

The Competition Policy Review

Professor Ian Harper

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The Panel's task

- Four-person Panel:
- Ian Harper (Chair), Peter Anderson, Su McCluskey, Michael O'Bryan QC
- Twelve-month timeframe with broad terms of reference
- More than 150 meetings with stakeholders including public consultations across Australia
- Almost 350 submissions in response to the Issues Paper and around 600 submissions to the Draft Report

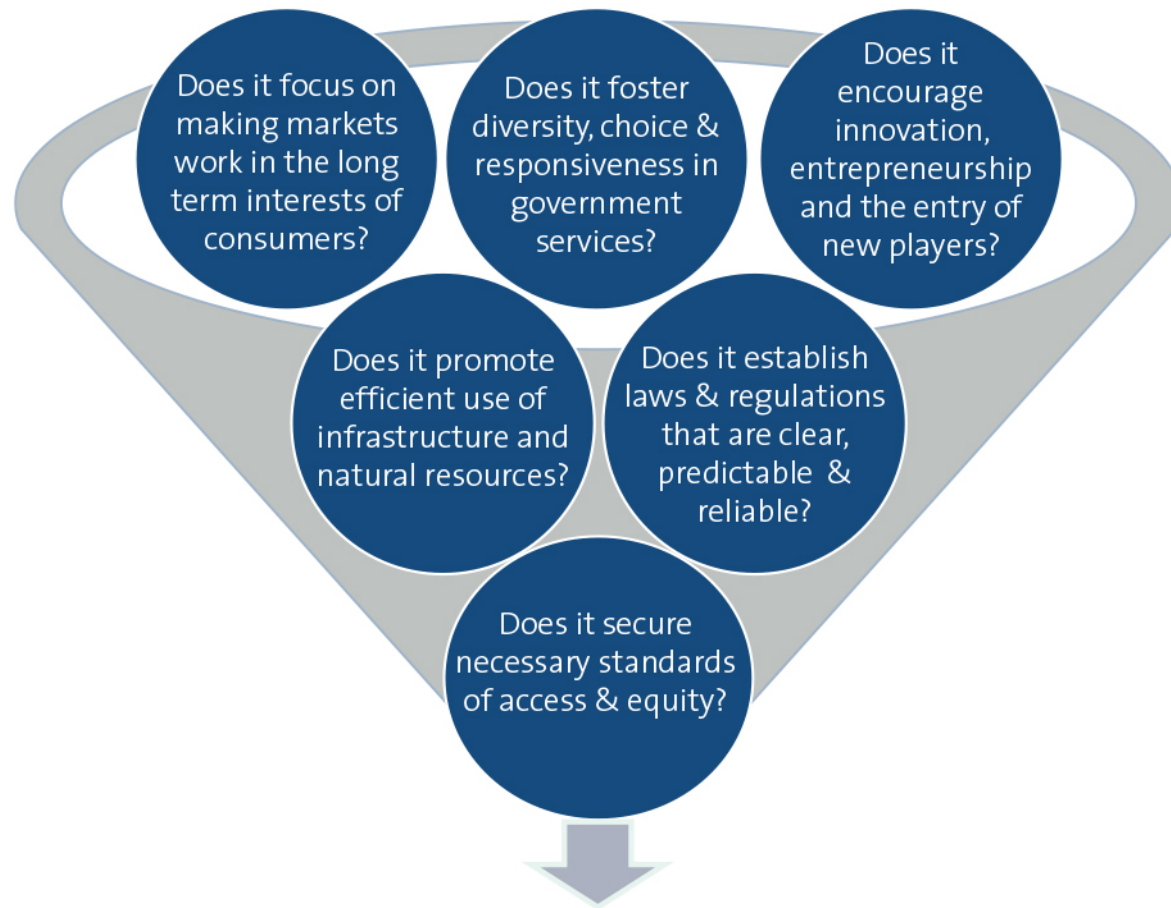
The need for reform

- **A new agenda for microeconomic reform**
 - strengthening competition policy, competition law and competition institutions
- **Reform is essential**
 - to boost productivity & sustain living standards as the mining investment boom wanes
 - to respond to globalisation, population ageing & digital revolution

The reform challenge

- Hilmer drove competition into **non-tradable sectors**
- Now need to drive competition **across the economy**
- **National** challenge directed at all levels of government
- Delivering benefits in **all jurisdictions**

We have assessed Australia's competition policy to see if it is still 'fit for purpose'.



Major forces for change



Globalisation

Ageing population

Digital revolution

Recommendations

- We recommend changes in three main areas:
 - Competition policy
 - Competition law
 - Competition institutions

Priority policy reforms

- Greater choice & competition in **human services** with separation of policy (including funding), regulation & provision
- Greater focus on competition in government **procurement** and **privatisation**
- Competition consideration in **intellectual property**
- Reform **transport systems** (roads, sea and air)
- Competition considerations in **planning & zoning**
- Finish reform of **electricity, gas and water**

Competition principles for human services



- Promote user choice
- Separate policy, regulation and service delivery

Competition principles for human services



- Commissioning should have a clear focus on outcomes

Competition principles for human services



- Encourage diversity of provision
- Encourage innovation in service delivery

Reforms to competition institutions

- **Australian Council for Competition Policy**
 - An advocate for reform to replace National Competition Council
 - A co-ordinator of trials across jurisdictions and a clearinghouse for ideas
- **Access and Pricing Regulator**
 - A regulator to govern access and pricing in network industries
 - Subsumes Australian Energy Regulator
- **ACCC**
 - Improved separation of governance from day-to-day management

Implementation

- Final Report includes implementation **'roadmap'**
 - priority issues, timelines & model legislative provisions
- In **human services**:
 - need for **careful consideration** and refinement over time
 - emphasis on **trials and pilots** to be nominated within 12 months of acceptance and **results shared** through ACCP
 - difficulties should **not** mean that competition reforms are simply abandoned