li> </ul>	Aug-1988 onwards	The SEP continued the focus on productivity established in the two-tiered system and emphasised that longer term fundamental restructuring would involve ensuring that work classifications and work practices were appropriate to each industry.
1989	Commonwealth amended industrial relations legislation.	<ul style="list-style-type: none"> <li>Amendments to the <i>Industrial Relations Act 1988</i> allowed the AIRC to certify agreements at enterprise level which did not necessarily conform with AIRC wage fixing principles.</li> </ul>	1989	
	Queensland – voluntary employment agreements.	<ul style="list-style-type: none"> <li>Amendment of the <i>Industrial Conciliation and Arbitration Act 1989</i> allowed for voluntary employment agreements to be registered by the Registrar of the Queensland Industrial Relations Commission (QIRC) rather than being subject to review by the QIRC.</li> </ul>	1989	
1990	Queensland – wage flexibility.	<ul style="list-style-type: none"> <li>The <i>Industrial Relations Act 1990</i> repealed voluntary contract arrangements of previous legislation. This allowed flexibility in awards and facilitated enterprise based agreements.</li> </ul>	Jun-1990	
	New South Wales – enterprise agreements.	<ul style="list-style-type: none"> <li>The <i>Industrial Arbitration (Enterprise Agreements) Act 1990</i> introduced a bargaining stream with enterprise agreements reviewed by the New South Wales Industrial Relations Commission (NSWIRC).</li> </ul>	1990	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	Northern Territory – public sector.	<ul style="list-style-type: none"> <li>In association with Commonwealth award restructuring and SEP, a new classification structure comprising 4 salary streams was introduced.</li> <li>Introduction of job evaluation system as part of the award restructuring agenda.</li> <li>The first NT public sector agreement was finalised.</li> <li>A new public sector wide enterprise agreement finalised.</li> </ul>	<p>Sep-1990</p> <p>Jan-1991</p> <p>1994-95</p> <p>1995 to 1997</p>	When self-government was conferred – the NT became responsible for most state type functions except industrial relations.
1991	Commonwealth – introduction of enterprise bargaining.	<ul style="list-style-type: none"> <li>The AIRC introduced the Enterprise Bargaining Principle which allowed parties to negotiate wage increases in exchange for productivity improvements at the enterprise level.</li> </ul>	Oct-1991	
	South Australia – uniformity.	<ul style="list-style-type: none"> <li><i>Industrial Conciliation and Arbitration (Commonwealth Provisions) Amendment Act 1991</i> allowed greater cooperation and unity.</li> </ul>	1991	
1992	Commonwealth revised industrial relations legislation.	<ul style="list-style-type: none"> <li>The <i>Industrial Relations Act</i> was amended to require the AIRC to certify an agreement provided it met a number of statutory tests, including a 'no disadvantage' test.</li> </ul>	Jul-1992	
	Victoria – certified agreements.	<ul style="list-style-type: none"> <li>The <i>Industrial Relations (Enterprise Bargaining) Act 1992</i> introduced provisions for certified agreements to be made by registered industrial organisations after review by the state tribunal.</li> </ul>	1992	
	Queensland – certified agreements.	<ul style="list-style-type: none"> <li>Under the <i>Industrial Relations Amendment Act 1992</i> the provisions for certified agreements were changed to mirror Commonwealth provisions.</li> </ul>	1992	
	South Australia – certified agreements.	<ul style="list-style-type: none"> <li>Certified agreements were allowed to be made between employers and employees under the <i>Industrial Relations (Miscellaneous Provisions) Amendment Act 1992</i>.</li> </ul>	1992	

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	Tasmania – bargaining provisions.	<ul style="list-style-type: none"> <li>The <i>Industrial Relations Amendment (Enterprise Agreements and Workplace Freedom) Act 1992</i> introduced bargaining provisions similar to those that were operating in New South Wales.</li> </ul>	1992	
1993	Victoria – individual and collective contracts.	<ul style="list-style-type: none"> <li>The <i>Employee Relations Act 1992</i> abolished existing awards and introduced individual and collective contracts subject to statutory minimum conditions. If there was mutual agreement by the employer and employees, conditions could be determined by awards made by the Employee Relations Commission.</li> </ul>	Mar-1993	
	Western Australia – market flexibility.	<ul style="list-style-type: none"> <li>The <i>Workplace Agreements Act 1993</i> improved labour market flexibility by providing a framework for individual and collective workplace agreements.</li> </ul>	1993	
1994	Commonwealth – industrial relations legislation modified.	<ul style="list-style-type: none"> <li>The <i>Industrial Relations Reform Act 1993</i> extensively modified the <i>Industrial Relations Act 1988</i>. The Act was aimed at encouraging the spread of enterprise agreements and protecting employees. In addition, the Act also allowed workplace agreements to be negotiated in non-unionised workplaces.</li> </ul>	Mar 1994	
	Queensland – further flexibility.	<ul style="list-style-type: none"> <li>The <i>Industrial Relations Reform Act 1994</i> introduced enterprise flexibility agreements into the State award system and streamlined the operation of certified agreements.</li> </ul>	Mar-1994	
1994	Commonwealth – change in the role of the award system.	<ul style="list-style-type: none"> <li>The AIRC introduced new wage fixing principles which aimed to promote enterprise bargaining about wages and conditions of employment underpinned by an award system which provided a safety net of secure, relevant and consistent wages and conditions of employment.</li> </ul>	Aug-1994 to Apr 1997	The new wage fixing principles were consistent with the major amendments to the <i>Industrial Relations Act 1988</i> which came into effect in Mar-1994.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	South Australia – market flexibility.	<ul style="list-style-type: none"> <li>• <i>Industrial and Employee Relations Act 1994</i> encouraged workplace agreements and enterprise bargaining.</li> </ul>	Aug-1994	
1995	Commonwealth – review of awards.	<ul style="list-style-type: none"> <li>• The AIRC settled arrangements for handling the review of awards under section 150A of the <i>Industrial Relations Act 1988</i>.</li> </ul>	Oct-1995	
	Commonwealth – Australian Public Service (APS) agreements.	<ul style="list-style-type: none"> <li>• A new public service agreement negotiated, which enabled APS agencies to negotiate agency specific arrangements. This provided for greater mobility of staff, greater flexibility of working arrangements and reduced administrative processes.</li> </ul>	1995	
	South Australia – enterprise agreements fine tuned.	<ul style="list-style-type: none"> <li>• <i>Industrial and Employee Relations Act 1994 Amendment</i> extended the enterprise bargaining process allowing, for example, 'greenfield site' agreements.</li> </ul>	1995-96	
	South Australian – government agreements.	Enterprise agreements finalised within most government departments.	1995-96	
	Northern Territory – government agreements.	A new public sector wide enterprise agreement finalised.	1995-96	

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1996	Commonwealth – overhaul of the industrial relations system.	<ul style="list-style-type: none"> <li>• <i>Workplace Relations Act 1996</i> enacted. The new Act focused 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 allowed for individual contracts and non-union collective agreements.</li> </ul>	Nov-1996	The new framework supported a more direct relationship between employers and employees, with a much reduced role for third party intervention and greater labour market flexibility.
	Australian Capital Territory – enterprise bargaining.	<ul style="list-style-type: none"> <li>• Agency-based enterprise bargaining implemented in the ACT Public Service.</li> </ul>	1996-97	Agencies were required to negotiate productivity benefits equivalent in value to 3% of salary costs as part of the overall pay increase covered by enterprise agreements.
	Commonwealth – agreement making in the Australian Public Service (APS).	<ul style="list-style-type: none"> <li>• Government issued its Policy Parameters for Agreement Making in the APS which set out its requirements for Certified Agreements and Australian Workplace Agreements.</li> </ul>	1996-97	Created significant scope for workplace flexibility for all APS agencies in relation to workplace reforms, pay, job classification and conditions of service.
	New South Wales – revised industrial relations legislation.	<ul style="list-style-type: none"> <li>• 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>.</li> </ul>	1996-97	Provided greater flexibility in negotiating enterprise agreements, and reduced the average time for approval of enterprise agreements from 80 days to around 20 days.
1997	Commonwealth – anti-boycott provisions.	<ul style="list-style-type: none"> <li>• As part of the Commonwealth’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).</li> </ul>	Jan-1997	Expanded the TPA coverage of both primary and secondary boycotts. Boycott prohibitions also encompassed employee organisations that were acting in concert. Defences to the prohibitions and notification procedures were set out in the TPA.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	Victoria – industrial relations powers referred to the Commonwealth.	The <i>Workplace Relations and Other Legislation Amendment Act (No. 2) 1996</i> transferred various powers and responsibilities to the Commonwealth. Created a single industrial relations system in Victoria providing the benefits of simplicity and reduced regulatory and compliance cost.	Jan-1997	The powers and responsibilities that were transferred included, conciliation and arbitration, agreements between employers and employees, some minimum terms and conditions of employment, freedom of association, setting and adjustment of minimum wages for Victorian employees.
	Commonwealth – award simplification.	<ul style="list-style-type: none"> <li>Start of an 18 month process of simplifying existing federal awards in accordance with the <i>Workplace Relations Act 1996</i>. The awards would perform a minimum safety net function, supporting enterprise bargaining.</li> </ul>	Jan-1997	The award simplification process was a major element of the Commonwealth's program of labour market reforms and covered all (approx 3,000) existing federal awards.
	Australian Industrial Relations Commission (AIRC) – new set of wage fixing principles	<ul style="list-style-type: none"> <li>The AIRC'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.</li> </ul>	Jan-1997	The wage fixing principles established by the decision support and complement the new industrial relations framework provided by the <i>Workplace Relations Act</i> including its workplace focus.
	Queensland – individual or collective agreements.	<ul style="list-style-type: none"> <li>Individual or collective agreements could now be negotiated at the workplace level. This could be achieved through Certified Agreements or Queensland Workplace Agreements. The award system was simplified to provide a genuine safety net of minimum wages and employment condition which underpinned direct bargaining between employers and employees.</li> </ul>	Mar-1997	Introduced greater choice in agreement making and established direct bargaining between employers and employees as the primary means of determining wages and conditions at individual workplaces.
	Western Australia – revised industrial relations legislation.	<ul style="list-style-type: none"> <li>The <i>Labour Relations Act</i> passed. The Act amended the <i>Industrial Relations Act 1979</i> the <i>Workplace Agreements Act 1993</i> and the <i>Minimum Conditions of Employment Act 1993</i></li> </ul>	May-1997	



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## FINANCE AND TAXATION

1979	Fraser Government moved towards a more open and less regulated financial system.	<ul style="list-style-type: none"> <li>• Interest rate ceilings on all trading and savings bank deposits removed.</li> <li>• Bank quantitative lending restrictions withdrawn.</li> <li>• Savings bank regulations eased.</li> </ul>	Dec-1980 Jun-1982 Aug-1982	Bank deregulation flowed from the 1981 Campbell Committee Report.
1983	Hawke Government continued the process of financial deregulation.	<ul style="list-style-type: none"> <li>• Australian dollar floated and most foreign exchange controls removed.</li> <li>• Bank maturity controls removed.</li> <li>• Dealing in foreign exchange widened.</li> <li>• All remaining controls on bank deposits removed and savings banks allowed to offer cheque facilities.</li> <li>• Foreign banks invited to set up in Australia as subsidiaries but not branches.</li> </ul>	Dec-1983 Apr-1984 Apr-1984 Aug-1984 Feb-1985 Apr-1985 Apr-1986	Further changes to the financial system followed the 1983 Martin Committee Report.  This was originally limited to 16 licences. The first foreign bank started business in Sep-1985.
1984	Stock Exchange.	<ul style="list-style-type: none"> <li>• Australian Stock Exchange membership deregulated.</li> </ul>	1984	In 1987 a national stock exchange was formed.
1985	Prudential supervision.	<ul style="list-style-type: none"> <li>• The Reserve Bank began to adapt the prudential requirements to the deregulated environment with the phasing out of SRD/LGS in favour of the Prime Assets Ratio (PAR).</li> </ul>	1985 onward	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	Following the National Tax Summit and the Tax White Paper the Commonwealth announced a number of taxation reforms.	<ul style="list-style-type: none"> <li>• Capital gains tax introduced (CGT).</li> <li>• Fringe benefits tax introduced (FBT).</li> <li>• Foreign tax credit scheme introduced.</li> <li>• Dividend imputation scheme introduced.</li> </ul>	<p>Sep-1985</p> <p>Jul-1986</p> <p>Jul-1987</p> <p>Jul-1987</p>	<p>These measures were introduced to improve the equity of the taxation system.</p> <p>The Jun-1985 Draft White paper proposed three different approaches to tax reform — the Commonwealth initially favoured Option – C, which involved a broad-based consumption tax, however, this Option failed to receive widespread support and therefore did not proceed.</p>
1988	'May Economic' Statement.	<ul style="list-style-type: none"> <li>• Company tax rate cut from 49% to 39% for fiscal year 1988-89 onwards.</li> <li>• Abolition of the 5/3 depreciation rule and replacement by a system based on effective lives plus 20% loading.</li> <li>• Income from direct investment in comparable tax countries exempted from the foreign tax credit.</li> <li>• Dividend imputation extended.</li> <li>• Tax exemption for gold mining abolished.</li> <li>• Reduction of tax concession for investments in new films.</li> <li>• Abolition of Section 26AAA: the short term capital gains provision.</li> </ul>	<p>1988-89</p> <p>May-1988</p> <p>1988-89</p> <p>1988-89</p> <p>Jan-1991</p> <p>May-1988</p> <p>May-1988</p>	<p>The new tax rate was intended to be competitive by world standards.</p> <p>The aim of this measure was to improve the international competitiveness of depreciation arrangements as they apply to long life assets.</p> <p>There was no economic justification for the continuation of this measure.</p> <p>This measure resulted in a more consistent tax treatment of capital gains.</p>
1989	Prudential supervision.	<ul style="list-style-type: none"> <li>• Part II, Division 1A of the <i>Banking Act</i> was enacted which formalised the Reserve Bank's powers in relation to prudential supervision of banks.</li> </ul>	1989	
1990	New South Wales – financial charges.	<ul style="list-style-type: none"> <li>• Government abolished stamp duty on cheques.</li> </ul>	Oct-1990	

	Tax avoidance.	<ul style="list-style-type: none"> <li>The requirement to comply with the tax screening requirements of the <i>Banking Act</i> (s39B) was removed and replaced by the <i>Cash Transaction Reporting Act</i> which required all transfers into or out of Australia over \$5,000 to be reported to AUSTRAC.</li> </ul>	Jul-1990	
1991	'Building a Competitive Australia' Statement.	<ul style="list-style-type: none"> <li>Commonwealth wholesale sales tax exemption widened to reduce administration and compliance costs.</li> </ul>	Mar-1991	<p>The aim of this measure was to remove the bias in the tax system against projects requiring such statements.</p> <p>These measures were aimed at improving the efficiency of the depreciation arrangements and reduce compliance costs.</p>
		<ul style="list-style-type: none"> <li>Environmental impact studies became eligible as a tax deduction.</li> </ul>	Mar-1991	
		<ul style="list-style-type: none"> <li>Simplification of the depreciation system: self assessment, broad-banding, pooling of funds and legislative clarification of the meaning of effective life.</li> </ul>	1991-92	
	Privatisation.	<ul style="list-style-type: none"> <li>Commonwealth Bank of Australia privatised.</li> </ul>	1991-97	<p>The Bank was privatised in three stages: Jul-1991; Oct-1993; and Jul-1996. The State Bank of Victoria was purchased by the Commonwealth Bank in Jan-1991.</p>
		<ul style="list-style-type: none"> <li>New South Wales Government Insurance Office floated.</li> </ul>	1992-93	
		<ul style="list-style-type: none"> <li>Victorian State Insurance Office sold.</li> </ul>	1992-93	
		<ul style="list-style-type: none"> <li>Tasmanian State Insurance Office sold.</li> </ul>	1993-94	
		<ul style="list-style-type: none"> <li>State Bank of New South Wales sold.</li> </ul>	1994-95	
		<ul style="list-style-type: none"> <li>State Bank of South Australia sold.</li> </ul>	1994-96	
		<ul style="list-style-type: none"> <li>South Australian Government Insurance Office sold.</li> </ul>	1995-96	
		<ul style="list-style-type: none"> <li>BankWest (Western Australia) sold.</li> </ul>	1995-96	
		<ul style="list-style-type: none"> <li>Queensland Suncorp and Queensland Industry Development Corporation sold.</li> </ul>	1996-97	
		<ul style="list-style-type: none"> <li>New South Wales Axiom Funds Management sold.</li> </ul>	1996-97	
		<ul style="list-style-type: none"> <li>Commonwealth Funds Management sold.</li> </ul>	1996-97	
		<ul style="list-style-type: none"> <li>Commonwealth Australian Industry Development Corporation (AIDC) sold.</li> </ul>	1997-98	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1992	'One Nation' Statement.	<ul style="list-style-type: none"> <li>Accelerated depreciation allowances for assets with long effective lives introduced.</li> <li>Extensions of amortisation deductions to income-producing structural improvements.</li> <li>Introduction for a limited period of a development allowance providing an additional tax deduction of 10% of the cost of new plant and equipment.</li> <li>Establishment of concessionally taxed investment companies called Pooled Development Funds (PDFs).</li> <li>Concessional tax treatment for Infrastructure Borrowings introduced.</li> <li>Liberalised foreign bank entry.</li> </ul>	<p>Feb-1992</p> <p>Feb-1992</p> <p>Feb-1992</p> <p>1992</p> <p>Jul-1992</p> <p>1992</p>	<p>To improve the international competitiveness of depreciation arrangements as they apply to long life assets.</p> <p>Removed a taxation distortion with respect to income producing structures.</p> <p>This measure covered only export orientated activities employing 'best practice'.</p> <p>Introduced to overcome a perceived problem faced by smaller firms in obtaining equity capital.</p> <p>The aim of this measure was to encourage private sector investment in the construction and operation of selected infrastructure areas.</p> <p>This followed the Martin Committee inquiry into banking.</p>
	Consistent tax treatment.	<ul style="list-style-type: none"> <li>Grossing up of FBT.</li> </ul>	1994	Resulted in neutral taxation treatment between wages/salaries and fringe benefits.
	Prudential supervision.	<ul style="list-style-type: none"> <li>Prudential guidelines similar to the Reserve Bank prudential statements were introduced for building societies and credit unions under the auspices of the Australian Financial Institutions Commission (AFIC).</li> </ul>	Jul-1992	
1993	Foreign banks.	<ul style="list-style-type: none"> <li>Foreign banks allowed to establish branches.</li> </ul>	1993	
	'Investing in the Nation' Statement.	<ul style="list-style-type: none"> <li>Company tax rate cut from 39% to 33%.</li> <li>Concessional tax rate on income on PDFs cut from 30% to 25%.</li> <li>General investment allowance of 10% for a limited period in addition to existing allowances.</li> </ul>	<p>1993-94</p> <p>1993-94</p> <p>Feb-1993 to Jul-1994</p>	<p>The lower tax rate was to encourage company investment from retained earnings. The rate was increased to 36% in Jun-1995.</p>

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1994	State bank controls.	<ul style="list-style-type: none"> <li>New South Wales and South Australia referred their banking powers to the Commonwealth, which allowed the Reserve Bank to supervise the State Bank of NSW and Bank SA.</li> </ul>	1994	
	Government Trading Enterprises (GTOs).	<ul style="list-style-type: none"> <li>Changes to the tax treatment of GTOs.</li> </ul>	Mar-1994	The aim of this measure was to promote competitive neutrality between Government and private enterprises.
1995	Removal of taxation distortion.	<ul style="list-style-type: none"> <li>Provision of a tax write-off for expenditure incurred in establishing new horticultural plantations.</li> </ul>	May-1995	To remove a taxation distortion with respect to the establishment of new horticultural plantations.
	Stamp duty on share transfers.	<ul style="list-style-type: none"> <li>New South Wales halved the rate of stamp duty on listed shares and other marketable securities.</li> </ul>	Jul-1995	New South Wales was compelled to cut the duty (along with most other States and Territories) by Queensland's unilateral action of halving the rate – announced in the 1995-96 Queensland Budget.
1996	Removal of taxation distortions.	<ul style="list-style-type: none"> <li>Changes to the taxation treatment of leased chattels and fixtures.</li> </ul>	Jul-1996	Removal of an inconsistency in the tax treatment of fixtures and chattels.
	Budget measures.	<ul style="list-style-type: none"> <li>Capital gains tax (CGT) rollover relief for small business and CGT exemption on sale of a small business where proceeds are used for retirement.</li> <li>Reduction in the premium rate of deduction for R&amp;D expenditure of 125%.</li> <li>Abolition of the concessions for R&amp;D partnerships and syndicate type arrangements.</li> </ul>	Jul-1996	The aim of this measure was to stimulate growth in the small business sector.
			Aug-1996	Aim was to improve the cost effectiveness of the tax concession.
			Jul-1996	Other amendments were made to counter abusive arrangements.
	National credit code.	<ul style="list-style-type: none"> <li>Introduction of national uniform consumer credit code – which standardised credit practice throughout Australia.</li> </ul>	Nov-1996	The national code reduced unnecessary controls and replaced prescriptive regulation of contracts with a code.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
1997	Budget measures.	<ul style="list-style-type: none"> <li>• Replacement of Infrastructure Borrowings (IBs) tax concession with a tax rebate.</li> <li>• CGT cost based provisions changed.</li> </ul>	Feb-1997  May-1997	Aim was to more effectively target the concession and remove the scope for tax avoidance.  Removed double deductions for certain capital expenditure items.
	Review of the financial and banking system – Wallis Inquiry.	<ul style="list-style-type: none"> <li>• A comprehensive review of the regulatory framework of the financial system was completed.</li> </ul>	Apr-1997 ongoing	In Sep-1997 the Commonwealth announced its decision to establish a new framework for the conduct of regulation of the financial system. Key elements of the package were a new organisational framework for the regulation of the financial system and a variety of measures to improve efficiency and contestability in financial markets and the payment system.
	Commonwealth response to the Wallis Inquiry.	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	1997 ongoing	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. Mergers among the four major banks will not be permitted until the Government is satisfied that there is greater competition in the financial sector.

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Revised  
superannuation  
arrangements.

- The *Retirement Savings Account Act 1997* allowed banks, credit unions, building societies and life offices to offer superannuation Retirement Savings Accounts. 1997

This increased choice and competition in the superannuation industry by providing a simple, low cost and low risk superannuation product. Also allowed employees to consolidate separate accounts, and enhanced portability with easier superannuation arrangements particularly for members who change employment or have multiple jobs.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### NATIONAL COMPETITION POLICY

1974	Commonwealth – promotion of competition.	<ul style="list-style-type: none"> <li>The <i>Trade Practices Act 1974</i> introduced. The object of the Act was to enhance the welfare of Australians through the promotion of competition and fair trading and provision for consumer protection.</li> </ul>	1974	The Act covered: collusive price fixing arrangements; anti-competitive agreements; misuse of market power; price discrimination; and mergers.
1977	Competition laws strengthened.	<ul style="list-style-type: none"> <li>The <i>Trade Practices Act</i> was amended to strengthen its price fixing prohibitions and was extended to cover the Commonwealth and its agencies.</li> </ul>	1977	The merger test was also amended to prohibit mergers that result in the corporation being (or likely to be) in a position to dominate a market.
1985	Dismantling of state purchasing preferences.	<ul style="list-style-type: none"> <li>Under the National Preference Agreement all states agreed to eliminate government purchasing practices which discriminated between Australian suppliers.</li> </ul>	Jul-1986	After a review of the National Preference Agreement in 1991, the retitled Government Procurement Agreement continued to commit State, Territory, Commonwealth and New Zealand governments to practices which did not discriminate against Australian and New Zealand supplies or suppliers.
1986	Revisions to competition laws.	<ul style="list-style-type: none"> <li>The <i>Trade Practices Revision Act 1986</i> extended the merger provisions to certain overseas mergers and the prohibition on the misuse of market power was amended.</li> </ul>	1986	The <i>Trade Practices Legislation Amendment Act 1992</i> changed the merger test of the Act to prohibit mergers that substantially lessen competition.
1988	A national companies and securities regime replaced separate State and Commonwealth laws.	<ul style="list-style-type: none"> <li>The <i>Australian Securities Commission Act 1989</i> established the Australian Securities Commission (ASC) to administer the Corporations Law in the Commonwealth, States and Territories.</li> </ul>	Jan-1991	The ASC replaced the National Companies and Securities Commission which was formed in 1981.



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1990	Misuse of market power provision extended.	<ul style="list-style-type: none"> <li>The misuse of market power provision of the <i>Trade Practices Act</i> was extended to trans-Tasman markets.</li> </ul>	1990	
1991	Special Premiers' Conference agreed on a number of reform initiatives.	<ul style="list-style-type: none"> <li>National performance monitoring of GBEs set up in order to underpin the reform process – 1st report released.</li> <li>National reform initiatives included: <ul style="list-style-type: none"> <li>– Electricity industry;</li> <li>– Rail freight;</li> <li>– Heavy road transport;</li> <li>– Uniform food standards; and</li> <li>– Uniform Occupational Health and Safety standards.</li> </ul> </li> </ul>	Jul-1993	While this is a monitoring/administrative measure it is often viewed as a 'reform initiative' since it was meant to lay the foundation for further GBE reform.
			ongoing	
1994	COAG agreed to Hilmer and infrastructure reforms.	<ul style="list-style-type: none"> <li>In-principle endorsement to the competition policy principles of the Hilmer Review.</li> <li>COAG endorsed a package of competition policy reforms and transitional arrangements.</li> <li>Gas industry: <ul style="list-style-type: none"> <li>– COAG agreed to 'free and fair trade' in gas. All legislative and regulatory barriers to trade in gas both within and across state boundaries were expected to have been removed by 1 July 1996.</li> </ul> </li> <li>Water industry: <ul style="list-style-type: none"> <li>– A national inter-governmental Task Force on COAG water reforms was established to manage and report on the goals and milestones of reforms.</li> </ul> </li> </ul>	Feb-1994	In 1992 the Independent Committee of Inquiry into National Competition Policy (Hilmer Inquiry) was established. In Aug-1993 the Report was delivered recommending a package of national competition policy reforms.
			Aug-1994	While this was not a reform measure in itself, it should nevertheless be considered as an important step in the reform process.
			Jun-1995	A Gas Reform Task force was established to determine what actions were necessary to meet the COAG objectives.
			1995	COAG agreed to water industry reforms covering pricing, allocations and entitlements, irrigation systems and corporatisation. Full implement expected by 2001.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1995	Implementation of the national competition policy package.	<ul style="list-style-type: none"> <li>Under the Commonwealth <i>Competition Policy Reform Act 1995</i> there were three implementation stages: <ul style="list-style-type: none"> <li>– Amendment of competitive conduct rules of the <i>Trade Practices Act 1974</i></li> <li>– Establishment of the Australian Competition and Consumer Commission (ACCC) by merging the TPC and PSA and establishment of the National Competition Council (NCC), national access regime commenced and amendments to the <i>Prices Surveillance Act 1983</i> took effect; and</li> <li>– Application of the competitive conduct rules to all business activities in Australia.</li> </ul> </li> <li>The <i>Competition Policy Reform Act 1995</i> also introduced the access regime in the <i>Trade Practices Act 1974</i> to facilitate access to the services of facilities of national significance to promote competition in related markets.</li> </ul>	<p>Jul-1995</p> <p>Aug-1995</p> <p>Nov-1995</p> <p>Jul-1996</p> <p>Nov-1995</p>	<p>At the Apr-1995 COAG meeting all jurisdictions agreed to implement a national competition policy package. The package consisted of Commonwealth, State and Territory legislation and three inter-governmental agreements.</p> <p>All jurisdictions have passed the necessary legislation extending the application of the <i>Trade Practices Act</i> to government businesses and unincorporated sectors, published policy statements on competitive neutrality and the application of competition policy principles to local government and established timetables for the review of legislation.</p>
	National competition policy compliance – Victoria.	<ul style="list-style-type: none"> <li>Passage of the <i>Competition Policy Reform (Victoria) Act 1995</i> extended the coverage of Part IV of the <i>Trade Practices Act 1974</i> to all persons in Victoria.</li> </ul>	Nov-1995	In Jun-1996 Victoria published statements on competitive neutrality and the application of competition principles to local government, and a timetable for review of legislation restricting competition.
	National competition policy compliance – New South Wales.	<ul style="list-style-type: none"> <li>Passage of the <i>Competition Policy Reform (New South Wales) Act 1995</i>.</li> </ul>	Jun-1995	In Jul-1996 New South Wales released policy statements on the application of competition policy principles to local government, application of competitive neutrality and a timetable for legislative review.

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1996	National competition policy compliance – Queensland.	<ul style="list-style-type: none"> <li>• Legislation passed giving effect to policy statements on introduction of competitive neutrality, reviews of anti-competitive legislation, and application of the competition policy to local government. Enactment of legislation mirroring amendments to the Commonwealth <i>Trade Practices Act 1974</i> Coverage of trade practices legislation extended to the business activities of governments and unincorporated bodies.</li> </ul>	Jul-1996	
	National competition policy compliance – South Australia.	<ul style="list-style-type: none"> <li>• Passage of the <i>Competition Policy Reform (South Australia) Act 1996</i>.</li> </ul>	Jun-1996	In Jun-1996 South Australia released statements covering competitive neutrality principles, the application of competition principles to local government, and timetable reviews of all legislation restricting competition.
	National competition policy compliance – Tasmania.	<ul style="list-style-type: none"> <li>• <i>Competition Policy Reform (Tasmania) Act</i> passed which extended Part IV of the <i>Trade Practices Act 1974</i> to all business activities in Tasmania.</li> <li>• A Legislative Review Program (LRP) was established, which contained a timetable for the review of all state legislation which restricted competition.</li> </ul>	Jul-1996	In Jun-1996 Tasmania published policy statements on competitive neutrality and the application of national competition policy to local government. The <i>Government Business Enterprises Act 1995</i> largely fulfilled Tasmania's NCP commitments in the area of competitive neutrality.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	National competition policy compliance – Northern Territory.	<ul style="list-style-type: none"> <li>• Passage of legislation extending the coverage of the <i>Trade Practices Act 1974</i> to all businesses.</li> <li>• Application of tax equivalents to all Government Business Divisions (GBD) to promote competitive neutrality.</li> <li>• Review of all legislation to identify and if necessary amend all anti-competitive provisions.</li> <li>• Implemented competitive neutrality policies and principles to ensure public sector enterprises do not enjoy any competitive advantage by virtue of their government ownership.</li> <li>• Extended the principles of national competition policy to local government.</li> </ul>	<p>May-1996</p> <p>Mar-1997</p> <p>Jul-1996 to 1999</p> <p>Jul-1996</p> <p>Jul-1996</p>	The Northern Territory published policy statements on competitive neutrality, legislative review, and the application of national competition policy to local government.
	National competition policy compliance – Australian Capital Territory.	<ul style="list-style-type: none"> <li>• Passage of the <i>Competition Policy Reform Act 1996</i> ensured that all businesses in the Australian Capital Territory were covered by the same rules of competition.</li> <li>• Regulation Review Program set out a timetable for review and reform, where appropriate, of all anti-competitive legislation by 1997.</li> <li>• All government business activities were required to fully attribute costs on the same basis as private firms.</li> <li>• Explicit funding of community service obligations.</li> <li>• Independent performance monitoring of Territory owned corporations.</li> <li>• Development of a corporatisation model, where appropriate, which imposed on Territory owned corporations, the same disciplines, incentives and sanctions which effectively apply to private sector enterprises.</li> </ul>	<p>Jun-1996</p> <p>1996-97</p> <p>1996-97</p> <p>1996-97</p> <p>1996-97</p> <p>1996-97</p>	The Australian Capital Territory issued a statement on competitive neutrality in accordance with the Competition Principles Agreement.

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	Commonwealth competitive neutrality statement.	<ul style="list-style-type: none"> <li>Commonwealth issued a policy statement on competitive neutrality.</li> </ul>	Jun-1996	The statement set out the Commonwealth's implementation strategy for ameliorating taxation, cost of capital and regulatory advantages from its significant business enterprises.
	National competition policy compliance – Western Australia.	<ul style="list-style-type: none"> <li>Passage of the <i>Competition Policy Reform (Western Australian) Act 1996</i> passed. (The Act was passed on 17 Oct 1996 but was made retrospective to 21 June 1996.)</li> </ul>	1996	Western Australia published statements on competitive neutrality and the application of the national competition policy agreements to local government, and commenced national competition policy reviews of legislation restricting competition.
	Victoria – monitoring and compliance.	<ul style="list-style-type: none"> <li>Competitive neutrality complaints unit established.</li> </ul>	Jul-1996	
	South Australia – monitoring and compliance.	<ul style="list-style-type: none"> <li><i>Government Business Enterprises (Competition) Act 1996</i> proclaimed in line with competition policy requirements.</li> <li>Principles of Competitive Neutrality proclaimed and the competitive neutrality complaints mechanism became operational.</li> </ul>	1996 Jun-1997	Aims to promote independent and transparent public reviews of GBE prices.
1997	Access.	<ul style="list-style-type: none"> <li>Introduction of streamlined procedures for establishing industry access codes under the <i>Trade Practices Act</i></li> </ul>	Mar-1997	The ACCC allowed 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.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Progress assessment.	<ul style="list-style-type: none"> <li>Jurisdictions provided the National Competition Council (NCC) with their first annual progress report on implementing the NCP reforms.</li> </ul>	Mar-1997	In Jul-1997 the Treasurer accepted the NCC recommended that all jurisdictions receive the first instalment of the competition payments. The NCC has commenced work on the second tranche assessment process – due in Jul-1999.
	Queensland – monitoring and compliance.	<ul style="list-style-type: none"> <li>Legislation passed 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.</li> </ul>	May-1997	

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## REGULATION – NATIONAL

1975	Review of administrative law.	<ul style="list-style-type: none"> <li>Commonwealth Administrative Review Committee, an advisory committee, was established to analysis administrative law processes and attempt to improve the quality of administrative decision making.</li> </ul>	1975	
1986	Reducing the impact of business regulations.	<ul style="list-style-type: none"> <li>Any new Commonwealth government proposal affecting business had to be reviewed by the Business Regulation Review Unit (BRRU) in order to reduce the impact on business.</li> </ul>	1986	Since 1986 Cabinet required that regulators prepare regulation impact statements for new legislative proposals. In 1989 the Office of Regulation Review (ORR) replaced the BRRU.
1987	Regulatory cooperation.	<ul style="list-style-type: none"> <li>A joint report (Commonwealth and Victoria) on food processing regulations.</li> </ul>	1987	This was the first major Commonwealth and State cooperation on regulatory reform.
1990	Cooperative framework.	<ul style="list-style-type: none"> <li>Heads of Government began to meet in regular Special Premier's Conferences (SPC).</li> </ul>	1990	This is an early example of a cooperative framework that pursued common reform objectives, such as, regulatory coordination and mutual recognition. The SPC was replaced by COAG in 1992.
1992	Mutual recognition.	<ul style="list-style-type: none"> <li>Mutual Recognition Agreement (MRA) came into force. The MRA provided that: if goods can be legally sold in one State or Territory, they can be sold in any other participating State or Territory; and if a person is registered to practise an occupation in one State or Territory, they can carry out an equivalent occupation in any other participating jurisdiction.</li> <li>The Trans Tasman Mutual Recognition Arrangement (TTMRA), which provided for the automatic recognition in each country of persons in registered occupations and goods subject to mandatory standards emanating from the other, was signed by Australian and New Zealand Heads of Government.</li> </ul>	Mar-1993	
			Jun-1996 ongoing	

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	Council of Australian Governments (COAG) established.	<ul style="list-style-type: none"> <li>COAG established on a permanent basis to foster a greater degree of cooperation between governments.</li> </ul>	May-1992	This should be viewed as an important step in further facilitating a national approach to microeconomic policies and reform. The development of national markets and efficient provision of government services has required cooperation between governments across Australia.
1993	Tax law.	<ul style="list-style-type: none"> <li>Commonwealth established a Tax Law Improvement Project (TLIP) to restructure, renumber and rewrite in plain language Australia's income tax law.</li> </ul>	Dec-1993 ongoing	An aim of the project was to make tax law more easily understood, improve compliance and reduce compliance costs.
1994	'Working Nation' Statement.	<ul style="list-style-type: none"> <li>The Commonwealth provided assistance to local government to review business regulations.</li> <li>Simplification program for <i>Corporations Law</i> in order to reduce the complexity and costs associated with corporate compliance and regulation, resulting in the <i>First Corporate Law Simplification Act 1995</i></li> <li>Improved capacity for Office of Regulation Review to respond to increased demand for regulation assessment.</li> </ul>	1994  Dec-1995  1994-95	
1995	Regulatory cooperation and legislative review.	<ul style="list-style-type: none"> <li>COAG signed the Competition Principles Agreement (CPA) which, among other things, required the establishment of systematic reviews of all existing legislation and regulation that potentially restricted competition and where appropriate, reform such legislation and regulation. Once a government has reviewed legislation that restricts competition, it is required to review that legislation again at least once every ten years.</li> </ul>	1995 Ongoing	The guiding principle is that legislation (including Acts and regulations) should not restrict competition unless: <ul style="list-style-type: none"> <li>- it can be demonstrated that the benefits of the restriction to the community as a whole outweigh its costs; and</li> <li>- the objectives of the legislation can only be achieved by restricting competition as a whole</li> </ul>



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	Joint agreement regulatory standards.	<ul style="list-style-type: none"> <li>COAG adopted principles and guidelines for national standard setting and regulatory action.</li> </ul>	Sep-1995	Used by Ministerial Councils and National Standard Setting Bodies to guide their standard setting and regulatory activities.
1996	Legislation review.	<ul style="list-style-type: none"> <li>Commonwealth released a Legislation Review Schedule setting out a timetable for the review of existing Commonwealth legislation that restricted competition and imposed costs upon business.</li> </ul>	Jun-1996 ongoing	Each of the States and Territories, not just the Commonwealth, published in Jun-1996 a Legislation Review Schedule setting out a timetable for review of legislation that restricted competition. Only the Commonwealth's Schedule was expanded to include legislation that imposed costs upon business.
1997	Improving business regulations.	<ul style="list-style-type: none"> <li>Commonwealth Departments required to prepare a 'Regulation Impact Statement' (RIS) for proposed legislation affecting business. Further, all reviews of Commonwealth legislation are now required to use the RIS framework.</li> </ul>	Mar-1997	Any new regulation which is likely to affect business or restrict competition will require a RIS setting out the policy objective and consider all viable alternatives for achieving that objective with a view to choosing the alternative with the maximum positive impact.
	'More Time for Business' – Small business Statement.	<ul style="list-style-type: none"> <li>In response to the Business Deregulation Task Force, Nov-1996 (Bell Report), the Commonwealth announced a set of initiatives to reduce the regulatory and compliance burden on small business.</li> </ul>	Mar-1997	The initiatives covered: simplifying taxation compliance; provide easier access to government information and compliance requirements; making the regulation setting process more transparent and accountable; reducing complexity, duplication and delays in business approvals and registration processes; easier access to finance; putting into place client service standards for the public service; accelerating Commonwealth, State and Territory reform of rules and regulations; and providing mechanisms to monitor progress.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
	Commonwealth review of corporate law.	<ul style="list-style-type: none"> <li>Corporate Law Economic Reform Program announced by the Commonwealth.</li> </ul>	Mar-1997	The program would examine fundraising, takeovers, futures and securities markets, directors' duties, electronic commerce, accounting standards and the role of the Australian Securities Commission.
	Legislative review under the NCP reforms.	<ul style="list-style-type: none"> <li>The States and Territories advised the National Competition Council (NCC) in their annual NCP progress reports, that some 100 reviews of legislation had been completed.</li> </ul>	Mar-1997 ongoing	<p>The reviews recommended either: repeal of the legislation or removal of specific provisions; development of replacement legislation; streamlining administrative arrangements and licensing; and/or retention of anti-competitive arrangements.</p> <p>Not all the review recommendations have been implemented.</p> <p>Under NCP requirements all jurisdictions developed a timetable for reviewing their legislation. In Apr-1997 the NCC published a <i>Legislative Review Compendium</i> as a guide to the review programs. The <i>Compendium</i> identified approximately 2000 pieces of legislation scheduled for review.</p>

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## REGULATION – NEW SOUTH WALES

1987	Regulation review.	<ul style="list-style-type: none"> <li>• Start of regulatory reviews by Parliamentary committee.</li> </ul>	1987	
1988	Review – business licences.	<ul style="list-style-type: none"> <li>• Establishment of the Business Deregulation Unit and start of a process of reviewing business licences. Examples include:               <ul style="list-style-type: none"> <li>- Establishment of the Business Licence Information Service which allowed 'one stop shopping' for business licences; Nov-1989</li> <li>- Local government ordinances requiring the licensing of retail food premises was abolished and replaced with a system of health standard inspections; and Jul-1990</li> <li>- Abolition of the Bread Manufactures Licence and Operative Bakers Certificate. 1991</li> </ul> </li> </ul>	1988	
	Trading hours and registration.	<ul style="list-style-type: none"> <li>• Amendments to the <i>Factories, Shops and Industries Act 1962</i> removed restrictions on the trading hours of most retailers and limited restrictions on the 'general' class of shops on Sundays and public holidays. 1988</li> <li>• Amendments to the Act also abolished the need for retailers to register their premises and pay shop registration fees. 1988</li> </ul>		
1989	Review procedures established.	<ul style="list-style-type: none"> <li>• The <i>Subordinate Legislation Act 1989</i> provided for the preparation of regulatory impact statements and for a staged review of existing legislation. 1989</li> </ul>		
1991	Legal services.	<ul style="list-style-type: none"> <li>• The <i>Legal Profession Regulation 1987</i> was amended to remove restrictions which prevented advertising by solicitors. 1991</li> </ul>		This allowed consumers a better understanding of what services were available and at what cost.

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
	Third party insurance.	<ul style="list-style-type: none"> <li>The compulsory third party insurance market was deregulated.</li> </ul>	Jul-1991	
1992	Price monitoring.	<ul style="list-style-type: none"> <li>Government Pricing Tribunal was established to regulate the prices for declared monopoly services supplied by government organisations.</li> </ul>	Jul-1992	
1994	Regulation review.	<ul style="list-style-type: none"> <li>The Regulatory Review Unit within the NSW Cabinet Office was re-established with the task of simplifying and streamlining the states regulatory environment consistent with the needs of the community, business and the government's microeconomic reform program.</li> </ul>	Jul-1994	
1995	Licence reduction.	<ul style="list-style-type: none"> <li>Licence Reduction Program completed.</li> </ul>	Aug-1995 to Feb-1997	273 licences were reviewed and 85 were identified for reduction.
1996	Pricing tribunal role expanded.	<ul style="list-style-type: none"> <li>Amendments to legislation expanded the Tribunal's role and it became known as the Independent Prices and Regulatory Tribunal of NSW (IPART). IPART also acted as the regulator of access to public utilities such as electricity, gas, and rail.</li> </ul>	Jan-1996	

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## REGULATION – VICTORIA

1984	Regulation review.	<ul style="list-style-type: none"> <li>The Office of Regulation Reform (ORR) created. The Office oversaw the state's program of regulatory sunset and review that began in 1984.</li> <li>The <i>Subordinate Legislation (Review and Revocation) Act 1984</i> required that regulatory impact statements, overseen by the newly established Regulation Review Unit, were prepared for all new or remade statutory rules.</li> </ul>	1984  1984	
1985	Removal of outdated, uncoordinated and duplicated regulations.	<ul style="list-style-type: none"> <li>Staged repeal process introduced to eliminate all regulations made prior to 1984 and replace them with updated regulations.</li> </ul>	1985	
1987	Industry based regulation reviews.	<ul style="list-style-type: none"> <li>Major reviews of regulatory structures was undertaken.</li> </ul>	1987 to 1990	Reviews covered shop trading hours, food processing, planning and construction, chemicals and drugs.
1991	Sunset provisions.	<ul style="list-style-type: none"> <li>Introduction of sunseting of all subordinate legislation made prior to 30 June 1982 by 30 June 1992. Any proposed replacement regulations were required to meet 'sunrise' assessment processes under the <i>Subordinate Legislation Act</i>.</li> </ul>	1991-92	
1993	Licence review.	<ul style="list-style-type: none"> <li>Licence Simplification Program commenced.</li> </ul>	1993 ongoing	Under the Program, by the end of 1997 a total of 130 out 482 licences existing in Victoria before 1992 would have been repealed.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1994	Monitoring and compliance.	<ul style="list-style-type: none"> <li>Office of Regulator General (ORG) established with the aim of ensuring open and fair competition in contestable markets and to stimulate competitive market outcomes in non-competitive markets. The Office was also concerned with the economic regulation of the reformed electricity, water, and gas industries.</li> </ul>	Jul-1994	
1996	Shop trading.	<ul style="list-style-type: none"> <li>The <i>Shop Trading Act 1987</i> was repealed and. This effectively deregulated shop trading hours throughout Victoria.</li> </ul>		
	Regulation review.	<ul style="list-style-type: none"> <li>Major regulatory review program started based on reviewing regulatory regimes by industry sector.</li> </ul>	Dec-1996 ongoing	The first review covers the tourism industry.
	Fair trading	<ul style="list-style-type: none"> <li>Review of fair trading and business legislation. Initiatives included: <ul style="list-style-type: none"> <li>- introduction of template legislation for a national scheme to simplify the establishment, operation and oversight of Friendly Societies;</li> <li>- reform of the current <i>Motor Car Traders Act 1986</i> to better balance the rights and responsibilities of traders and consumers, simplify unnecessary administrative procedures and encourage compliance; and</li> <li>- legislative reform as the basis for a national scheme to simplify the establishment and operation of co-operatives.</li> </ul> </li> </ul>	1996-97	Initiatives sought 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.

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## REGULATION – QUEENSLAND

1986	Sunset provisions.	<ul style="list-style-type: none"> <li>Staged legislative repeal process established – with a seven year sunset provision.</li> </ul>	1896	
1990	Regulation review.	<ul style="list-style-type: none"> <li>Business Regulation Review Unit established to review all legislation or regulation affecting business, respond to complaints about regulation and promote harmonisation between State and Commonwealth regulations.</li> </ul>	1990	
1995	Regulatory impact statements.	<ul style="list-style-type: none"> <li><i>Statutory Instruments Act 1995</i> amended to require a regulatory impact statement to be prepared for significant subordinate legislation likely to impose an appreciable cost on the community.</li> </ul>	Dec-1995	
1996	Regulation review.	<ul style="list-style-type: none"> <li>Red Tape Reduction Task Force established to address unnecessary red tape burdens on business.</li> </ul>	1996 ongoing	Recommendations accepted by the Government included: introduction of more flexible licensing payment terms; and investigating improvements to the regulatory impact statement requirements to ensure greater business input into subordinate legislation and regulations.

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
1978	Legislative framework.	<ul style="list-style-type: none"> <li><i>Subordinate Legislation Act 1978</i> passed by Parliament.</li> </ul>	1978	
1981	Regulation review.	<ul style="list-style-type: none"> <li>Deregulation Unit established in the Premier's Department.</li> </ul>	1981	The unit was established in response to a Aug-1980 report on deregulation.
1985	Identification.	<ul style="list-style-type: none"> <li>Deregulation Task Force appointed to identify regulations that impeded economic development.</li> </ul>	1985	
1987	Review procedures established.	<ul style="list-style-type: none"> <li>Regulation review procedures issued under Cabinet authority.</li> </ul>	Jul-1987	
	Sunset provisions.	<ul style="list-style-type: none"> <li><i>Subordinate Legislation Act 1978</i> amended to set a timetable for expiry of existing regulations and required the inclusion of a sunset clause in all new regulations.</li> </ul>	1987	
1991	Revised state and local government health regulations.	<ul style="list-style-type: none"> <li>The <i>Public and Environmental Health Act</i> significantly reduced the level of specific regulation and rationalised administration between state and local governments.</li> </ul>	1991	
1993	Coordination of regulation.	<ul style="list-style-type: none"> <li>A Deregulation Office established to improve the state's regulatory environment by acting as a coordinator and specialist adviser to departments proposing or reviewing regulations.</li> </ul>	1993	In 1996 the Deregulation Office was merged with the Micro Economic Reform Branch in the Premier's Department.
	Centralisation of business regulation information.	<ul style="list-style-type: none"> <li>Establishment of a Business Licence Information Centre and abolition of a number of licences.</li> </ul>	May 1993	In 1997 codes of practice and local government licences were added to the Business Licence Information System.



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1994	Industry focused review.	<ul style="list-style-type: none"><li>• Consumer legislation was reviewed by the Office of Consumer &amp; Business Affairs; motor trades legislation was reviewed by the Deregulation Office; and aquaculture approvals streamlined.</li></ul>	1994
1996	Regulation review.	<ul style="list-style-type: none"><li>• Formal completion of review, repeal, and amendment of all consumer protection and occupational licensing legislation under the Consumer Affairs Portfolio.</li></ul>	Nov-1996

## MICROECONOMIC REFORMS IN AUSTRALIA

Year	Background/ Policy directions	Key reform action	Implementation period	Comments
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### REGULATION – TASMANIA

1983	Regulatory review.	<ul style="list-style-type: none"> <li>A Deregulatory Advisory Board established.</li> </ul>	1983	The Board comprised representatives from the private sector and reported directly to the Attorney General.
1992	Review procedures established.	<ul style="list-style-type: none"> <li>Regulatory impact statements and staged repeal process introduced.</li> </ul>	1992	
1993	Regulatory review.	<ul style="list-style-type: none"> <li>The Regulation Review Unit was established to oversee the administration of the provisions of the <i>Subordinate Legislation Act 1992</i> and to coordinate the systematic review of business legislation.</li> </ul>	1993	
1994	Review of legislation.	<ul style="list-style-type: none"> <li>Start of a review to consider the economic and social impacts (including the impact on competition) of certain legislation on business.</li> </ul>	1994	The aim was to minimise the legislative burden imposed on business and in turn improve the efficiency of the economy.
1995	Review of subordinate legislation.	<ul style="list-style-type: none"> <li>All subordinate legislation will be repealed by 2005, unless re-made and all new subordinate legislation will sunset after 10 years. New and remade subordinate legislation must meet sunrise tests (including the impact on competition).</li> </ul>	Mar-1995	
	Price monitoring.	<ul style="list-style-type: none"> <li>The <i>Government Prices Oversight Act 1995</i> came into effect. It established the Government Prices Oversight Commission (GPOC) as an independent body to investigate the pricing policies of monopoly GBEs and agencies.</li> </ul>	Jan-1996	An 1997 amendment to the Act was expected to extend coverage to local government monopoly services and to allow the GPOC to hear complaints regarding the application of the NCP CNP to both state and local government business activities.

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## REGULATION – WESTERN AUSTRALIA

1986	Sunset provisions.	<ul style="list-style-type: none"> <li>Five year sunset provisions introduced for new legislation, where appropriate.</li> </ul>	1986	
1991	Review procedures established.	<ul style="list-style-type: none"> <li>The Office of Economic Liaison and Regulatory Review was established to review proposals for new regulation affecting business, undertake regulation reviews and develop guidelines to improve the state's regulatory system.</li> </ul>	1991	
1993	Centralisation of business regulation information.	<ul style="list-style-type: none"> <li>The Business Licence Centre provided a 'one stop' source of information on State and Commonwealth business licensing and regulation.</li> </ul>	June 1993	The aim was to minimise the legislative burden imposed on business and in turn improve the efficiency of the economy.
	Public service reform initiative.	<ul style="list-style-type: none"> <li>The regulatory reform function was primarily undertaken as part of the government's public sector reform program overseen by a Cabinet Sub-Committee and supported by the Ministry of the Premier and the Cabinet.</li> </ul>	1993 ongoing	
1996	Legislation review.	<ul style="list-style-type: none"> <li>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.</li> </ul>	1996 ongoing	

## MICROECONOMIC REFORMS IN AUSTRALIA

<i>Year</i>	<i>Background/ Policy directions</i>	<i>Key reform action</i>	<i>Implementation period</i>	<i>Comments</i>
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### REGULATION – AUSTRALIAN CAPITAL TERRITORY

1992	Centralisation of business regulation information.	<ul style="list-style-type: none"> <li>The Business Licence Information Service enabled inquirers to obtain information and application forms on all government licences and permits required to conduct a business in the ACT.</li> </ul>	May-1992	
1995	Review of legislation.	<ul style="list-style-type: none"> <li>Completion of a review into legislation predating 1980.</li> </ul>	Jun-1995	42 laws were abolished and a program was established to modernise, integrate or abolish the remainder.
1996	Reform framework.	<ul style="list-style-type: none"> <li>The Government began implementation of the recommendations of the Red Tape Taskforce to minimise 'red tape' and unnecessary or inappropriate regulation.</li> </ul>	Feb-1996 ongoing	The Taskforce was established in May-1995. The Government established a Regulatory Reform Unit within the Department of Business, the Arts, Sport and Tourism to examine and assess all new regulatory proposals and develop regulatory guidelines.
	Licence and regulation review.	<ul style="list-style-type: none"> <li>Licences and regulations reviewed.</li> </ul>	1996-97	A number of Acts were overhauled, 75 were repealed and 650 identified for future repeal, as well as a number of licences were abolished
1997	Regulatory assessments.	<ul style="list-style-type: none"> <li>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.</li> </ul>	May-1997	

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## REGULATION – NORTHERN TERRITORY

1980	Simplification of land tenure system.	<ul style="list-style-type: none"><li>• Conversion of Crown leasehold tenure to freehold.</li></ul>	1981	This eliminated a considerable demand on government resources involved in lease administration and had the effect of greatly freeing up the land development and real estate industries in the Territory.
1987	Review procedures established.	<ul style="list-style-type: none"><li>• The Northern Territory Regulatory Review Committee was established to review existing regulations and clear all new proposals.</li></ul>	1987	
1992	Business licensing system.	<ul style="list-style-type: none"><li>• Development of a Business Licensing Information System which provided information on the Northern Territory and Commonwealth business licensing requirements.</li></ul>	1992 ongoing	The system is being upgraded to include local government information and land use information in a joint venture with the Commonwealth.

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