

Part 2 – Competition Reforms

1. Review of Australia's Anti-dumping and Countervailing System				
Reform Stream	Key Milestones	Primary Responsibility	Delivery Dates	Key Dependencies
Review of Australia's anti-dumping and countervailing system	- Productivity Commission (PC) to commence review	- Productivity Commission	- Review to commence in March 2009	
	- PC to finalise review	- Productivity Commission	- Review to be finalised in December 2009	
	- Release PC's final report	- Commonwealth	- By June 2010	
	- Release a government response to the PC review	- Commonwealth	- By June 2010	
2. Review of Parallel Import Restrictions on Books				
Reform Stream	Key Milestones	Primary Responsibility	Delivery Dates	Key Dependencies
Review of parallel import restrictions on books	- Productivity Commission (PC) to commence review	- Productivity Commission	- Review to commence by late 2008	
	- Release PC's final report	- Commonwealth	- By June 2009	
	- Release a government response to the PC review	- Commonwealth	- By December 2009	

3. Previously agreed energy market reforms

Reform Stream	Key Milestones	Primary Responsibility	Delivery Dates	Key Dependencies	
<p>Remove retail price regulation in electricity and natural gas markets where retail competition is agreed to be effective and reduce barriers to competition where it is agreed to be ineffective</p> <ul style="list-style-type: none"> Well-managed removal of retail price regulation in electricity and natural gas market sectors in all jurisdictions where retail competition is agreed to be effective Measures introduced to enhance retail competition in electricity and gas markets where the AEMC has found that competition is not yet effective in a market Where competition is not shown or agreed to be effective, regulated prices reflect efficient outcomes 	Report to MCE on:	AEMC	ACT: December 2010	TAS: only if full retail contestability introduced	
	(a) Effectiveness of competition in retail electricity and natural gas markets;	AEMC	NSW: December 2011		
	(b) Recommended measures to remove retail price regulation if competition is effective;	AEMC	QLD: December 2012		
	(c) Recommended measures to enhance retail competition if it is found to be ineffective.	AEMC	TAS: December 2013		
		Respond to the AEMC's findings. If it is agreed that competition is effective in that jurisdiction, develop a plan to carefully manage the removal of retail price regulation in electricity and natural gas markets.	ACT government	June 2011	Competition Review completed within 12 months
			NSW government	June 2012	
			QLD government	June 2013	
			TAS government	June 2014	
<p>Harmonisation of energy market legislation</p> <ul style="list-style-type: none"> Transfer of regulatory functions covering the non-economic regulation of energy distribution and retail businesses to the Australian Energy Regulator Review of derogations completed. 	Legislation to give effect to the National Energy Customer Framework introduced to South Australian Parliament, as lead legislator	South Australia	South Australian Parliament's Spring sitting 2010	Legislation approved by MCE	
	Application Acts to give effect to the National Energy Customer Framework passed in relevant	Commonwealth South Australia	By June 2013	Passage of lead legislation through SA Parliament	

	jurisdictions	(introduced with NECF package as above) Victoria New South Wales Queensland Tasmania Australian Capital Territory		
	Review of derogations in energy market legislation	Commonwealth South Australia Victoria New South Wales Queensland Tasmania Australian Capital Territory	By June 2014	Commencement of National Energy Customer Framework in relevant jurisdictions
Ensure adequate energy market investment The adequacy of investment in Australia's existing gas and electricity markets is assessed and necessary actions taken to ensure the market delivers efficient levels of investment.	Report to MCE on a framework for assessing the adequacy of energy market investment	Commonwealth South Australia Victoria New South Wales	by December 2010	N/A

		Queensland Tasmania Australian Capital Territory			
<p>Ensure balanced incentives for efficient demand side participation in energy markets.</p> <ul style="list-style-type: none"> Key recommendations of the AEMC Review of Demand Side Participation (Stages 1-3) implemented to enhance demand side participation in the NEM. Effective price signals for customers facilitated through the progressive roll-out of smart meters, in jurisdictions where net-benefits are expected. Energy efficiency promoted through greater provision of energy information to consumers (e.g. bill benchmarking). 	<u>Smart meters</u> (a) Development of national framework for smart meters (b) Review of pilots and trials to inform roll-out decisions (c) Decisions on roll-out or requirement for further analysis	MCE/AEMC		Regulatory and technical advice from the National Stakeholder Steering Committee (NSSC). Advice on cost recovery from the AEMC.	
		MCE	June 2012	Pilots and trials summary from the NSSC.	
		VIC government	Roll-out scheduled for completion by December 2013.		
		QLD, NT, ACT, WA governments	Pilots and trials and review roll-out decisions in June 2012.	Positive business cases from pilot and trial information.	
		NSW government	Completed roll-out by December 2017	Positive business case from the next stage of pilots and trials.	
		<u>Demand Side Participation Review</u> (a) Stage 1 (b) Stage 2 (c) Stage 3	AEMC	Stage 1: Published May 2008 (recommendations already implemented) Stage 2: Published December 2009	Stage 3: resolution of terms of reference.

	Approve regulatory obligations for Energy Bill Benchmarking	MCE	November 2010	Positive case in Regulatory Impact Statement approved by the Office of Best Practice Regulation.

4. National Access Regime				
Reform Stream	Key Milestones	Primary Responsibility	Delivery Dates	Key Dependencies
<p>National Access Regime</p> <ul style="list-style-type: none"> Wherever possible, promoting commercial negotiations as the means to determining terms and conditions of third-party access to services provided by means of significant infrastructure facilities Apply consistent regulatory principles to the National Access Regime, including 6 month time limits for regulator decisions, object clauses, regulated access prices, and limited merits review of regulatory decisions 	<p>Passage of the Trade Practices Amendment (Infrastructure Access) Bill 2009</p>	<p>Commonwealth</p>	<p>December-2010</p>	<p>Successful negotiations between Government and Opposition</p>
	<p>Commence Productivity Commission review of the National Access Regime, including the impact of the Bill</p> <p>This Productivity Commission review is to satisfy clause 8.1 of the CIRA (including a number of specific reform areas, noted under Infrastructure Reforms)</p>	<p>Commonwealth</p>	<p>Review to commence December 2012</p>	<p>Passage of the TPA amendment (Infrastructure Access) Bill 2009</p> <p>Agreed terms of reference for Productivity Commission review</p>

5. Infrastructure Reforms

Reform Stream	Key Milestones	Primary Responsibility	Delivery Dates	Key Dependencies
Certification of all State Access Regimes <ul style="list-style-type: none"> Apply regulatory principles outlined in CIRA (6 month decision time limit on regulators, object clauses, regulated access prices, limits on merits review) to specified access regimes in Appendix 1 of the CIRA 	<ul style="list-style-type: none"> Provide high-level progress report to COAG regarding the submission of third party access regimes for certification 	HoTs	December 2010	
	<ul style="list-style-type: none"> Submit third party access regimes for certification 	States	December 2010	None. Submitting regimes for certification does not require passage of Trade Practices Amendment (Infrastructure Access) Bill 2009.
	<ul style="list-style-type: none"> NCC to make certification recommendation on State Access Regimes 	NCC	June 2011	Submission of state third party access regimes to NCC by end 2010
	<ul style="list-style-type: none"> Commence Productivity Commission review, to consider the effectiveness of the CIRA, and assess the impact of: <ul style="list-style-type: none"> certification; and the CIRA regulatory principles on the National and state access regimes. 	Commonwealth	Review to commence December 2012	Review will be most effective if all state regimes are certified Agreed terms of reference for Productivity Commission review

<p>Interstate and major intrastate rail track/rail networks</p> <ul style="list-style-type: none"> Implement a simpler and consistent approach to access regulation of interstate rail track. 	<ul style="list-style-type: none"> HoTs – in consultation with the Ministerial Council for Federal Financial Relations (MCFRR) and, particularly, the WA Government – to decide whether to commission an independent cost-benefit analysis for applying the ARTC access model to the interstate track between Perth and Kalgoorlie; - If the decision is made not to undertake the cost-benefit analysis this reform stream may be considered closed. - If the decision is made to undertake the cost-benefit analysis, commission the analysis and consider the findings. 	HoTs	August 2010	Note that, in the absence of a decision to apply the ARTC access model, certification of third party access regimes will fulfil the CIRA objective of a simpler and consistent national approach to economic regulation of significant infrastructure.
		HoTs	June 2011	Decision on whether to undertake an independent study on applying the ARTC access model
	HoTS to consider the transfer of the Brisbane to NSW border standard gauge track to the ARTC in the context of implementing a simpler and nationally consistent system of rail access regulation.	HoTs	December 2010	Note that standard gauge rail track from Brisbane to the NSW border has been transferred on a long term basis to ARTC.

<p>Review and reform of significant ports</p> <ul style="list-style-type: none"> States to undertake transparent public reviews of the regulation and effectiveness of competition in ports and port authority, handling and storage facility operations at significant ports 	<ul style="list-style-type: none"> Queensland to ensure its review of the regulation of ports is in full accordance with the CIRA 	Queensland	December 2010	
	<ul style="list-style-type: none"> Implement recommendations from the competition/ regulation reviews of significant ports 	Western Australia, Queensland, NSW and Northern Territory Governments	March 2011	Queensland to ensure its review of the regulation of ports is in full accordance with the CIRA
	<ul style="list-style-type: none"> HoTs to consider, in the light of work by the Infrastructure Working Group (IWG) and related reform streams, whether any further review of the economic regulation of ports may be warranted. 	HoTs	June 2011	<p>Completion of ports reviews</p> <p>Release of National Ports Strategy</p> <p>Note that HoTs may consider the merits of referring a review of the economic regulation of ports to the Productivity Commission</p>

<p>Competitive Tendering principles</p> <ul style="list-style-type: none"> • Introduce legislative amendments so that Part IIIA declarations will not apply to government owned infrastructure whose access provisions are developed by a competitive tender process approved by the ACCC • Commonwealth and States and Territories to work together to develop a consistent set of criteria to operationalise Commonwealth amendments to Part IIIA of the Trade Practices Act 1974 	<ul style="list-style-type: none"> • Implement a consistent set of competitive tendering regulations to operationalise the amendments in the National Access Regime 	Commonwealth	June 2010	
	<ul style="list-style-type: none"> • Commence Productivity Commission review, to consider the effectiveness of the CIRA, and assess the impact of the competitive tendering regulations on improving conditions of access to government owned infrastructure facilities 	Commonwealth	Review to commence December 2012	<p>Implementation of competitive tendering regulations for the National Access Regime</p> <p>Agreed terms of reference for Productivity Commission review</p>
<p>Competitive Neutrality principles and reporting</p> <ul style="list-style-type: none"> • HoTs to develop a reporting mechanism for COAG regarding the enhanced application of competitive neutrality principles to government business enterprises (“GBEs”), requiring GBEs to conduct their operations with: 	<ul style="list-style-type: none"> • Annual submission of HoTs competitive neutrality matrix to COAG for review 	HoTs	<p>June 2010</p> <p>June 2011</p> <p>June 2012</p>	

<ul style="list-style-type: none">- Clear commercial objectives unless non-commercial objectives are clearly specified in their governing legislation;- Clear governance, accountability and transparency; and- Strong reporting requirements including annual public reports on commercial performance				
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6. Rationalisation of occupational licences				
Reform Stream	Key Milestones	Primary Responsibility	Delivery Dates	Key Dependencies
Rationalisation of occupational licences	- Based on Productivity Commission (PC's) list of occupations, advise BRCWG on scope for rationalising licences	- States and Territories	- By early 2009	
	- COAG to agree options	- COAG	- By early 2009	
	- Introduce legislation and complete all related transitional arrangements by end 2009	- States and Territories	- By December 2009	
	- BRCWG to consider further scope for reform by September 2010 in order to allow for the progress of related reform areas including consumer policy frameworks, health professional registration and accreditation and licences of tradespeople	- BRCWG	- By September 2010	

7. National Transport Reforms				
Reform Stream	Key Milestones	Primary Responsibility	Delivery Dates	Key Dependencies
<p>National framework for regulation, registration and licensing of heavy vehicles</p> <ul style="list-style-type: none"> - Establishment of a single national regulator to administer a body of national heavy vehicles laws for all vehicles over 4.5 tonnes, including a national registration scheme - The national framework will also lead towards a consistent approach to heavy vehicle driver competency and testing standards, and heavy vehicle driver training school recognition and a single, physical heavy vehicle driver licence 	Australian Transport Council (ATC) progress report to COAG on reform progress and draft National Partnership Agreement (NPA)	ATC/ Standing Committee on Transport (SCOT)	June 2010	
	NPA to COAG for consideration	ATC/SCOT	December 2010	- Effective negotiation of the draft NPA by ATC
	Transitional arrangements agreed	ATC/SCOT	December 2011	- Effective negotiation of the transitional arrangements by the ATC
	Full implementation, including national law, service level agreements between the national regulator and States and Territories and development of one-stop shop mechanisms	ATC/SCOT	December 2012	<ul style="list-style-type: none"> - Establishing agreed transitional arrangements - Policy priority by States and Territories to achieve legislative and parliamentary timeframes
	Review of the overall economic impact of the new national framework	Productivity Commission	Completed by December 2016	- Dependent on a comprehensive implementation of the option

Single national rail safety regulatory framework and rail safety investigation framework	ATC progress report to COAG	ATC	June 2010	
National rail safety regulator	Development of draft NPA, including detailed delivery plan	ATC/SCOT	December 2010	
- Establishment of a national rail safety regulator to administer national rail safety regulation	ATC report to COAG on progress in establishing a rail safety investigator	ATC/COAG	June 2010	- Clear negotiations with all jurisdictions on rail safety investigation
- Establishment of branch offices of a national regulator in all main State capital cities (i.e. excluding NT, Tas and ACT) to administer safety functions and liaise with industry	NPA to COAG for consideration	ATC/SCOT	June 2011	- Effective negotiation of the draft NPA by ATC -
Rail safety investigator	Full implementation of the national rail safety regulator, including national law and establishment of branch offices of a national regulator, and implementation of the ATSB's extended role	ATC/SCOT	December 2012	- Establishing agreed transitional arrangements - Policy priority by States and Territories to achieve legislative and parliamentary timeframes
- Extending the role of the Australian Transport Safety Bureau (ATSB) to cover almost all commercial rail operations in Australia	Review of the overall economic impact of the new national frameworks	Productivity Commission	Completed by December 2016	- This is dependent on a comprehensive implementation of the option

<p>National approach to Maritime Safety regulation</p> <ul style="list-style-type: none"> - Establishment of a single national maritime regulator to establish and maintain national uniformity in commercial maritime vessel standards, regulations and administration - A transitional period will apply to allow the development and passage of national and jurisdictional legislation and arrangements to facilitate the establishment of national systems to support AMSA's role as the national commercial vessel regulator when the national system comes into effect in 2013 	COAG to consider a National Partnership Agreement (NPA) for a single national maritime regulator	ATC/SCOT	July 2010	
	COAG to consider proposed financial arrangements to underpin the Agreement	ATC/SCOT	June 2011	
	Commencement of transitional process to develop and pass national and jurisdictional legislation	ATC/SCOT	March 2012	- Maintenance of effective inter-jurisdictional arrangements to manage transitional arrangements
	Full implementation	ATC/SCOT Commonwealth, States and Territories AMSA	January 2013	- Dependent on the effectiveness and smooth running of transitional arrangements
	Review of the overall economic impact of the new national framework	Productivity Commission	Completed by December 2016	- The review would have to be undertaken in a meaningful timeframe post implementation in order to assess the full impact of the reforms

8. Road Reform Plan				
Reform Stream	Key Milestones	Primary Responsibility	Delivery Dates	Key Dependencies
<p>Review of pricing options, including their feasibility and industry impacts to ensure the more efficient, productive, safe and sustainable use of freight infrastructure</p> <p>Policy</p> <ul style="list-style-type: none"> - Establish the objectives and principles any new pricing framework must meet - Develop an assessment framework consistent with those objectives and principles - Provide on-going advice for the technical streams <p>Pricing</p> <ul style="list-style-type: none"> - Identify, develop and assess pricing structure options against the policy framework - Undertake the research required to support the new pricing structure <p>Legal and Regulatory</p> <ul style="list-style-type: none"> - Consider the legal constraints and implications of various pricing options - Consider the required regulatory and institutional frameworks which would be required to optimise the benefits of various pricing models <p>Business</p>	<ul style="list-style-type: none"> - Australian Transport Council (ATC) to report initial feasibility study assessment of high level options 	<ul style="list-style-type: none"> - ATC - COAG Road Reform Plan Project Board (chaired by Victoria) 	<ul style="list-style-type: none"> - Completed by December 2010 	<ul style="list-style-type: none"> - Elements of the work program are reliant on the outcomes of work from earlier streams - Appropriate sequencing of work - Ensuring progress is transparent (which is occurring in the current work plan with the 'staged' reporting of work streams)
	<ul style="list-style-type: none"> - ATC to report identification of detailed scenarios from feasibility studies 	<ul style="list-style-type: none"> - ATC 	<ul style="list-style-type: none"> - Completed by June 2011 	
	<ul style="list-style-type: none"> - Final Feasibility Study Report to COAG for consideration 	<ul style="list-style-type: none"> - ATC 	<ul style="list-style-type: none"> - December 2011 	
	<ul style="list-style-type: none"> - Consultation RIS finalised (if required) 	<ul style="list-style-type: none"> - ATC 	<ul style="list-style-type: none"> - Completed by May 2012 	<ul style="list-style-type: none"> - The requirement for a consultation RIS is dependent on the outcome of COAG's consideration of the feasibility study report
	<ul style="list-style-type: none"> - ATC recommendations on charging arrangements (and associated decision RIS) to COAG 	<ul style="list-style-type: none"> - ATC 	<ul style="list-style-type: none"> - Completed by December 2012 	<ul style="list-style-type: none"> - ATC agreement in November
	<ul style="list-style-type: none"> - Development of an implementation plan for the option agreed by COAG 	<ul style="list-style-type: none"> - ATC 	<ul style="list-style-type: none"> - Completed by March 2013 	<ul style="list-style-type: none"> - COAG consideration of preferred option that is different from status quo

<ul style="list-style-type: none"> - Consider the business systems required to collect the charge and the financial and compliance system and technology implications which result from the various models 				
<p>Implementation of appropriate pricing option</p> <p>Report Outcomes</p> <ul style="list-style-type: none"> - Identification of detailed pricing scenarios and associated supporting frameworks - Identification of preferred options for detailed cost benefit analysis – considering all the costs of implementation, e.g. political, economic, social, technological and environmental - Work plan for implementation/next steps of policy options, including RIS requirements and proof of concept design <p>Stakeholders/Industry Liaison</p> <ul style="list-style-type: none"> - Coordinate and consult with key stakeholders across the reform - Gather industry input and feed into ongoing development of feasibility study - Lead negotiations between governments, transport operators and motorists 	<ul style="list-style-type: none"> - Commonwealth, States and Territories to implement preferred option 	<ul style="list-style-type: none"> - ATC - Commonwealth, States and Territories 	<ul style="list-style-type: none"> - Completed by December 2014 	<ul style="list-style-type: none"> - Clear communication of what implementation requires of the Commonwealth and States and Territories - Parliamentary/legislative priority - These dependencies can be managed in part by clear centralised implementation work planning, managed by the project board (or any alternative agreed governance framework)
<p>Review of implementation outcomes</p>	<ul style="list-style-type: none"> - Review impact of pricing option implementation 	<ul style="list-style-type: none"> - Productivity Commission 	<ul style="list-style-type: none"> - Completed by December 2018 	<ul style="list-style-type: none"> - This is dependent on a comprehensive implementation of the option - The review would also have to be undertaken in

				a meaningful timeframe post implementation in order to assess the full impact of the reforms
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