

POLICY UPDATE

Purpose:

This policy update is intended to provide a brief and general review of the most recent government policies, strategies and initiatives in major policy areas at both federal and state level.

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IN FOCUS

Federal Government:

Major policy events at the federal level include:

- Government introduced legislation to repeal 10,000 pieces of legislation and regulation.
- The terms of reference for the review of the Renewable Energy Target was released. The review is to examine the RET's effective on reducing emissions as well as costs and benefits for the renewable energy sector, manufacturing sector and Australian households.
- Legislation is currently before the parliament to repeal the *Australian Charities and Not-for-profits Commission*.
- The Government has introduced legislation to re-establish the Australian Building and Construction Commission.
- Introduced legislation to abolish the *Clean Energy Finance Corporation*.
- The Transport Minister released *Trends*, a publication forecasting the nation's infrastructure position through to 2030.
- Government introduced Farm Finance Concessional Loans to primary producers affected by drought.

For more information: http://www.dpmc.gov.au/media/previous_executive.cfm

Reducing Red Tape

The Federal made the following reforms on its 'repeal' day on 26 March 2014:

- Establishing a 'one-stop' shop for offshore petroleum environmental approvals.
- National business to operate under a single workers' compensation scheme.
- Slow moving machinery (e.g. concrete mixers) will no longer need to be registered as motor vehicles.
- The repeal of aged care certification requirements that are duplicated by state and territory legislation.
- Removing the requirement for certification of the APEC Business Travel Card for Australian citizens.
- Extending streamlined student visa processing to more non-university providers.
- Simplifying the patent application process when applying for the same patent in Australia and New Zealand.
- Credit and debit cards to become the Government's preferred payment option for purchases under \$20,000.

Source: <http://www.joshfrydenberg.com.au/guest/mediaReleasesDetails.aspx?id=83>

REGULATORY DECISIONS & POLICY REFORM

ACCC

- The Federal Court has confirmed the ACCC's jurisdiction to arbitrate access disputes.
- Released its 2014 Compliance and Enforcement Policy.
- Issued a draft determination to grant Victoria's electricity distributors authorization to maintain an accreditation scheme for civil contractors.
- Issued a draft decision proposing to grant authorization to a group of Queensland Coal producers, the RG Tanna Export Terminal Producers, to collectively negotiate with Gladstone Ports Corporation.
- Announced it will not oppose a proposed acquisition of Onesteel Sheet and Coil by BlueScope.
- Announced it will oppose the acquisition of Macquarie Generation by AGL Energy Limited.
- Released its draft decision on pricing for bulk water supplied by State Water Corporation in the NSW Murray-Darling Basin during 2014-17. It rejected a 80/20 fixed/variable charges ratio of 80/20 in favour of maintain the current 40/60 split.
- Initiated Federal Court proceedings against Coles and Woolworths regarding breaches of their undertakings on fuel shopper docketts.
- Released the *State of the Energy Market 2013* report. Key issues arising from the report included: a fall in electricity demand resulting in surplus generation capacity, more stable retail prices in most jurisdictions and the continuing transition to the national regulation of retail energy markets .

For more information: <http://www.accc.gov.au/media/media-releases>

ASIC

- Released its seventh market supervision report. Key outcomes included: 26 instances of pre-emptive supervision action, seven enforcement outcomes for insider trading offences and seven infringement notices issues by the Markets Disciplinary Panel.

For more information: <http://www.asic.gov.au/asic/ASIC.NSF/byHeadline/Media%20centre>

AER

- Published an issues paper setting out its proposed approach to regulating alternative en-

ergy selling models under the National Energy Retail Law.

For more information: <http://www.aer.gov.au/publications>

Productivity Commission

The Productivity Commission's current project include:

- An inquiry into Australia's civil dispute resolution system, focusing on constraining costs and the promotion of access to justice and equality before the law.
- An inquiry into public support for Australia's automotive manufacturing industry. Specifically, the Commission is looking into international market and regulatory factors impacting the industry, and identifying and evaluating possible alternative public support mechanisms.
- An inquiry into future options for childcare and early childhood learning. Focusing on current and future need for childcare in Australia, particularly in light changes in work patterns, early learning needs and affordability.
- A research study assessing geographic labour mobility within Australia and its role in the labour market. Specifically, examining the implications of structural, demographic and technological developments to the labour market and labour mobility.
- A 6 month public inquiry into ways to encourage private financing and funding for major infrastructure projects, including dealing with issues relating to the high costs and long lead times associated with these projects.
- Recently completed a project on Tasmanian Shipping and Freight. The inquiry covered shipping costs, competition and shipping industry competitive structures across the Bass Strait.
- The Productivity Commission has also recently released its *Report on Government Services 2014*. The report helps to drive improvements in policy and service design and delivery.
- Released a '*Environmental Policy Analysis: A Guide to Non-Market Valuation*' in January 2014. The paper examined the validity and reliability of various non-market valuation methods.

For more information: <http://www.pc.gov.au/projects>

QUEENSLAND

Energy & Water Supply

- Recently completed the three-month consultation period for developing a 30-year water and energy strategy.
- Announced that the mandated 8 cent tariff paid to PV Solar owners by Energex and Ergon will end on 30 June 2014.
- A review into who is allowed access to the Queensland Energy and Water Ombudsman was announced.
- A review of the Water and Sewerage Services Code was announced in mid-February.

Transport & Main Roads

- Released the *Queensland Transport and Roads Investment Program 2013-14 to 2016-17*.
- Translink has been transitioned from a statutory authority into the Department of Transport and Main Roads.
- Queensland Rail has been transitioned from a Government-owned corporation (GOC) to a statutory authority.
- Tenders have been called for \$40 million of upgrade works to improve the disability access of four train stations.
- Outback Way will receive \$24.5 million in a road funding agreement between local, state and federal governments.

Education

- Amendments have been made to the recruitment process for Queensland State School Principals. Changes include the direct involvement of Parents & Citizens Associations, principals seeking relocation are to be assessed by a panel and that appointments are to be considered from the widest possible pool of applicants.

State Development Infrastructure & Planning

- The development of the *Regional and Resource Towns Action Plan* has been completed.
- Adani Group's Galilee Transmission has announced a proposal for a major transmission line to power the development of the \$5.9 billion Carmichael coal mine near Clermont in central Queensland.

Natural Resources & Mines

- Announced an investment \$1.5 million in improved irrigation technology and water management.
- A Bill was introduced allowing for rolling term lease arrangements for agriculture, grazing and pastoral land, including state forests and timber reserves.

Queensland Competition Authority

- Released a Position Paper outlining its ideas for a new 'light handed' regulatory framework for water retailers in SEQ, noting that significant monitoring activities have taken place over the past five years without finding evidence of the abuse of market power.
- Released an Issues Paper on regulatory reform to promote the growth of aquaculture in QLD. A draft report will be released for public comment in May before the final report is delivered to the State Government on 15 September 2014.
- Recommended reforms to streamline regulation of CSG industry without changing the environmental standards or the rights of landowners.
- Published its final report into Price Disparities for Disability Aids and Equipment, identifying the factors responsible for differences between local and international prices, concluding that it is unlikely that the conditions exist for the widespread use of market power

Other

- The Federal Government announced that Brisbane Airport will not be subject to a curfew.

For more information:

<http://www.dsdip.qld.gov.au/news-media-events/media-releases.html>

NEW SOUTH WALES

Half-Yearly Budget Review¹

- Real Gross State Product growth forecasts for 2013-14 and 2014-15 have been revised down by 1/4 percentage points to 2.5 per cent.
- Unemployment is forecast to increase to an average of 6.25 per cent in 2014-15.

Transport

- NSW Government reached agreement with Transurban and the Westlink M7 shareholders to deliver the NorthConnex motorway.
- The Government's Opal electronic ticketing card system rollout for train stations is due to be completed by 11 April 2014.

Health

- Announced a four-year \$120 million Integrated Care funding commitment.

Environment

- New regulations have been implemented, designed to remove barrier to renewable energy production. The Environment Protection Authority (EPA) now requires all private electricity providers to keep detailed records of the amount and origin of biomass that they receive and burn.

Water

- Funding for \$40 million in regional infrastructure projects to promote water security. These projects may include dam augmentations, pipeline and bore works, and the rollout of water efficiency mechanisms.

Regulatory

- NSW Fair Trading announced it will be holding retailers offering 'cash back' incentives to account.

For more information: <http://www.nsw.gov.au/news>

IPART

- Released a draft for Broken Hill water and sewerage prices for public feedback. The overall price changes are substantial less than that requested by Essential Energy.
- Begun its review into regulated retail gas prices in order to make its determination on prices from 1 July 2014.
- In December 2013 released its annual performance reports for NSW electricity and gas retailers. The report finds that the number of customer complaints has increased, while the rate of disconnection has stabilised for elec-

tricity and fallen for gas.

- In December 2013 proposed placing a freeze on Sydney taxi fares, as well as issuing 190 new annual taxi licenses in 2014/15. IPART claims that the freeze would result in a real decrease of taxi fares of 3.5% compared to 2012 prices.
- The NSW Government has requested IPART review the fees charged by the NSW Trustee and Guardian.
- Commenced a review of the rate of return and remaining mine life that will apply to RailCorp's sectors of the Hunter Valley Coal Network for 5 years from 1 July 2014.
- Proposed a new approach to estimate the cost of debt based on RBA estimates of credit spreads.
- Reviewing the compliance of RailCorp with the provisions of the NSW Rail Access undertaking.
- Undertaking a review of the prices that the Valuer-General can charge for land valuation services provided to councils for rating purposes.

For more information: http://www.ipart.nsw.gov.au/Home/Publications/Media_Releases

Small Business Commission

- TAFE NSW and the Group Training Association of NSW and ACT have signed a Memorandum of Understanding in an effort to increase apprenticeship and traineeship completion rates.

For more information: <http://www.smallbusiness.nsw.gov.au/news-and-publications>

VICTORIA

Transport

- Announced projects intended to deliver a 30 per cent capacity increase on the Cranbourne-Pakenham Rail Corridor
- Released its Accessible Public Transport Action Plan 2013-17. The Report aims to ensure access to public transport for people with disabilities, the elderly and those with children.
- Government announced it will contribute \$1.4 million toward the redevelopment of Hamilton Airport.
- The Government announced its intention to unlock under-utilised land to deliver improved railway stations, housing, commercial and public spaces through its *Station Precinct Enhancement Program*.

Health

- The Government is investing \$36 million to support the implementation of a new Mental Health Act.

Justice & Attorney-General

- A Commercial Arbitration and Mediation Centre has been launched as the result of a memorandum of understanding between the Department of Justice, Victorian Bar, Law Institute of Victoria and the courts.

For more information:

<http://www.vic.gov.au/government-economy/publications-information/media-releases.html>

Victorian Competition & Efficiency Commission

- The Treasurer released the Commission's inquiry into problem gambling and its response in September 2013.

For more information:

<http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/Countingthecost-Inquiryintothecostsofproblemgamblingdraftreport.pdf>

Essential Services Commission

- Pricing Proposal for Patterson Lakes Special Drainage Area, summarising the outcomes, actions and expenditures that Melbourne Water proposes to undertake, and its pricing proposal over the remainder of the 2013 regulatory period.
- Published *Assessing the Financeability of Victorian Water Businesses*
- Published *Rural Price Review 2013-14*, examin-

ing existing water tariff arrangements and propose revision to the rural tariff structures.

- Published its ninth annual report on the performance of the Victorian urban water businesses.
- In Jan 2014 published a revised version of its *Energy Retailers Comparative Performance Report—Customer Service 2012-13*.

For more information:

<http://www.esc.vic.gov.au/News-Events>

SOUTH AUSTRALIA

Economy

- In December 2013, the Mid-Year Budget Review forecast government net debt to be \$6.6 billion in 2013-14.
- The Budget Review also showed that tax and GST revenue has fallen by \$213 million across the forward estimates.

Transport

- The Government has initiated a tender process for a range of infrastructure projects in Adelaide and rural South Australia.
- An election commitment was made by Labour to introduce new power pricing structures designed to ensure that remote communities pay approximately the same as customers connected to the grid.
- Duplication of the Smith Creek Bridge at Reynella has entered its final stages.

Energy

- The Government has approved the Ceres Project, a \$1.5 billion, 197-turbine wind farm.

Regulatory²

- Commission issued a water industry retail licence to the South Mallee District Council
- Consulting on jurisdiction service standards for Envestra during the next regulatory period (2016-2021).
- Released its Final Decision on its proposed methodology to fulfil its obligation to review the National Energy Retail Law.
- Amended Gas Industry Guideline No. 1

For more information:

<http://www.escosa.sa.gov.au/publications.aspx>

<http://www.premier.sa.gov.au/index.php/media-centre/news-archive>

WESTERN AUSTRALIA

Transport

- Federal Government has committed to upgrading the Great Eastern Highway. State Government has allocated \$24.9 million to the upgrade.
- The government has approved/'green-lighted' a private public partnership between the Dampier Port Authority and a successful bidder to boost its port capacity.
- A \$8.1 million contract was awarded to Georgiou Group to construct a new bridge over the Gennough River.
- Announcement of a \$7.5 million upgrade to Kenwick train station.

Water

- Released a guide on the stamp duty requirements for water licensing.
- Published an Annual compliance report on the Environmental management of groundwater from the Gnangara and Jandakot mounds.
- The refurbishment of 1.5km of wastewater pipes in Mount Lawley and East Perth has been completed

State Development

- Published its Disability Access and Inclusion Plan (DAIP). The DAIP was to review feedback on its current plan and consider possible improvements and key strategies to increase and inclusion for people with disabilities.

Health

- Women are now able to book their mammograms with BreastScreen WA using an online booking system

Environment

- A new oxygenation plant will be constructed to help reduce the impact of algal blooms and prevent fish kills in the Canning River

Attorney-General

- Announced a complete review of the Dangerous Sexual Offenders Act.

Economic Regulatory Authority (ERA)

- Public submissions to the Inquiry into Micro-economic Reform have now been received.
- The five main areas identified for consideration by the Inquiry are: reviewing Government ownership of assets and businesses; improving the efficiency of State infrastructure spending, planning and utilisation; reviewing the efficiency of current State Government taxes and charges; reducing the cost of complying with red tape; and examining current restrictions on product markets.
- Published the *Gas Access Arrangement Guideline* to provide an overview of the rules applying to access arrangements for regulated gas transmission and distribution pipelines.
- Published rate of return guidelines for gas transmission and transmission distribution networks.
- Approved the revised Maximum Reserve Capacity Price for the 2016/17 Capacity Year of \$176,800 per MW per year.
- Published an invitation for submission of public comment on an application by Goldfields Gas Transmission Pty Ltd for an expansion to the Goldfields Gas Pipeline to not be covered/regulated.
- All complaints regarding water services from residents and small business customers can now go directly to the Energy and Water Ombudsman.

Other

- The WA Government has signed a \$2.25 million co-operative marketing deal with Jetstar

For more information:

<http://www.mediastatements.wa.gov.au/Pages/Default.aspx>

<http://www.erawa.com.au/news>

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- Microeconomic analysis
- Regulatory and network economics
- Regulatory compliance and strategy
- Modeling
- Economic impact analysis
- Public policy
- Competition policy analysis
- Expert testimony
- Commercial advisory

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