COAG Reform Council

Seamless National Economy: Final report on performance

Report to the Council of Australian Governments

24 December 2013

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The Hon Tony Abbott MP
Prime Minister of Australia
Parliament House
CANBERRA ACT 2600

COAG Reform Council

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Dear Prime Minister

On behalf of the COAG Reform Council, I am pleased to present *Seamless National Economy: Final report on performance*.

In 2009, all Australian governments agreed the National Partnership Agreement to Deliver a Seamless National Economy and committed to implement a suite of competition and regulatory reforms to enhance national productivity and prosperity. Each year, we have reported on progress implementing these reforms. This is our last such report under this agreement.

Our report shows that, over the five years of the agreement, the majority of the reforms have been implemented. Of 45 reforms we report on, 31 are complete or on track to be complete.

Over its 21 years, COAG has been at the forefront of reforms to open up our economy to make it more competitive and dynamic and thereby build our wealth and prosperity. Although the Seamless National Economy agreement is finished and most of its component reforms have been implemented, there is an ongoing need for competition and regulatory reforms to maintain and enhance our competitiveness.

On this, we have two key recommendations this year. First, COAG should take steps to deliver the key unfinished business from the Seamless National Economy agreement, most notably ongoing energy, transport and infrastructure reforms. Second, in considering any future reform agendas, COAG should take note that greater progress was made on reforms that attracted reward payments under this agreement than on those reforms that did not attract reward payments. This echoes findings on financial incentives for governments under the earlier National Competition Policy framework.

We trust that the findings in this report will assist COAG to drive further reforms in the national interest.

Yours sincerely

JOHN BRUMBY
Chairman

prices
licensing
harmonisation
competition
regulation
microeconomic reform
national consistency
seamless national economy
maritime safety
consumers
wealth
productivity
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consumer law
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energy market
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directors' liability
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infrastructure
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trade measurement

About this report

Seamless National Economy: progress over five years

All Australian governments signed the National Partnership Agreement to Deliver a Seamless National Economy in January 2009. In doing so, they committed to implement a suite of competition and regulatory reforms to reduce regulatory variation between the States and Territories, and achieve greater national productivity and prosperity.

In this National Partnership, the Commonwealth Government agreed to make $550 million available to State and Territory governments over five years. At the start of the agreement, the Commonwealth paid $100 million to facilitate reforms. In the later years of the agreement, $450 million was available as reward payments based on performance implementing the reforms. To date, the Commonwealth Government has paid $264 million in reward payments to governments (Commonwealth Government 2013, p. 4).

Each year under the agreement, the COAG Reform Council assessed and reported publicly on the performance of governments in implementing these agreed reforms. This is our last such report.

Structure of the report

We have organised our report around two broad categories of reforms included in the implementation plans for the National Partnership Agreement to Deliver a Seamless National Economy:

- Deregulation priorities: these are the 27 reforms in the agreement that attract reward payments.
- Other competition and regulatory reforms: these are the remaining reforms under the agreement that do not attract reward payments.

Milestones and outputs

There are a number of implementation plans under this National Partnership that detail actions and responsibilities for each reform. For each reform there is an ‘output’, which specifies the reform that is to be achieved, and ‘milestones’, which are the steps to achieve the output.

This report has a section for each reform where there is either a milestone that falls due in 2012–13 or overdue milestones from a previous assessment year. In each section, we assess if these milestones are complete, and then give a final assessment of whether the output has been achieved after five years. Reforms that were completed in previous years are detailed in Appendix B.

We summarise our assessments using the traffic light scheme shown below.

	Assessment					
Output		Complete or On track		Partially complete or Off track		Not complete or Stalled
Milestone		Complete		Partially complete or Completed late		Not complete

prices
licensing
harmonisation
competition
regulation
microeconomic reform
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Seamless National Economy: key findings

After five years, governments have completed 31 of the 45 reforms covered by the National Partnership. 11 reforms are partially completed and three are not completed. Many significant reforms have been achieved. However, some important reforms remain to be done and need further attention from COAG.

This is our final report on the National Partnership Agreement to Deliver a Seamless National Economy. In it, we reach a final view on whether each reform output has been completed. We also assess whether reforms are on track to be completed where their deadline is after 30 June 2013.

Governments completed nine more reforms in 2012–13

Last year, we reported 22 reforms completed. This year, governments have completed a further nine.

- The national electronic conveyancing system is largely complete, delivering benefits estimated by the Australian Registrars' National Electronic Conveyancing Council at $580 million over 17 years. The first transaction took place on 18 June 2013.
- National regulators are now largely in place for maritime safety and rail safety.
- Oil and gas reforms have been achieved, delivering significant benefits to this sector, which contributes approximately 2 per cent of Australia's gross domestic product.
- Most areas of consumer credit are now subject to nationally consistent consumer protections.

At the outset of this process, the Productivity Commission estimated that full implementation of the Seamless National Economy reforms would lower business costs by $4 billion each year and could deliver productivity improvements increasing GDP by up to $6 billion. Actual benefits achieved await a further assessment. However, a significant number of the reforms have been implemented, so a substantial proportion of the potential benefits could accrue to the Australian economy.

Over five years, a number of major reforms have been achieved

Over the five years of the agreement, key achievements include:

- A national health practitioner registration and accreditation system ensuring nationally consistent standards for a range of health professionals.
- An Australian Consumer Law providing a single national set of consumer protections. In 2012, the Productivity Commission estimated the net benefit of this reform at more than $1 billion per year.
- Reforms to Personal Property Securities were completed, combining 70 different Commonwealth, State and Territory laws and 40 different registers into one national system, delivering benefits estimated by the Productivity Commission at $160 million per annum.
- Governments have standardised business reporting, including adopting consistent terms and electronic lodgement, with estimated benefits of $500 million per year.

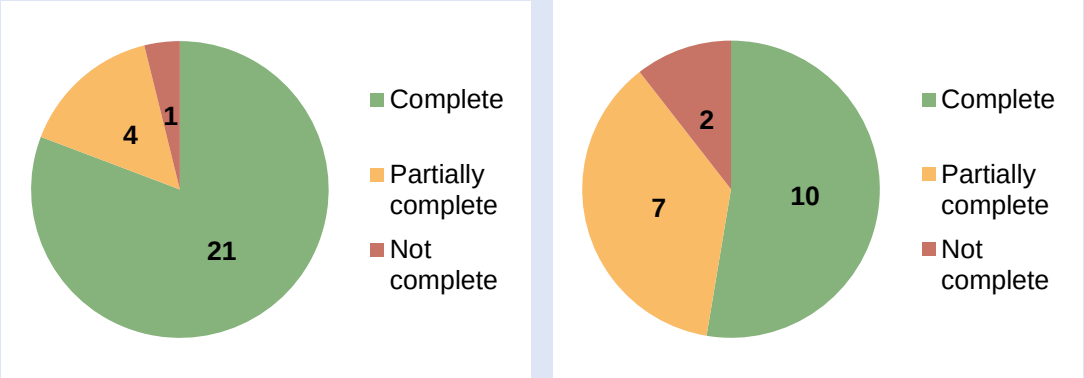
Substantial progress has been made toward some other reforms that are not yet complete, including:

- a national Occupational Health and Safety system, with all jurisdictions now covered except Western Australia and Victoria
- a nationally consistent approach to applying corporate fault to directors.

Reward payments matter

Over the life of the agreement, governments have made better progress implementing the reforms that attract reward payments than they have made on the reforms that do not attract reward payments. After five years of this National Partnership, governments have completed 21 of 26 reward reforms, and 10 of 19 non-reward reforms.

Progress on reward reforms (left) and non-reward reforms (right)



COAG should keep a close eye on significant reforms that remain to be done

Our recent report *Lessons for federal reform: COAG reform agenda 2008–2013* found that there is a need to more effectively bring line ministers into COAG processes, and manage reforms through clearly assigned responsibilities and accountabilities. Without this, reform is unlikely to be sustained.

Several important reforms within COAG's competition and reform agenda are still to be completed, either because they are not yet due to be completed or because delays have pushed their completion dates out. We no longer have a role reporting on these reforms, which largely rest with relevant COAG Councils of line ministers. COAG should keep a close watch on them to ensure they do not lose momentum.

Energy market reform should be a continuing area of COAG focus. Energy price regulation reviews remain off track, harmonised legislation has not been achieved, and so far progress on smart meters is gradual. COAG has agreed to the Standing Council on Energy and Resources' implementation plan for these and other energy reforms. COAG must ensure that ministers keep to that plan.

The reform of heavy vehicle charging is off track against its original deadline for implementation by December 2014. However, as we noted last year, while the changed scope of the reform may delay its completion, it is likely to deliver a more comprehensive link between road costs, road pricing and road funding and investment. This important reform will need COAG's continued oversight to ensure success.

Summary of assessments

This section shows the council's final assessment of reform outputs over the five-year span of the National Partnership. For information on our rating scheme, see Chapter 1.

Deregulation priorities (attracting reward payments)		Deadline	Output assessment
Environmental assessment		June 2009	Complete
Payroll tax		June 2012	Complete
Health workforce		July 2010	Complete
Trade measurement		July 2010	Complete
Rail safety		March 2010	Complete
Consumer law		Dec 2010	Complete
Product safety		Dec 2010	Complete
Trustee corporations		May 2010	Complete
Consumer credit: Phase 1 (three reforms)		June 2010	Complete
Development assessment		July 2010	Largely complete
Construction code	✓	Oct 2012	Largely complete
Business names		May 2012	Complete
Personal property securities		Oct 2011	Complete
Standard business reporting		July 2010	Complete
Food		March 2011	Largely complete
Electronic conveyancing	✓	Dec 2012	Largely complete
Oil and gas	✓	Dec 2012	Complete
Maritime safety[1]	✓	Jan 2013	Largely complete
Wine labelling		July 2009	Complete
Occupational health and safety	✓	Dec 2011	Partially complete
Chemicals and plastics	✓	Nov 2013	Partially complete
Directors' liability	✓	Dec 2012	Partially complete
Consumer credit: Phase 2	✓	Dec 2012	Partially complete
Mine safety	✓	Dec 2012	Not complete
Licensing system[2]		June 2013	Not assessed

Other competition and regulatory reforms (not attracting reward payments)		Deadline	Output assessment
Retail tenancy reform		June 2010	Complete
Anti-dumping		June 2010	Complete
Parallel book importation		Dec 2009	Complete
Energy: demand side participation	✓	Dec 2017	On track
National access regime	✓	Dec 2012	Complete
Infrastructure: rail access		June 2011	Complete
Infrastructure: ports	✓	June 2011	Largely complete
Infrastructure: competitive tendering	✓	Dec 2012	Largely complete
Infrastructure: competitive neutrality		June 2012	Complete
Occupational licensing	✓	Sep 2010	Largely complete
Energy: retail price regulation	✓	June 2016	Off track
Energy: harmonised legislation	✓	June 2014	Off track
Energy: market investment	✓	Dec 2010	Partially complete
Infrastructure: state access regimes	✓	Dec 2012	Partially complete
Transport: heavy vehicles	✓	Dec 2012	Partially complete
Transport: rail safety	✓	Dec 2012	Partially complete
Road reform	✓	Dec 2014	Off track
Regulation making and review	✓	Feb 2013	Not complete
Legal profession	✓	May 2012	Not complete

Notes:

1. The implementation plans for the National Partnership include maritime safety as both a deregulation priority and a competition reform. We have counted it among the deregulation priorities only.

2. On 13 December 2013, COAG decided not to proceed with the National Licensing System. We have not assessed performance on this reform.

3. COAG has instructed the council not to assess the two not-for-profit sector reforms.

4. Reforms marked with a '✓' have 2012–13 milestones or overdue milestones from a previous year and are assessed in this year's report.

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Recommendations

Recommendation 1

The council recommends that COAG **note** that:

a. after five years, governments have made significant progress on competition and regulatory reforms, completing 31 of the 45 reforms we report on under the National Partnership Agreement to Deliver a Seamless National Economy

b. reforms under this agreement have likely contributed significantly to economic growth and productivity

c. several important reforms are still to be completed—either because they were originally intended to take longer than the term of this agreement or because delays have pushed their completion dates beyond the end of the agreement

d. our role reporting on these reforms is complete and COAG will need monitoring and reporting arrangements to track their progress.

Recommendation 2

The council recommends that COAG:

a. **take steps** to ensure the remaining reforms are completed

b. **closely monitor** the work of relevant COAG Councils on the remaining energy and transport reforms.

Recommendation 3

The council recommends that, in considering any future reform agendas, COAG **note** that progress was greatest on the reforms in the National Partnership Agreement to Deliver a Seamless National Economy that were associated with reward payments.

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Chapter 1

Delivering a Seamless National Economy

This chapter describes the National Partnership Agreement to Deliver a Seamless National Economy and the council's role in assessing progress.

The National Partnership and the council's role

Australian governments agreed in 2009 to a series of reforms to support a stronger economy and growth in living standards. The council reports on governments' progress over five years in achieving these reforms.

In 2009, the Commonwealth, States and Territories agreed the National Partnership Agreement to Deliver a Seamless National Economy to:

- create a seamless national economy and reduce costs incurred by business in complying with unnecessary and inconsistent regulation across jurisdictions
- enhance Australia's longer-term growth, improving workforce participation and overall labour mobility
- expand Australia's productive capacity over the medium term through competition reform, to enable stronger economic growth (COAG 2008d).

Under the National Partnership, the States and Territories received $100 million to facilitate the reforms, with a further $450 million available to reward delivery of some of the reforms (Commonwealth Government 2013, p. 4).

The council's role under the National Partnership

The council's role under this National Partnership is to independently assess and report on progress on reforms in this agreement, and other associated reforms. For those reforms with reward payments attached, our assessment of progress informs the Commonwealth Government's decision on whether to make those payments to the States and Territories.

Our assessment of progress on the reforms is based on whether governments have achieved the agreed outputs and milestones set out in the implementation plans for each reform. Outputs are the overall statement of what the reform is to achieve, and the milestones are the agreed steps to complete the output. The implementation plans that contain the milestones and outputs are available on the website of the Standing Council on Federal Financial Relations (www.federalfinancialrelations.gov.au).

This is our final report under this National Partnership. In this report, we only assess progress on reforms where there are remaining milestones in the implementation plans to be completed. The milestones for the reforms we assess this year are set out in Appendix A.

Reforms we have assessed as completed in our previous reports are summarised in Appendix B.

Our approach to assessing progress

Our assessments of progress are based on a range of inputs, including:

- our research on the relevant activities of governments, based on publicly available information
- detailed progress reports and formal comments from governments.

There is a section of the report covering each of the reforms we have assessed this year. It summarises progress against 2012–13 milestones and on overdue milestones from previous years.

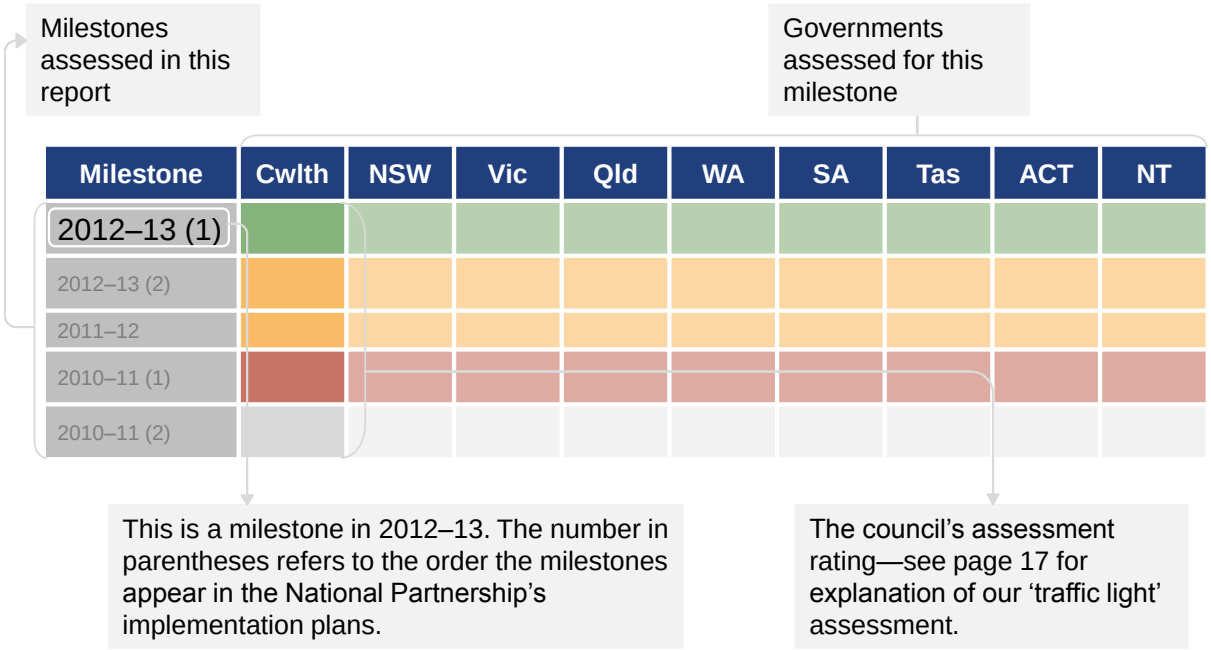
This is our final report on this National Partnership. So, in addition to assessing progress on the milestones, we have also assessed the output for each reform. If all milestones for a reform have fallen due, we assess if the output is complete. Where there are future milestones for the reform, we assess if progress to date is on track for the reform output to be completed on time.

We show our assessments using a 'traffic light' colour scheme. The table below outlines our assessment ratings and colours.

Colour	Milestones	Outputs	
		Due to be completed	Not due to be completed
Green means…	**Complete** Milestone completed, or largely completed, on time or close to it.	**Complete** The milestones relate to and deliver the stated output for the reform. All milestones for the reform are completed, or largely completed, on time or close to it.	**On track** All milestones that have fallen due for this reform are completed/largely completed on time or close to it. There are no substantial risks to completing future milestones.
Orange means…	**Partially complete** Milestone partially completed, or completed late, but unlikely to affect progress on future milestones or the overall output.	**Partially complete** Milestones covering some key element/s of the reform output are not complete or will be completed late/after our report.	**Off track** There are delays completing milestones that have already fallen due for this reform and these delays are likely to delay completion of the overall reform output.
Red means…	**Not complete** The milestone has not been completed.	**Not complete** The reform output has not been completed, including where all milestones are complete but they do not deliver the reform output.	**Stalled** Key milestones or elements of the reform are delayed and it does not appear that progress will resume.
Grey means…	**Not assessed** The milestone or output is superseded or not applicable to a government.		

How do I read a milestone assessment table?

In each reform section in this report there is a milestone assessment table. This table presents reform milestones assessed in 2012–13. The diagram shows what each part of the table means.



Like to know more about the milestones?

Appendix A explains in more detail our assessment of the reform milestones that fell due this year, or were overdue from a previous year.

Chapter 2

Deregulation priorities

This chapter contains the council's final assessments of progress on the remaining deregulation priorities. These reforms attract reward payments.

Occupational health and safety

Nationally uniform OHS laws have not been fully achieved. Victoria and Western Australia have not enacted laws. NSW, Queensland, South Australia and the ACT have laws which differ from the model national law.

What is this reform about?

This reform is about creating nationally uniform OHS laws to reduce compliance costs for business and promote safer, healthier workplaces.

The output for this reform is for each government to adopt:

- a model Work, Health and Safety Bill and model regulations
- model codes of practice
- a nationally consistent approach to compliance and enforcement policy.

The Productivity Commission estimated that harmonised OHS laws would reduce compliance costs for businesses operating in more than one state by $480 million a year. However, there would be an initial $850 million transition cost of implementing the laws and a $110 million a year burden of additional compliance costs for single-state businesses (Productivity Commission 2012b).

This section of the report focuses on generic OHS law. Other reform streams cover the regulation of rail safety, chemicals and plastics, mine safety, and maritime safety.

What happened in 2012–13?

This year, we reassessed two overdue milestones for Safe Work Australia to finalise the model OHS regulations, and for all governments to enact the model OHS laws and regulations.

On the model laws, Tasmania joined the Commonwealth and the Northern Territory in passing laws that do not 'materially' differ from the model laws (see the facing page for further discussion of 'material' differences). South Australia joined NSW, Queensland and the ACT in enacting laws that 'materially' differ from the model laws.

Victoria and Western Australia have not introduced the model laws. Victoria states it will not introduce the model laws. Western Australia has not yet made a final decision, but notes that there are some elements of the model laws it will not adopt. Neither Victoria nor Western Australia have endorsed the model regulations.

Our detailed assessment of each milestone is at pp. 72–73 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2011–12									
2010–11									

Is the reform complete after five years?

The reform output of nationally uniform OHS laws is partially complete.

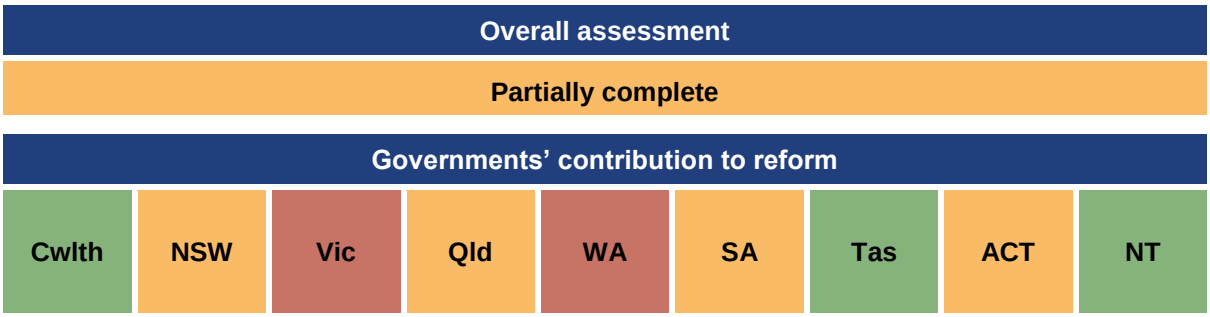
To date, all but two governments, Victoria and Western Australia, have enacted the model laws in some form. Victoria states that it will not enact them. Western Australia is considering its position on the reform.

Seven governments have enacted the laws. In these seven jurisdictions, OHS laws are substantially uniform.

Of these seven governments, four passed laws containing 'material' differences from the model laws. 'Material' differences are not permitted by jurisdictional notes on the model bill. However, these differences may or may not undermine the intent of this reform to harmonise OHS laws. COAG responded to our previous report noting that the variations are unlikely to reduce the benefits of a national OHS regime.

Queensland and the ACT are among the governments that passed laws with material differences. The differences in these jurisdictions are, however, temporary. Queensland has already removed a number of variations and is proposing to remove a number of others to further harmonise its OHS laws with the national law. Similarly, the ACT is progressively removing variations by adopting national regulations.

Final assessment of occupational health and safety reform output



Construction code

Most governments have completed this reform—consolidating building and plumbing regulations into one national code. Western Australia has not yet adopted the national plumbing regulations.

What is this reform about?

The output of this reform is consolidating building and plumbing regulation into one national code.

The National Construction Code will put building and plumbing regulations into a single code, eliminating overlapping regulations and providing a nationally consistent approach to regulation. Companies will have greater flexibility to choose the most efficient and effective building solution while still meeting regulatory standards.

The Productivity Commission estimates this reform to be worth $1.05 billion to the national economy annually (Productivity Commission 2012a, p. 315).

What happened in 2012–13?

This year, we assessed the single 2012–13 milestone and the overdue milestone from 2011–12 covering the legislative and other transitional processes to allow governments to adopt the National Construction Code by October 2012.

All governments other than Western Australia completed these requirements by October 2012. Western Australia completed these processes for Volumes 1 and 2 of the National Construction Code, covering building requirements. Western Australia did not complete these processes for Volume 3, the plumbing requirements.

Our detailed assessment of each milestone is at pp. 73–75 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13									
2011–12									

Is the reform complete after five years?

This reform is largely completed.

A single national code covering both building and plumbing regulation now applies in all jurisdictions other than Western Australia.

In Western Australia, the national building regulations apply, but the plumbing regulations do not. The Western Australian Government is reviewing its plumbing laws, and will consider applying the national plumbing requirements as part of this review. Western Australia has partially completed this reform.

Final assessment of construction code reform output

Overall assessment								
Largely complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Chemicals and plastics

After five years, the chemicals and plastics reforms are only partially complete. The COAG Councils on Workplace Relations and on Environment and Water still have work to do to finish their reforms.

What is this reform about?

The objective of this reform is an effective and efficient national system of chemicals and plastics regulation. Governments are aiming to achieve national consistency in licensing controls, compliance and enforcement in the regulation of chemicals and plastics for work health and safety, environmental protection, security and public health reasons.

The reforms include a set of 'early harvest' reforms to be completed quickly and a number of other reforms to be pursued by various COAG Councils.

What happened in 2012–13?

This year, we report on overdue milestones from previous years covering:

- remaining 'early harvest' reforms—to reform regulation of industrial water sanitisers and protections for agricultural product registrants
- remaining milestones in implementations plans for four COAG Councils and the Commonwealth Attorney-General's Department.

These reforms include health and safety reforms, consideration of reforms to explosives legislation, a national agricultural and veterinary chemicals framework and reforms to environmental risk management of industrial chemicals.

After five years, we are pleased to report that the 'early harvest' reforms are now complete. However, of the four COAG Councils and the Commonwealth Attorney General's Department identified with outstanding reforms in our report last year, only the Standing Council on Primary Industries completed its milestones this year. The others still have work to do.

Our detailed assessment of each milestone is at pp. 75–83 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2011–12									
2010–11									
2009–10									

Is the reform complete after five years?

The output for this reform, an effective and efficient national system of chemicals and plastics regulation, is only partially completed.

The 'early harvest' reforms are complete, some three years after they were due to be. There are several significant items of work on the implementation plans of the COAG Councils on Workplace Relations and on Environment and Water, and for the Commonwealth Attorney-General's Department. The key reforms that are yet to be completed are:

- occupational health and safety related reforms to the labelling of chemicals and regulation of major hazard facilities
- a decision on reforms to the environmental risk management of industrial chemicals
- reforms to regulation of security sensitive ammonium nitrate.

Looking beyond the National Partnership, we also noted in our previous report that COAG has requested that a taskforce provide advice to the Select Council on Workplace Relations on the costs and benefits of reforms to harmonise explosives legislation (COAG Reform Council 2012, p. 219).

Final assessment of chemicals and plastics reform output

Overall assessment								
Partially complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Mine safety

As a number of governments have not passed the required laws, there is no nationally consistent mine safety regime.

What is this reform about?

This reform aims to create a nationally consistent health and safety regime for the Australian mining industry. To do this, governments have agreed to implement the National Mine Safety Framework. This includes nationally consistent laws, training, codes of practice, enforcement and data collection.

The reforms are being implemented through two tiers of mine safety provisions: core provisions for all governments other than the ACT, and non-core provisions covering high-risk activities that, at this time, only occur in NSW, Queensland and Western Australia.

The core mine safety provisions are part of the broader national Work Health and Safety Regulations administered by Safe Work Australia.

What happened in 2012–13?

This year, we assessed four 2012–13 milestones and two overdue milestones from previous years covering the following final steps to implement this reform:

- enacting the national core and non-core mine safety laws and regulations
- establishing the National Mine Safety Database and entering the first year of data into it.

The Commonwealth, South Australia, Tasmania and the Northern Territory have enacted the core mine safety laws, while Victoria has not. No government has made the core mine safety regulations. NSW passed the non-core mine safety laws but has not made the regulations that commence them. Queensland and Western Australia have not yet introduced the laws.

The National Mine Safety Database became operational on 1 July 2013, but no data have been entered into it.

Our detailed assessment of each milestone is at pp. 84–86 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13 (1)									
2012–13 (2)									
2012–13 (3)									
2012–13 (4)									
2011–12 (1)									
2011–12 (2)									

Is the reform complete after five years?

The output for this reform, a nationally consistent mine safety regime, is not complete.

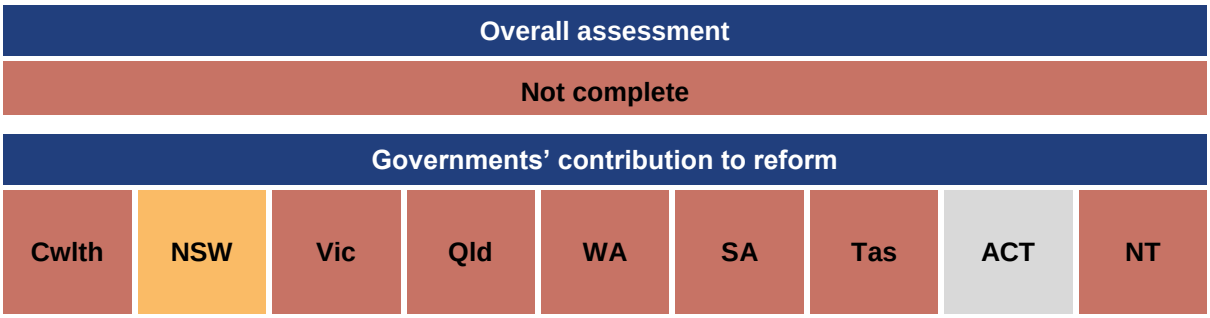
The core mine safety laws have been affected by the delays implementing occupational health and safety reform (see the section on that reform on pp. 20–21). Victoria's decision not to be part of that reform also applies to the mine safety regime—it has not passed the laws. The Commonwealth, South Australian, Tasmanian and Northern Territory governments have enacted the core mine safety laws as part of the broader national OHS laws. However, the national regulations associated with mining activity are yet to be endorsed by the relevant COAG Council and have not been implemented by any government (Commonwealth Government 2013, p. 15).

NSW has passed the non-core mine safety laws but has not yet enacted regulations that will allow the laws to commence—it has partially completed this reform. Queensland and Western Australia have not introduced the non-core provisions.

Queensland is doing a Regulatory Impact Statement (RIS) prior to introducing amendments relating to mine safety provisions. Queensland states that a decision RIS is to be prepared in early 2014 (Queensland Government 2013b).

Most jurisdictions, including two major mining States, have not implemented this reform, meaning there is no nationally consistent mine safety regime. Ultimately, the separation of the laws into core and non-core provisions means that full implementation may not create a nationally consistent regime in any case.

Final assessment of mine safety reform output



Electronic conveyancing

A national electronic conveyancing system was not in place by June 2013. Only NSW and Victoria have gone live with electronic conveyancing but other governments will soon join.

What is this reform about?

This reform is about streamlining the processes for settling property transactions by establishing a national electronic conveyancing system. The system will allow:

- electronic settlement of property transactions
- electronic lodgement of instruments with State and Territory land registries
- payment of duties and taxes (NECS 2010).

A common regulatory framework will provide savings to businesses operating nationally. The Australian Registrars' National Electronic Conveyancing Council estimates the net present value of savings from the reform could be around $580 million over 17 years (ARNECC 2012, p. 2).

What happened in 2012–13?

This year, we assessed the four 2012–13 milestones and the overdue milestone from 2011–12 covering the following key steps for this reform:

- passing laws for a national electronic conveyancing system by December 2012
- building and testing the national electronic conveyancing system so that 'real world' transactions can be done by June 2013.

NSW, Victoria, Queensland, Tasmania and the Northern Territory have passed and commenced the national law, albeit after the December 2012 deadline. South Australia has passed but not commenced the national law. Western Australia has introduced the national law. The ACT has not yet introduced the national electronic conveyancing system law.

The national system completed its first transaction on 18 June 2013 between Land Victoria and Commonwealth Bank Australia. Transactions have also been completed in NSW and Queensland.

Our detailed assessment of each milestone is at pp. 86–88 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13 (1)									
2012–13 (2)									
2012–13 (3)									
2012–13 (4)									
2011–12									

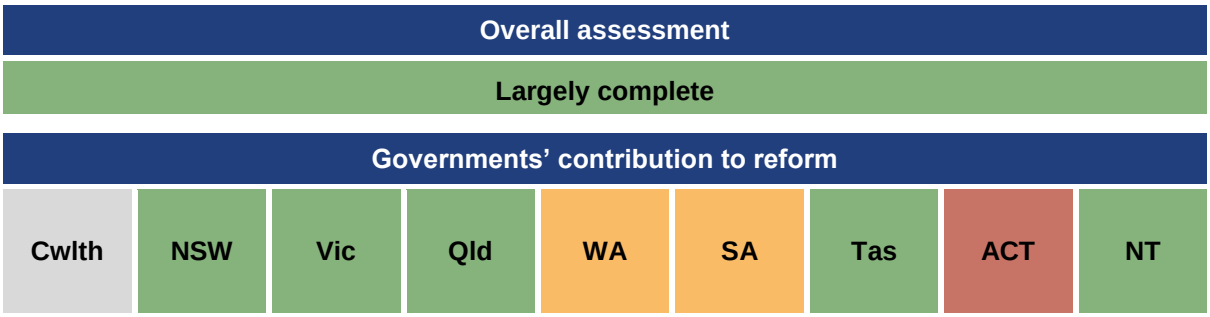
Is the reform complete after five years?

The reform output is largely complete, with only the ACT likely to stay out of the national scheme.

The electronic conveyancing system has been built and tested and has run 'real world' transactions in Victoria, NSW and Queensland (NECDL 2013). While NSW, Victoria and Queensland are the only governments to have gone live, we anticipate other governments will shortly join the system.

With the exception of Western Australia, South Australia and the ACT, all governments have passed the national electronic conveyancing laws. The ACT has not committed to participating in this reform and Western Australia has not introduced the national laws—though it is poised to do so. South Australia has passed but not commenced the national laws.

Final assessment of electronic conveyancing reform output



Oil and gas

Governments have established a national system for regulating the oil and gas sector and have simplified the administration of the offshore petroleum industry.

What is this reform about?

This reform is about reducing the regulatory burden on the offshore petroleum industry by streamlining Commonwealth, State and Territory regulations.

This reform will lead to significant benefits for the oil and gas sector, which contributes approximately 2 per cent of Australia's gross domestic product. In 2009, the Productivity Commission released its *Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector*, estimating the gains from removing unnecessary regulatory burden on this sector to be worth billions of dollars each year (Productivity Commission 2009, p. xxi).

What happened in 2012–13?

This year, we have assessed the 2012–13 milestone covering guidelines for engagement between petroleum developers and local government by December 2012. There are no overdue milestones for this reform.

The Standing Council on Energy and Resources (SCER) endorsed the *Guidelines of Engagement for Petroleum Developers with Local Government* at its 14 December 2012 meeting (SCER 2012a).

Our detailed assessment of this milestone is at pp. 88–89 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13									

Is the reform complete after five years?

The reform output, streamlined oil and gas regulation, is complete.

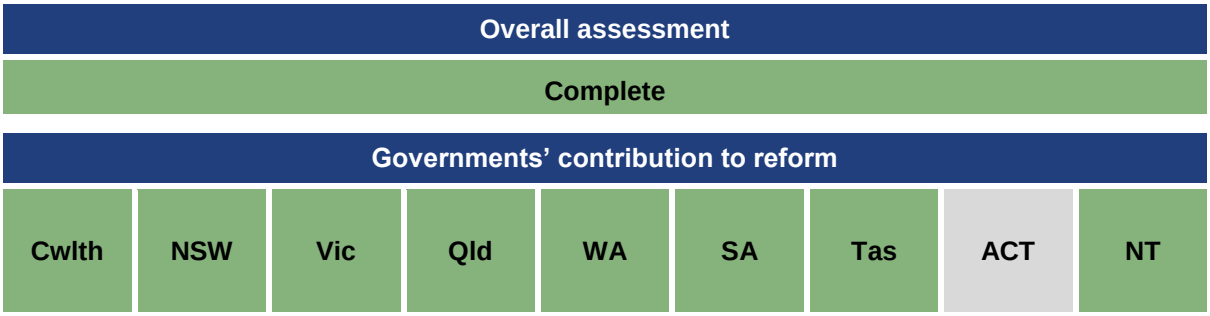
The States and the Northern Territory have:

- reviewed petroleum laws applying to coastal waters and onshore areas to ensure their laws are consistent with the Commonwealth's laws
- developed and agreed guidelines on principles of engagement for petroleum developers with local government.

The Commonwealth has established:

- the National Offshore Petroleum Titles Administrator to oversee titles and dealings in the sector
- the National Offshore Petroleum Safety and Environmental Management Authority to regulate all offshore areas in Commonwealth waters.

Final assessment of oil and gas reform output



Maritime safety

The national maritime safety regime started on 1 July 2013 in all jurisdictions. Queensland and Western Australia have not finalised their arrangements but are applying the national laws.

What is this reform about?

This reform is about creating a national maritime safety system for commercial vessels. Governments will do this by replacing eight different maritime safety regimes with one regime that has consistent laws and a single national regulator.

Governments have agreed that the Commonwealth will host the national maritime safety law and other governments will apply the law locally. The Australian Maritime Safety Authority will be the national regulator of safety for commercial shipping in Australian waters (COAG 2009).

What happened in 2012–13?

This year, we assessed one 2012–13 milestone and an overdue 2011–12 milestone. Together, these milestones require governments to pass and then commence the national maritime safety law, with the intention that the system would start on 1 January 2013.

The Commonwealth Government, as the host jurisdiction, commenced the national law late, on 1 July 2013. NSW, Victoria, South Australia, Tasmania and the Northern Territory all applied the national law from 1 July 2013.

Queensland and Western Australia are yet to introduce or pass the law. However, Western Australia has accepted a delegation for the Western Australian Department of Transport to perform functions under the national law while mirror legislation at the State level is developed (Western Australian Government 2013, p. 15). The Queensland Government has also accepted a delegation to perform these functions into 2014, and is considering its longer term participation in the national scheme (Queensland Government 2013b, p. 26).

Our detailed assessment of each milestone is at pp. 89–91 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13									
2011–12									

Is the reform complete after five years?

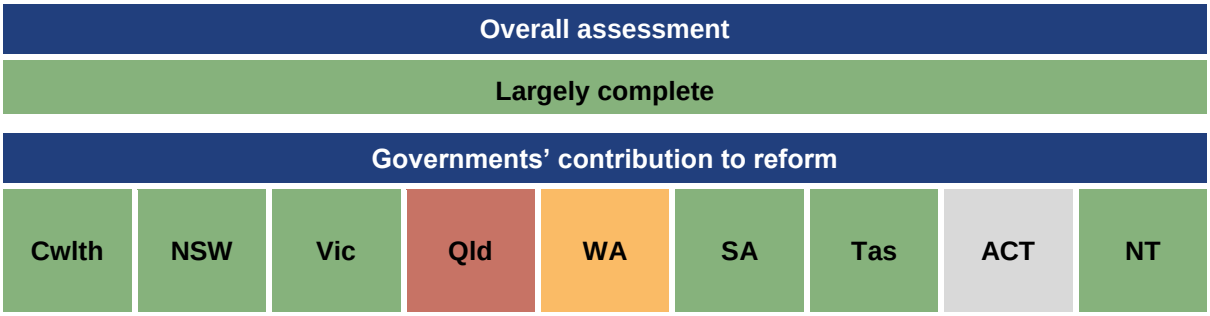
The output for this reform, national maritime safety regulation, is largely complete.

The Commonwealth, NSW, Victoria, South Australia, Tasmania and Northern Territory have enacted the laws and made the other arrangements needed for the national maritime safety system and regulator to operate in their jurisdictions.

Despite accepting delegations to perform functions under the national law, Queensland and Western Australia have not yet introduced or passed the law, and are not yet completely part of the national maritime safety system. Western Australia is in the process of developing mirror legislation, while Queensland has not made a final decision to be part of the national system permanently.

This reform is present in both the 'deregulation priorities' and 'competition reforms' implementation plans. In the competition reforms implementation plan, there is an additional milestone: a Productivity Commission review of the overall economic impact of the new national framework, to be completed by December 2016. This review is beyond the timeframe of the council's reporting on this National Partnership.

Final assessment of maritime safety reform output



Directors' liability

A nationally consistent system of directors' liability law is only partially complete. Western Australia, Tasmania and the Northern Territory have not passed consistent laws. All other governments have.

What is this reform about?

The intended output of this reform is a nationally consistent and principles-based approach to imposing criminal liability in cases of corporate fault.

Inconsistent laws, disparate standards of responsibility and different defences across jurisdictions are burdensome and complex—leading to uncertainty for people in corporate roles. The inconsistencies detract from good corporate governance, increase compliance costs for business and are a disincentive for people to take up corporate roles (Corporations and Markets Advisory Committee 2006, pp. 61–63).

In 2008, COAG agreed to harmonise the laws regarding personal criminal liability for corporate fault, except for laws relating to workplace health and safety, and environment protection (COAG 2008a, p. 2; 2008b, p. 7).

What happened in 2012–13?

This year, we assess two 2012–13 milestones covering:

- all governments agreeing to apply COAG's principles to impose directors' liability and guidelines on how to apply the principles
- all governments introducing nationally consistent directors' liability laws.

All governments agreed to apply the COAG Principles on Directors' Liability Provisions in 2009 and agreed guidelines on how to apply them in July 2012.

All governments other than Western Australia and the Northern Territory introduced nationally consistent directors' liability laws by December 2012. The Commonwealth, NSW, Victoria, Queensland, South Australia and the ACT all passed the laws. Tasmania has introduced but not passed the laws. Western Australia and the Northern Territory have not introduced nationally consistent laws. However, the Western Australian Attorney-General has announced in Parliament his intention to complete the reform.

Our detailed assessment of each milestone is at pp. 91–93 and summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13 (1)									
2012–13 (2)									

Is the reform complete after five years?

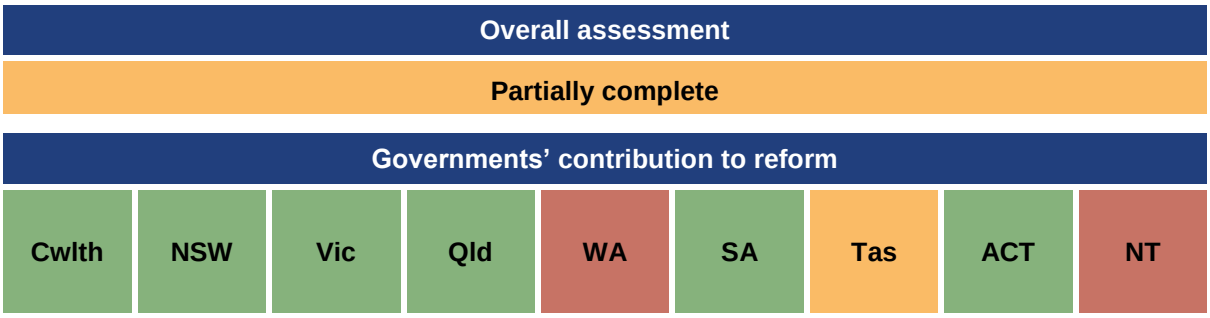
The reform output of nationally consistent directors' liability laws is partially complete. Six of nine governments have passed the laws and all governments look likely to do so.

The Commonwealth, NSW, Victoria, Queensland, South Australia and the ACT have all passed nationally consistent directors' liability laws, making a substantial number of amendments to directors' liability provisions. These governments have completed this reform—we commend this substantial achievement in a reform stream that has spent most of the five years of the National Partnership behind schedule.

Although Tasmania has completed all the milestones, it still has to pass laws to complete the reform output. Tasmania has only partially completed the reform.

Western Australia and the Northern Territory have not introduced the laws. These governments have not completed the reform.

Final assessment of directors' liability reform output



Consumer credit

Most elements of the national consumer credit system are now in place. However, governments have not completed the final element of the reforms, covering a range of areas such as the provision of credit for investment purposes.

What is this reform about?

This reform aims to establish a national approach to regulating consumer credit. It covers the regulation of various types of consumer credit, including credit cards.

Under the National Partnership implementation plan, consumer credit reform has two phases. Phase One was completed on 1 July 2010 when States and Territories transferred regulation of trustee corporations, mortgage broking, margin lending and non-deposit lending to the Commonwealth.

Phase Two involves the transfer of several remaining areas of consumer credit to the Commonwealth. The areas to be regulated by the Commonwealth under Phase Two are discussed in further detail in the 'Consumer credit' section in Appendix A of this report.

In 2008, the Productivity Commission projected economic benefits of this reform in the range of $1.5 billion to $4.5 billion per year (Productivity Commission 2008b).

What happened in 2012–13?

This year, we looked at four 2012–13 milestones and two overdue milestones from previous years. These six milestones cover regulatory impact assessment and legislative processes for Part Two, Phase Two of the reform.

Referral processes for the passage of national laws have not been agreed, so we have not assessed the milestones relating to these referral processes. Regulation Impact Statements for Part Two, Phase Two were released by the Commonwealth on 15 January 2013 but the draft bill has not yet been finalised.

Our detailed assessment of each milestone is at pp. 93–96 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13 (1)									
2012–13 (2)									
2012–13 (3)									
2012–13 (4)									
2011–12 (5)									
2011–12 (6)									

Is the reform complete after five years?

The council considers that this reform is partially complete.

Phase One and the first part of Phase Two of this reform are complete and most areas of consumer credit are now part of the national system. However, progress on the final part of the reform—Phase Two, Part Two—is lagging.

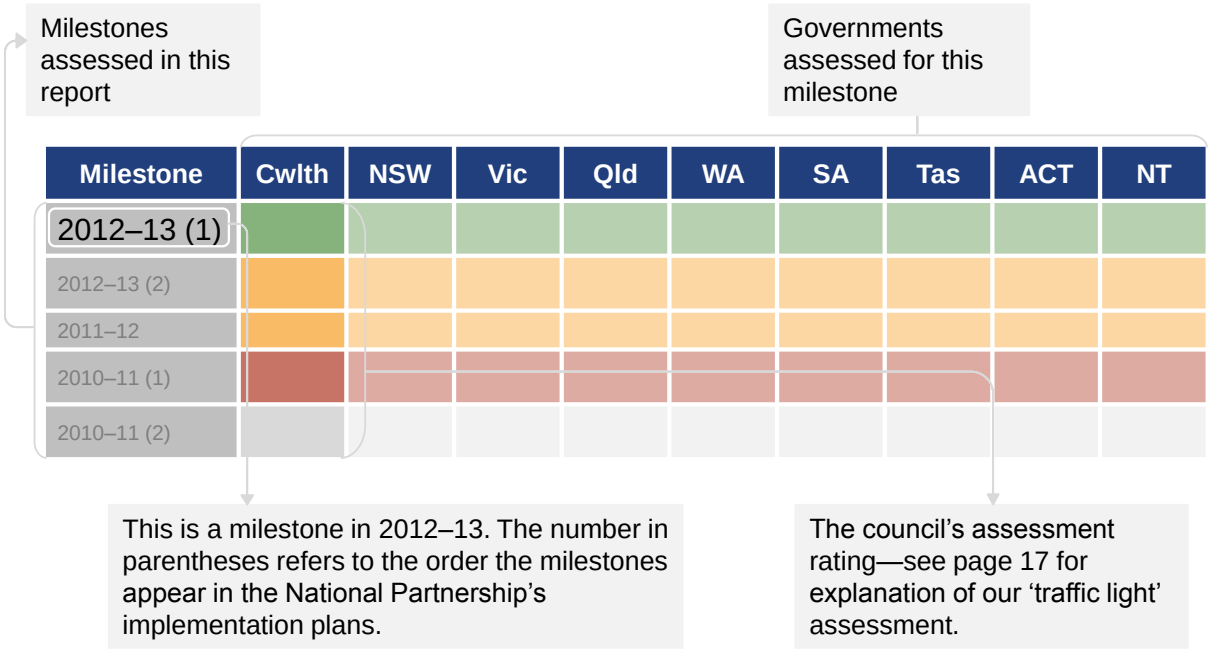
None of the legislative processes have occurred except for consultation on an exposure draft of the Part Two, Phase Two legislation. The Commonwealth, States and Territories have not agreed on how to complete the reform, and this is delaying legislative referral. An exposure draft of the proposed legislation was released for public consultation on 21 December 2012. Submissions closed on 1 March 2013, but there has been no material progress since then.

Final assessment of consumer credit reform output

Overall assessment								
Partially complete								
Governments' contribution to reform								
Cwlth	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

How do I read a milestone assessment table?

In each reform section in this report there is a milestone assessment table. This table presents reform milestones assessed in 2012–13. The diagram shows what each part of the table means.



Like to know more about the milestones?

Appendix A explains in more detail our assessment of the reform milestones that fell due this year, or were overdue from a previous year.

Chapter 3

Competition reforms and other regulatory reforms

This chapter contains the council's final assessments of progress on the remaining competition reforms and other regulatory reforms. The reforms in this chapter do not attract reward payments.

Energy: retail price regulation

Over the five years of this National Partnership, only Victoria and South Australia have removed energy retail price regulation.

What is this reform about?

This reform is about removing retail price regulation in electricity and gas markets where competition is effective. The Australian Energy Market Commission (AEMC) is responsible for assessing the state of competition in retail energy markets.

Deregulated retail prices mean that retailers can set prices that reflect the true cost of energy supply, which in turn sends signals to consumers to manage their energy consumption (otherwise known as active demand side participation).

Removing price regulation is one of four reforms COAG is making with the aim of creating an open and competitive energy market. The other three components are harmonised legislation, efficient investment and demand side participation.

What happened in 2012–13?

This year, we looked at two milestones:

- the AEMC review of retail price regulation in NSW energy markets to be completed in 2012
- a response by the NSW Government to that review within six months of its completion.

The AEMC review is directed by the Standing Council on Energy and Resources (SCER) and is therefore the responsibility of all participating governments. The review of retail price regulation in NSW was meant to be completed in 2012. This review was completed in October 2013 (AEMC 2013).

We have not assessed the milestone for the NSW Government to respond to the review as its April 2014 deadline is after we report to COAG.

Our detailed assessment of each milestone is at pp. 96–97 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13 (1)									
2012–13 (2)									

Is the reform complete after five years?

While there has been some progress, this reform is off track.

The output for the reform is to remove retail price regulation in electricity and natural gas markets where retail competition is agreed to be effective, or to reduce barriers to competition where it is ineffective.

Progress towards this output has been limited and we anticipate delays will continue. Three reviews were completed in the five years of this National Partnership: South Australia in 2008, the ACT in 2011 and NSW in 2013.

Despite the AEMC finding competition effective in South Australia, price regulation was left in place until 1 February 2013 (South Australian Government 2013, p. 28).

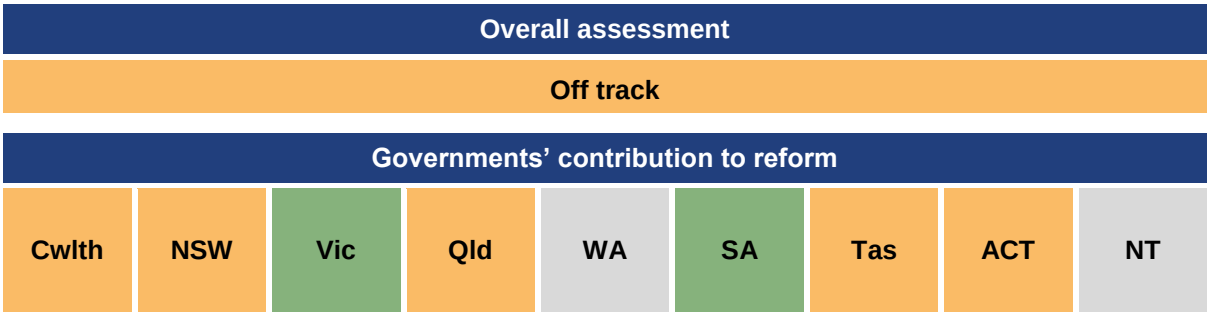
The AEMC found competition was not effective in the ACT, and the ACT Government determined in 2011 it would continue to regulate electricity prices for small customers, consistent with COAG requirements for a competitive market to be present prior to deregulation (ACT Government 2013, p. 24). The AEMC made recommendations to promote competition, which the ACT has partially implemented.

The review of retail price regulation in NSW energy markets that was to be completed in 2012 was only completed in late 2013 (NSW Government 2013, p. 23).

Under the implementation plan for this reform, the AEMC's review of the Queensland retail market was to be completed in 2013, but it has not started. However, this may not matter as the Queensland Government has announced the 'removal of electricity price regulation in South-East Queensland by 1 July 2015 and the introduction of price monitoring and other further reforms to the electricity sector designed to improve competition' (Queensland Government 2013a).

On 14 December 2012, SCER announced it will revisit the approach to reviews of retail price regulation and develop an improved approach by the end of 2013. It is hoped this improved approach will provide the impetus that this area of reform needs.

Final assessment of energy: retail price regulation reform output



Energy: harmonised legislation

Harmonised national legislation for the National Energy Market is not yet in place. Victoria and Queensland have not yet implemented the National Energy Customer Framework. A review of variations in the legislation is to be done in 2014.

What is this reform about?

This reform is about harmonising energy market legislation by introducing the National Energy Customer Framework (NECF) and by reviewing derogations from the national energy laws. The aim of harmonising national legislation is to improve competition and efficiency and reduce costs in the National Energy Market.

The NECF sets out rights, protections and obligations for small business and household consumers. It will apply within states participating in the National Electricity Market (NEM) and the ACT.

Derogations from the national legislative framework are jurisdiction-specific differences. The aim of the review of derogations is to justify or remove the derogations to enhance the consistency of the national legislative framework.

Harmonised legislation is one of four reforms COAG is making with the aim of creating an open and competitive energy market. The other three components are: retail price regulation, efficient investment, and demand side participation.

What happened in 2012–13?

This year, we report on one 2012–13 milestone for governments within the NEM to pass application laws for the NECF.

The NECF commenced in Tasmania and the ACT on 1 July 2012 (ACT Government 2013, p. 25; Tasmanian Government 2013, p. 27). The package commenced in South Australia on 1 February 2013 and in New South Wales on 1 July 2013 (NSW Government 2013, p. 25; South Australian Government 2013, p. 30). The Commonwealth was not required to pass laws to support the NECF.

The new laws are expected to commence in Queensland in 2014. Victoria has deferred applying the NECF until it is satisfied with its consumer protections.

Our detailed assessment of the milestone is at pp. 97–98 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13									

Is the reform complete after five years?

The reform output, harmonised laws for the NEM, is off track.

Laws applying the NECF are in place in NSW, South Australia, Tasmania and the ACT. Victoria and Queensland have not yet passed application laws but state they will do so in 2014.

The last action in this reform is due to be completed next year when governments will review derogations in their applications Acts for consistency with the National Electricity Law and the National Gas Law. There is a risk that delays with the NECF will delay the review of derogations as governments have advised that the review cannot start until all governments have the NECF in place. COAG will need to keep a close watch on this task given we will no longer report on it.

We have also previously reported that delays to the NECF commencement dates may mean that energy retailers and distributors operating in multiple jurisdictions will be exposed to multiple consumer protection frameworks.

Final assessment of energy: harmonised legislation output

Overall assessment								
Off track								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Energy: market investment

Governments have not agreed a framework to act, if necessary, to ensure the adequacy of energy market investment.

What is this reform about?

This reform is about efficient investment in gas and electricity markets, including generation, transmission and distribution infrastructure. The adequacy of investment in energy market infrastructure underpins the affordability, reliability and security of energy supply.

Under the implementation plan for this reform, reform was to be achieved by:

- assessing the adequacy of investment in Australia's energy markets
- taking the necessary actions to ensure the market delivers efficient levels of investment.

Efficient market investment is one of four reforms COAG has made with the aim of creating an open and competitive energy market. The other three components are: retail price regulation, harmonised legislation, and demand side participation.

What happened in 2012–13?

This year, we assessed the single milestone for this reform, the overdue 2010–11 milestone for a report on a framework that aims to assess the adequacy of investment in energy markets.

We reported last year that this milestone was only partially complete because governments had received the Australian Energy Market Operator's reports on investment in energy markets but had not agreed a framework for ensuring the adequacy of investment (COAG Reform Council 2012, p. 120).

Since then, COAG has agreed that a framework is in place and the milestone is complete (COAG 2013b, p. 5).

Our detailed assessment of the milestone is at pp. 98–99 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2010–11									

Is the reform complete after five years?

The reform output—that the adequacy of energy market investment is assessed and necessary actions are taken to ensure the market delivers efficient levels of investment—is partially complete.

As we reported last year, governments receive comprehensive reports from the Australian Energy Market Operator assessing the adequacy of investment. However, there does not appear to be a framework in place for governments to act on these reports (should they need to) to ensure adequate investment.

Decisions on investment in infrastructure are the domain of current and future owners of generation, transmission and distribution assets. Information on future supply and demand is useful, but is only one part of what informs infrastructure decisions, and will not itself ensure adequate investment. These decisions will also be affected by the prevailing regulatory framework, and the actions and decisions of governments. The council notes that KPMG's 2006 report to the COAG established Energy Reform Implementation Group advised that investment was impeded by regulatory uncertainty (KPMG 2006, p. 49).

Final assessment of energy: market investment reform output

Overall assessment								
Partially complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Energy: demand side participation

The three elements of this reform have been implemented. On the third element—smart meters—a national framework is now in place for market-led roll-outs of smart meters.

What is this reform about?

This reform is about balancing incentives for 'demand side participation' in energy markets. Demand side participation in energy markets is the 'ability of consumers to make decisions regarding the quantity and timing of their energy consumption' (AEMC 2011). This reform has three key elements:

- reviews of demand side participation in the National Energy Market and implementation of recommendations from those reviews
- energy bill benchmarking
- effective price signals for customers through the roll-out of smart meters where there is a net benefit.

Demand side participation is one of four reforms COAG has made with the aim to create an open and competitive energy market. The other three components are: retail price regulation, harmonised legislation and energy market investment.

What happened in 2012–13?

This year, we assessed two overdue 2011–12 milestones for:

- a national smart meter framework
- the assessment of pilots and trials in selected states and the ACT.

On 7 December 2012, COAG agreed to a national framework of market-driven roll-outs of smart meters and other advanced metering. This supersedes the process of running pilots and trials to inform decisions on mandated roll-outs. As the milestone that requires governments to run pilots and trials is no longer relevant, we have not assessed it.

Our detailed assessment of each milestone is at pp. 99–100 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2011–12 (1)									
2011–12 (2)									

Is the reform complete after five years?

The reform output is on track. The three elements of this reform have been completed.

We have previously reported completion and implementation of the recommendations of reviews of demand side participation in the National Energy Market and energy bill benchmarking. A framework for rolling out smart meters has also been completed (COAG Reform Council 2012, pp. 123–127).

On 7 December 2012, COAG agreed to a new package of energy reforms proposed by the Standing Council on Energy and Resources (COAG 2012a, pp. 4–5). This package of reforms included new principles and reforms to encourage market-driven roll-outs of smart meters and other advanced metering.

Final assessment of energy: demand side participation reform output

Overall assessment								
On track								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

COAG Reform Council

National Access Regime

The National Access Regime has been reformed. But the outcomes of the reform, and any need for further reform, remain to be seen.

What is this reform about?

This reform is about the consistent regulation of a competitive market for third party access to nationally significant infrastructure services, such as the electricity grid, rail networks and port facilities.

The National Access Regime encourages negotiation between infrastructure owners and those seeking access to infrastructure. It also provides a means of access if negotiations fail. Without such regulation, Australia could face higher costs through higher charges for access to infrastructure, unnecessary duplication of infrastructure, or reduced competition in other markets.

This reform reduces the regulatory uncertainty and compliance costs for owners and users of, and investors in, nationally significant infrastructure. The importance of efficient and effective infrastructure regulation was accentuated by the global economic crisis—reducing business costs and encouraging investment is vital for Australia's recovery (Business Council of Australia 2009).

What happened in 2012–13?

This year, we assessed the 2012–13 milestone requiring the Commonwealth to begin a Productivity Commission review of the National Access Regime by December 2012. There are no overdue milestones for this reform.

The Productivity Commission received the terms of reference for its inquiry into the National Access Regime from the Commonwealth Government on 25 October 2012. The review is complete, with the final report submitted to the Commonwealth on 25 October 2013 (Productivity Commission 2013a).

Our detailed assessment of this milestone is at pp. 100–101 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13									

Is the reform complete after five years?

The reform output, an amended National Access Regime, is complete.

Amendments in 2010 streamlined the National Access Regime. Changes included binding time limits on decision makers, more limited reviews of the merits of decisions, and other changes to make access arrangements more stable and certain.

The other part of this reform is a Productivity Commission review of the effectiveness of the National Access Regime. This review was submitted to the Commonwealth Government on 25 October 2013.

It is likely the final report made recommendations to further reform the National Access Regime and/or infrastructure regulation more generally. COAG may wish to consider arrangements for responding to the Productivity Commission's report as part of any future regulatory reform agenda.

Final assessment of National Access Regime reform output

Overall assessment								
Complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

COAG Reform Council

Infrastructure: state access regimes

This reform has not been fully achieved. Most access regimes that have to be certified under this reform have been. However, all governments except the Northern Territory have at least one access regime yet to be certified.

What is this reform about?

The objective of this reform is to establish a simpler and consistent national approach to economic regulation of significant infrastructure. This is to be done by applying the Competition and Infrastructure Reform Agreement (CIRA) principles to certain State and Territory access regimes.

An access regime provides for businesses to share infrastructure under reasonable terms and conditions. This is particularly important for major facilities where it would be uneconomic to duplicate the facility.

The purpose of certification is to provide immunity from declaration under Part IIIA of the *Competition and Consumer Act 2010* (Cwlth). Once a State or Territory access regime is certified as effective, access is exclusively governed by the regime.

What happened in 2012–13?

This year, we assessed one 2012–13 milestone and two overdue 2010–11 milestones covering:

- a Productivity Commission review of the effectiveness of the CIRA
- the submission of and certification of remaining State and Territory access regimes.

The Productivity Commission was asked to consider the effectiveness of the CIRA on the national and state access regimes. A draft report was released on 28 May 2013 and can be found at www.pc.gov.au. The review is completed, with the final report submitted to the Commonwealth on 25 October 2013 (Productivity Commission 2013a).

The States and Territories have submitted most of their access regimes to the National Competition Council (NCC) for certification and the NCC has certified all those regimes that have been submitted.

Our detailed assessment of each milestone is at pp. 101–103 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13									
2010–11 (2)									
2010–11 (3)									

Is the reform complete after five years?

The output for this reform stream has been only partially completed.

Most State and Territory access regimes have been certified, with the exception of:

- all energy access regimes in National Energy Market (NEM) jurisdictions
- the Victorian rail access regime
- the Western Australian gas access regime.

The Commonwealth and Northern Territory governments have completed their actions under this reform.

The certification of NEM access regimes and the Western Australian gas access regime may no longer be required by COAG. Last year, we reported that the Chair of the Standing Council on Energy and Resources had written to the Prime Minister requesting that COAG approve an amendment to the Australian Energy Market Agreement (also affecting the Western Australian gas access regime) (COAG Reform Council 2012, p. 134). The amendment was to remove the requirement to certify energy access regimes. COAG has not yet decided on this matter.

Final assessment of state access regimes reform output

Overall assessment								
Partially complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Infrastructure: ports

All governments other than Western Australia and the Northern Territory have completed this reform.

What is this reform about?

This reform is about developing a national approach to the economic regulation of nationally significant ports and port authorities.

Governments agreed to review the effectiveness of competition in the ports and port authorities handling and storage facility operations for a specific set of 'nationally significant' ports. The nationally significant ports are in NSW, Victoria, Queensland, Western Australia, South Australia and the Northern Territory (National Competition Council 2012).

The purpose of these reviews was to ensure that:

- where economic regulation is warranted, the regulation conforms with agreed access, planning and competition principles
- where port access regimes are required, these regimes are certified under the National Access Regime (COAG 2007a, cl. 4.1).

What happened in 2012–13?

This year, we assessed one overdue 2010–11 milestone for Western Australia and the Northern Territory to complete and implement the findings of their reviews of the efficiency of port regulation.

Western Australia completed its review of ports in line with the Competition and Infrastructure Reform Agreement (CIRA) principles in 2009. This review made one recommendation on improvements to port planning requirements. Western Australia also subsequently reviewed its port governance arrangements and introduced legislation to implement the findings of this second review on 23 October 2013. The legislation includes provisions to implement the recommendation of the earlier CIRA review.

The Northern Territory is yet to fully implement the recommendations of its review. The Northern Territory has implemented three of the four recommendations of the *Review of the Regulatory Framework for the Port of Darwin: Final Report* (the NT Ports Review).

Our detailed assessment of this milestone is at pp. 104–105 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2010–11									

Is the reform complete after five years?

The output for this reform is largely complete.

New South Wales, Queensland and South Australia have completed and implemented the findings of public reviews of the regulation and effectiveness of competition in their respective ports.

While Western Australia and the Northern Territory have completed their reviews, they are yet to fully implement the recommendations.

The output for this reform has not been fully achieved by Western Australia and the Northern Territory.

Final assessment of infrastructure: ports reform output

Overall assessment								
Largely complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Infrastructure: competitive tendering principles

Although competitive tendering provisions are in place for monopoly infrastructure, there have been no applications to the Australian Competition and Consumer Commission testing them.

What is this reform about?

This reform is about providing for competitive tendering to be used in setting terms and conditions for the supply of government owned monopoly infrastructure. It is part of other reforms in the Competition and Infrastructure Reform Agreement (CIRA) that aim to establish a simpler and more consistent national approach to the economic regulation of significant infrastructure (COAG 2006, cl. 2.1).

To do this, the Commonwealth Government had to make regulations that allow the Australian Competition and Consumer Commission (ACCC) to approve competitive tender processes in some circumstances. This was done in June 2010.

What happened in 2012–13?

This year we assessed the single 2012–13 milestone requiring the Commonwealth to commence a Productivity Commission review that:

- considers the effectiveness of the CIRA
- assesses whether competitive tendering regulations are ensuring reasonable conditions of access.

There are no overdue milestones for this reform.

The Productivity Commission received terms of reference for an inquiry into the National Access Regime from the Commonwealth Government on 25 October 2012. The final report was submitted to the Commonwealth on 25 October 2013, though it has not been released publicly (Productivity Commission 2013a).

As part of its review, the Productivity Commission examined the effects of competitive tendering principles on government-owned infrastructure facilities.

Our detailed assessment of this milestone is at pp. 105–106 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13									

Is the reform complete after five years?

The reform output, competitive tendering principles for significant monopoly infrastructure, is complete.

The Commonwealth Government made regulations in June 2010 that allow the ACCC to approve competitive tenders in some circumstances. This is the one substantive action in this reform.

Although competitive tendering is now allowed, no applications have been made to the ACCC to use a competitive tender (Productivity Commission 2013b, p. 257). However, the planned Moorebank Intermodal Terminal facility in Sydney may use a competitive tender process (Productivity Commission 2013b, p. 258). This may test the effectiveness of competitive tendering arrangements.

Provided significant problems with competitive tender process provisions are not identified in the Productivity Commission's soon-to-be-released final report, the council is satisfied that this reform is complete.

Final assessment of competitive tendering principles reform output

Overall assessment								
Complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Occupational licensing

COAG has agreed that this reform is as complete as it can be for now. Further consideration may be given to unnecessary licensing arrangements at a later stage.

What is this reform about?

This reform is about reducing unnecessary barriers to entry and trade for consumer-related occupations. Unlike the National Licensing System reform—which was to replace State and Territory licensing with national licensing—this reform aims to abolish unnecessary licensing requirements.

Occupational licensing reform has its origins in the Productivity Commission's *Review of Australia's Consumer Policy Framework*, which recommended reform that identifies and repeals such needless regulation (Productivity Commission 2008b, p. 98). The report identified a list of 45 occupations requiring licensing in only one or two jurisdictions in Australia and recommended the removal of these unnecessary licensing requirements.

However, governments argued that 10 of the occupations were licensed under different names in other jurisdictions, or did not actually need licenses. This left 35 regimes that could potentially be removed, of which governments committed to remove 11 under this reform.

What happened in 2012–13?

This year, we report on one overdue 2009–10 milestone for South Australia, Tasmania and the ACT to abolish unnecessary licensing requirements identified by the original Productivity Commission report.

South Australia removed licensing for optical dispensers and was to remove licensing requirements for passive fire equipment installers through the National Licensing System reform, which COAG decided on 13 December 2013 not to pursue any longer (COAG 2013a, p. 5).

There has been no further progress by other governments on this milestone since our last report.

Our detailed assessment of this milestone is at pp. 106–107 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2009–10									

Is the reform complete after five years?

The output for this reform, rationalised occupational licensing, is largely complete.

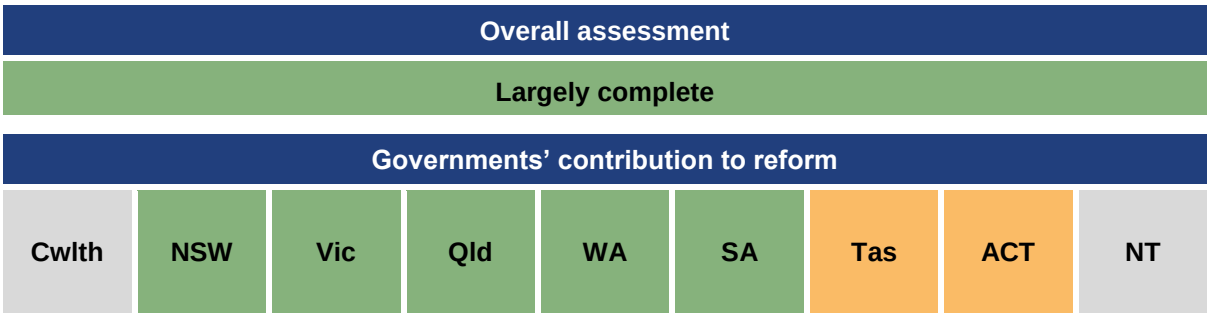
Of 35 regimes, each applying in only one or two jurisdictions, governments committed to remove 11 as part of this reform. Of those 11, governments have abolished licensing for eight occupations—NSW (5), Queensland (1), Western Australia (1) and South Australia (1)—completing their actions for this reform.

Tasmania and the ACT have not committed to removing licensing requirements through this reform but may do so through other processes. South Australia was proposing to remove licensing requirements for passive fire equipment installers as part of the second wave of National Licensing System reform.

COAG agreed on 19 April 2013 that this reform is complete for now and can be revisited once the National Licensing System is completed. However, on 13 December 2013 COAG decided it will no longer proceed with the National Licensing System (COAG 2013a, p. 5; 2013b, p. 5).

COAG's decision clears the way for governments to revisit the question of abolishing unnecessary licensing requirements. Even on the Productivity Commission's original conservative premise that an occupation licensed in only one or two jurisdictions is unnecessary; governments have only removed 8 of the 35 licenses in this category. Opportunities remain to rationalise occupational licensing.

Final assessment of occupational licensing reform output



Heavy vehicles

The National Heavy Vehicle Regulator has begun operations. The national law and regulations apply in all jurisdictions, except Western Australia and Northern Territory.

What is this reform about?

This reform is intended to deliver one nationally consistent set of rules for heavy vehicles over 4.5 tonnes. The aim of the reform is to improve safety and reduce regulatory costs.

To deliver this reform, governments will set up a national regulator to achieve a consistent approach to driver competency and testing standards. It was originally intended that the regulator would administer a single, national heavy vehicle driver licence, but transport ministers have decided not to do this. However, the council is not aware of this decision being endorsed by COAG.

The national regulator will issue permits for heavy vehicle access, regulate design and access approvals, and oversee a consistent compliance and enforcement regime.

What happened in 2012–13?

This year, we assessed two 2012–13 milestones and one overdue milestone from last year covering the following key steps:

- the adoption of the national law by States and Territories
- making arrangements to start the national system such as commencement of the national regulator, service level agreements, and one-stop shops.

The regulator opened on 21 January 2013 but will not commence full operations until early 2014. NSW, Victoria, Queensland, South Australia, Tasmania and the ACT have passed the necessary laws, and the laws will commence when the national regulator is ready to begin full operations (Commonwealth Government 2013, pp. 43–45).

Western Australia has completed a cost-benefit analysis of this reform. The Western Australian Government is yet to consider this cost-benefit analysis. The Northern Territory has not yet passed the laws.

Service level agreements are expected to be finalised by the end of 2013.

Our detailed assessment of each milestone is at pp. 107–110 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13 (1)									
2012–13 (2)									
2011–12									

Is the reform complete after five years?

The output for this reform, a national framework for regulating heavy vehicles, is partially complete.

The national regulator has started work with a one-stop shop website in place and agreements in development with NSW, Victoria, South Australia, Tasmania and the ACT. The regulator announced a 1 October 2013 target date for full operations, but this deadline was not met (Commonwealth Government 2013, p. 44; NHVR 2013a).

Western Australia and the Northern Territory have not committed to join the national framework (Northern Territory Government 2013, p. 35; Western Australian Government 2013, p. 31).

This reform has a future milestone for the Productivity Commission to review the impacts of this reform in 2016–17. We are not aware of any risks to the achievement of this future milestone.

Final assessment of heavy vehicles reform output

Overall assessment								
Partially complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Rail safety

The national rail safety framework and regulator have started in NSW, South Australia, Tasmania and the Northern Territory—Victoria will join shortly. Queensland and Western Australia have not yet passed the national rail safety law.

What is this reform about?

This reform is about establishing a national rail safety framework and regulator and creating a single national accreditation system for rail transport operators. The aim of doing this is to resolve inconsistent regulatory practices between the States and Territories and remove duplication of auditing, monitoring and inspection processes.

The single, national rail safety regulatory and investigation framework was to commence by December 2012, with South Australia hosting the regulator.

What happened in 2012–13?

This year, we report on the critical milestone of getting the national system, including the national law and regulator, up and running.

South Australia commenced the *Rail Safety National Law (South Australia) Act 2012* in June 2012, paving the way for other governments to pass enabling legislation (South Australian Government 2012, p. 43). NSW, Victoria, Tasmania and the Northern Territory have all commenced the laws. Victoria has not yet commenced its law, as it must first negotiate a service level agreement with the national regulator.

Queensland and Western Australia have not introduced the national law, although both governments advise they are still working to implement the reform.

In last year's report, we noted the December 2012 deadline might not be met as there was substantial work remaining. As expected, the reforms have run late.

Our detailed assessment of this milestone is at pp. 110–111 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13									

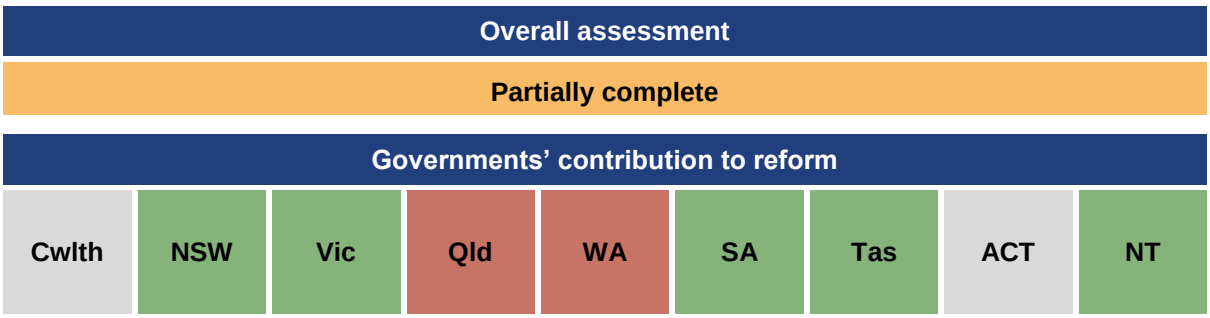
Is the reform complete after five years?

The output for this reform, a national rail safety framework, is partially complete.

Five governments—NSW, Victoria, South Australia, Tasmania and the Northern Territory—have adopted the national law, and the national framework and the regulator have started operating in four of these jurisdictions. Victoria is negotiating a service level agreement with the national regulator so the system can operate there soon. These five governments have fully or largely completed this reform.

Queensland and Western Australia have not introduced or passed the national law and have not completed this reform.

Final assessment of rail safety reform output



Road reform plan

This reform is off track against its original deadline. However, the delay accommodates COAG's agreement to more ambitious reforms to link heavy vehicle charging and road provision.

What is this reform about?

This reform is about encouraging efficient road freight infrastructure provision and use by improving:

- price signals for heavy vehicle users of roads
- demand information for providers of roads for freight.

Heavy vehicle charging is currently done through a fixed annual registration charge and fuel-based charges. This means that some heavy vehicle users are relatively overcharged and some are relatively undercharged for their road use. It also means that road pricing does not relate strongly to the costs of providing roads and how use of roads affects those costs.

The output for this reform is a review of pricing options to inform a more efficient productive, safe and sustainable use of freight infrastructure.

What happened in 2012–13?

This year, we assessed two 2012–13 milestones covering development of proposed road pricing, funding and expenditure arrangements and a draft intergovernmental agreement to deliver the proposal.

Neither of these milestones was completed. However, this was due to COAG agreeing in July 2012 to broaden the scope of the reform so that it would more comprehensively link road costs to road charging and road funding. The Standing Council on Transport and Infrastructure will recommend options to COAG in July 2014—a year and half later than the original deadline to do so.

Our detailed assessment of each milestone is at pp. 111–113 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13 (1)									
2012–13 (2)									

Is the reform complete after five years?

The reform output, a new heavy vehicle charging regime, is off track for its original timeline of implementation by December 2014.

The reform is moving on a slower timeline because COAG agreed to a more ambitious reform in response to the Road Reform Plan Feasibility Study. As we noted last year, the changed scope of the reform may delay its completion but ultimately lead to a better reform. The new approach should lead to a more comprehensive link between road costs, road pricing and road funding and investment (COAG Reform Council 2012, p. 166).

Governments have advised they will agree a new timeline for this reform that takes account of its broader scope. This has not happened yet, so the extent of the delay in the implementation of this reform is unclear.

Final assessment of road reform plan output

Overall assessment								
Off track								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

COAG Reform Council

Regulation making and review

Nearly all governments have completed the milestones over the five years of this reform stream. However, completion of these milestones has not directly improved regulation making and review procedures.

What is this reform about?

This reform goes to the core of the overall Seamless National Economy agenda. It aims to develop and enhance existing processes for regulation making and review. The objective is to achieve more consistent and better-designed regulation across the Commonwealth and all States and Territories, as well as minimise unnecessary regulation.

Last year, we assessed that there was little risk to the 2012–13 milestones. However, we also found that completing the milestones would not necessarily result in governments achieving the intended output of more consistent and better designed regulation.

What happened in 2012–13?

This year, we assessed two 2012–13 milestones and an overdue milestone for the ACT Government.

The 2012–13 milestones cover a benchmarking study of regulation making and review in Australia by the Productivity Commission and the responses of all governments to the study. The Productivity Commission released its study publicly on 13 December 2012. It is available online at http://www.pc.gov.au/projects/study/ria-benchmarking/report.

Governments responded to the study at COAG's 19 April 2013 meeting (Business Advisory Forum 2013). The responses are general, typically refer to ongoing reviews of regulation making processes, and do not involve much specific action to improve those processes.

The ACT has still only partially completed its overdue 2008–09 milestone to review its regulation making processes. The ACT's review is in progress. At the time of writing, the ACT is considering submissions responding to its discussion paper.

Our detailed assessment of each milestone is at pp. 113–114 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2012–13 (1)									
2012–13 (2)									
2008–09									

Is the reform complete after five years?

The reform output is not complete.

At the outset, this reform was to lead to enhanced regulation making and review processes for all Australian governments. Governments' responses to the Productivity Commission's report on regulation making were the last action in the reform stream and were to provide a mechanism to enhance regulation making and review. While governments did respond, it was largely to refer to existing and ongoing review processes rather than with concrete actions to enhance regulation making and review. Progress in this area cannot be ascribed to this reform's milestones.

However, the Productivity Commission found that Australian governments' principles for regulation making and review processes are sound and compare favourably internationally. This echoes findings of the OECD review *Australia: Towards a Seamless National Economy* (OECD 2010, quoted in Productivity Commission 2012c).

Nonetheless, the Productivity Commission drew attention to the gap between agreed principles and what happens in practice, with proposals with significant impacts frequently exempted from regulatory impact analysis, public consultation often perfunctory, and poor public transparency in most decision making processes.

The Productivity Commission report did not identify that the National Partnership reforms resulted in any substantial improvements in Australia's regulation making and review procedures.

Final assessment of regulation making and review reform output

Overall assessment								
Not complete								
Governments' contribution to reform								
Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Legal profession

This reform will not achieve its original purpose—the national regulation of the legal profession. Only two governments—NSW and Victoria—are still committed to advancing this reform.

What is this reform about?

This reform is about creating effective national regulation of the legal profession, to supersede the State and Territory laws that currently govern it. This would allow solicitors, barristers and law practices to operate across Australian jurisdictions, under one regulatory standard, without the need for multiple professional registrations.

This reform involves a new institutional and regulatory framework, underpinned by an intergovernmental agreement. For more detail on this framework, see Appendix A.

What happened in 2012–13?

This year, we looked at two overdue milestones from previous years involving:

- settling the package of reforms (a national law, national rules, a Regulatory Impact Statement and intergovernmental agreement)
- signing an intergovernmental agreement.

As we reported last year, the reform package has twice been presented to COAG but has not been agreed by COAG or by the subset of participating governments, which now includes NSW, Victoria, Queensland and the Northern Territory. Although Queensland has announced that will not participate in the reform, the COAG-agreed implementation plan for the reform still includes Queensland and so we have assessed it as not completing the reform.

On 6 December 2013, NSW and Victoria announced that they had signed an Intergovernmental Agreement on a Legal Profession Uniform Framework (Premier of Victoria 2013). In doing so, NSW and Victoria completed the milestone late. No other governments completed the milestone.

Our detailed assessment of each milestone is at pp. 114–115 and is summarised in the table below.

Assessment of progress on milestones assessed this year

Milestone	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2011–12									
2010–11									

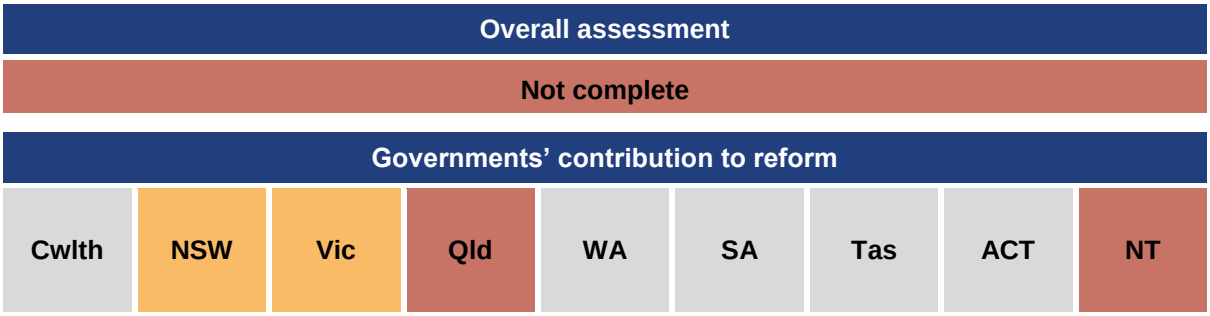
Is the reform complete after five years?

This reform is not complete.

In 2012, we reported that COAG agreed that only NSW, Victoria, Queensland and the Northern Territory would participate in this reform. This means that the scope of this reform was reduced and full national regulation of the legal profession was no longer the goal.

Even on this reduced goal of regulation of the legal profession covering four jurisdictions, including the three largest, progress has been slow. NSW and Victoria have now signed an intergovernmental agreement to advance the reform. Queensland has announced it will not implement the reform. The Northern Territory may yet go ahead with the reform.

Final assessment of legal profession reform output



prices
licensing
harmonisation
competition
regulation
microeconomic reform
national consistency
seamless national economy
maritime safety
consumers
wealth
productivity
electronic conveyancing
consumer law
labour mobility
energy market
rail safety
directors' liability
growth
business
access regimes
efficiency
legislation
OH&S
infrastructure
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trade measurement

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regulation
microeconomic reform
national consistency
seamless national economy
maritime safety
consumers
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consumer law
labour mobility
energy market
rail safety
directors' liability
growth
business
access regimes
efficiency
legislation
OH&S
infrastructure
national income
trade measurement

Appendix A
Assessment of milestones

This appendix is a companion to the summary findings in the body of the report. It provides additional background detail on the reforms that the council is assessing this year, and evidence and reasoning for the council's findings against each milestone we assessed for this report.

Index

Occupational health and safety

What is this reform about?

This reform is about creating nationally uniform OHS laws to reduce compliance costs for business and promote safer, healthier workplaces.

The output for this reform is for each government to adopt:

- a model Work, Health and Safety Bill and model regulations
- model codes of practice
- a nationally consistent approach to compliance and enforcement policy.

This particular reform focuses on generic OHS laws. Other reform streams in the National Partnership cover the regulation of rail safety, chemicals and plastics, mine safety, and maritime safety. They have their own sections in this report.

Overdue milestones from previous years

2011–12 milestone 1	Enact model legislation and regulations—with the exception of WHS regulations for Mining—and complete all related transition arrangements by December 2011
What happened?	Last year, we reported that the Commonwealth and the Northern Territory had completed this milestone (COAG Reform Council 2012, p. 17). We also reported that Tasmania had passed a law that had no material variations from the model bill, but had delayed the law's commencement until 1 January 2013, after the December 2011 deadline. Now that the law and regulations have commenced, Tasmania has completed this milestone. We reported that NSW, Queensland and the ACT had enacted their laws and regulations, but that these had 'material' variations from the model laws. Queensland and the ACT have stated that they are in the process of further harmonising their existing laws with the model national law. Of those governments which had not completed the legislative task last year: • South Australia enacted its laws and regulations on 1 November 2012. However, the laws were amended in the South Australian Legislative Council and 'materially' differ from the model bill. The Legislative Council inserted a right to protection against self-incrimination, which does not exist in the model bill. South Australia partially completed the milestone. • Western Australia still has not enacted the laws or regulations but has completed a regulatory impact assessment process and is considering its position on the reform. Western Australia has not completed the milestone. • Victoria still has not enacted the laws or regulations and has stated it will not do so. Victoria has not completed the milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2010–11 milestone 1	Safe Work Australia to finalise model work regulations by May 2011								
What happened?	Last year, we reported that all governments other than Victoria and Western Australia had completed this milestone. There has been no change on this milestone, as neither government has endorsed the model work regulations. Victoria and Western Australia have not completed this milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Construction code

What is this reform about?

The reform is about achieving a nationally consistent approach to on-site building and plumbing regulation in Australia. COAG is pursuing this objective by developing a national code which will integrate the former building and plumbing codes into a single code.

The National Construction Code (NCC) will deliver economic benefits and cost savings including:

- efficiency gains from removing overlap and inconsistency between the codes
- broader benefits from complementing other reform initiatives, such as national licensing and reforms in the training sector.

The NCC comprises the Building Code of Australia (BCA) and the Plumbing Code of Australia (PCA) in three volumes.

2012–13 milestones

2012–13 milestone 1	States and Territories: NCC referenced Oct 2012 (subject to individual transition arrangements) Ongoing milestones to be identified and agreed as project progresses
What happened?	State and Territory governments referenced the National Construction Code as follows: • NSW gave effect to the Building Code of Australia (BCA) on 1 May 2011 through amendments to its *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulations 2000*. The Plumbing Code of Australia (PCA) was given effect in NSW on 1 July 2012 through amendments to its *Plumbing and Drainage Act 2011* and the *Plumbing and Drainage Regulations 2012* (NSW Government 2012, p. 12). • Victoria gave effect to the BCA on 1 May 2011 through amendments to its *Building Act 1993* and *Building Regulations 2006*. The PCA was given effect in Victoria on 1 May 2011 through amendments to its *Plumbing Regulations 2008* (Victorian Government 2013, p. 11).

2012–13 milestone 1	States and Territories: NCC referenced Oct 2012 (subject to individual transition arrangements) Ongoing milestones to be identified and agreed as project progresses
	• Queensland gave effect to the BCA on 1 May 2011 through section 12 of its *Building Act 1975*. The PCA was given effect in Queensland on 1 November 2011 through the *Building and Other Legislation Amendment Regulation (No.1) 2011* (Queensland Government 2012, p. 11). • South Australia gave effect to the BCA on 1 May 2011 through gazettal notice. The PCA was given effect in South Australia on 14 July 2011 through regulation 17 of its *Waterworks Regulations 1996* and the *Waterworks Act 1932* and regulation 17 of its *Sewerage Regulations 1996* and *Sewerage Act 1929* (South Australian Government 2012, p. 11). • Tasmania gave effect to the BCA on 3 July 2012 through amendments to its *Building Act 2000*. The PCA was given effect in Tasmania on 3 July 2012 through the *Tasmanian Plumbing Code 2006* (Tasmanian Government 2012, p. 11). • The ACT gave effect to the BCA on 29 May 2011 through section 136 of its *Building Act 2004* and amendments to its *Building (General) Regulations 2008*. The PCA was given effect in the ACT on 29 May 2011 through the *Water and Sewerage (Plumbing Code) Declaration 2011 (No 1)* under section 46 of its *Water and Sewerage Act 2000* (ACT Government 2012, p. 10). • The Northern Territory gave effect to the BCA on 1 May 2012 through amendments to its *Building Act 1993* and its *Building Regulations 1993*. The PCA was given effect in the Northern Territory on 3 August 2012 through amendments to its *Building Regulations 1993* (Northern Territory Government 2012, p. 10). These States and Territories completed this milestone by October 2012. Western Australia referenced the BCA by commencing the *Building Act 2011*—which commenced on 2 April 2012—and the *Building Regulations 2012*—which commenced on 16 June 2012—applying the BCA in that State from those dates (Western Australian Government 2012, p. 7). However, Western Australia postponed referencing the PCA while it reviews its plumbing laws. A discussion paper for the review was released on 18 June 2013. The paper is available at: http://www.acilallen.com.au/pdfs/ACIL%20Allen_WA%20Plumbing%20Industry%20review_discussion%20paper%2018062013.pdf. The Western Australian Government advises that the review should be completed by the end of 2013 (Western Australian Government 2013, p. 7). Western Australia has partially completed the milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Overdue milestones from previous years

2011–12 milestone 1	All jurisdictions: complete legislative amendments and all related transitional arrangements by Jan 2012								
What happened?	All governments except Western Australia completed the necessary legislative amendments and transitional arrangements by January 2012. Western Australia has not completed the legislative amendments and transitional arrangements for Volume 3 of the National Construction Code. It is currently reviewing its plumbing legislation. Western Australia has partially completed the milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Chemicals and plastics

What is this reform about?

The objective of this reform is a streamlined and harmonised system of national chemicals and plastics regulation that maintains OHS, public health and environmental protections. It also aims to achieve national consistency in the regulation of agricultural and veterinary chemicals, transport safety, and chemicals of national security concern. Governments are aiming to reduce variations in licensing and competency requirements for chemical users and in the monitoring of chemical residues. The reforms also aim to reduce inconsistency in access restrictions, and controls, compliance and enforcement.

The reforms were drawn from the Productivity Commission's 2008 report *Chemicals and Plastics Regulation*, which made 30 recommendations for reform (Productivity Commission 2008a). COAG responded to these recommendations by including chemicals and plastics reforms in the National Partnership Agreement to Deliver a Seamless National Economy.

The reforms included a set of 'early harvest' reforms to be completed in the short term, and a set of longer term reforms to be delivered through a number of ministerial councils. The Standing Committee on Chemicals was specifically formed to oversee these reforms.

Overdue milestones from previous years

2009–10 milestone 1	All jurisdictions: complete remaining early harvest reforms by June 2010
What happened?	Last year, we reported that all but two of the early harvest reforms were complete: • reform 5: industrial water sanitisers • reform 9: data protection for agricultural product registrants (COAG Reform Council 2012, p. 39). As reported below, the Commonwealth completed these milestones late. **Early Harvest Reform 5—Regulating water sanitisers for industrial use** This reform required the Commonwealth to recommend reforms to the regulation of these products to the December 2008 COAG meeting. Last year, we reported this reform was only partially complete. At that stage, it was understood that water sanitisers would fall under the National Industrial Chemical Notification and Assessment Scheme. Subsequently, the Standing Committee on Chemicals at its meeting of 26 October 2012 noted the reform would be delivered through the *Agricultural and Veterinary Chemicals Legislation Amendment Act 2013*. The Act was assented to on 29 June 2013 (Commonwealth Government 2013, p. 55). This reform is now complete. **Early Harvest Reform 9—Improve data protection for agricultural product registrants** To complete this milestone, the Ministerial Taskforce on Chemicals and Plastics was to report on the progress of legislative amendments. In our last report, we noted that COAG had agreed this reform would be done as part of the Commonwealth Better Regulation Ministerial Partnership between the Commonwealth Minister for Agriculture, Fisheries and Forestry and the Commonwealth Minister for Finance and Deregulation. Amendments relating to data protection were included in the Agriculture and Veterinary Chemicals Legislation Amendment Bill. This was to be introduced in the 2012 Spring sittings at the time of our last report. The *Agriculture and Veterinary Chemicals Code Act 2013* was amended on 28 June 2013 and received assent on 29 June 2013. This reform is now complete.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2010–11 milestone 2 2011–12 milestone 2	All jurisdictions: Ministerial Councils to complete reforms in line with milestones outlined in implementation plans agreed by COAG in February 2011
What happened?	These two milestones refer to the same set of actions. Last year, we reported that the following bodies still had reforms to implement from the implementation plans agreed by COAG in February 2011: • the Select Council on Workplace Relations • the Standing Council on Primary Industries • the Standing Council on Environment and Water • the Standing Council on Health • the Commonwealth Attorney-General's Department. A summary of progress made by these bodies on remaining milestones in 2012–13 is below. A more detailed account of each body's progress is in the following tables. **Select Council on Workplace Relations** The Select Council on Workplace Relations partially completed the reforms in its implementation plan. This year, the Select Council partially completed two of its remaining three milestones with the commencement of the national occupational health and safety system in seven of nine jurisdictions (Victoria and Western Australia have not introduced the laws). **Standing Council on Primary Industries** The Standing Council on Primary Industries completed the reforms in its implementation plan. This year, the Standing Council completed its two remaining milestones by considering, and ultimately agreeing, a regulatory model for agricultural and veterinary chemicals. **Standing Council on Environment and Water** The Standing Council on Environment and Water partially completed the reforms in its implementation plan. This year, the Standing Council completed one of its two remaining milestones. The incomplete milestone required the development of a Decision Regulatory Impact Statement (RIS) on nationally consistent management of environmental risks from industrial chemicals. **Standing Council on Health** The Standing Council on Health has completed all of the reforms in its implementation plan. The final milestone, agreeing a Decision RIS and implementation plan for nationally consistent treatment of the regulation of poisons and medicines, has now been completed.

2010–11 milestone 2 **2011–12 milestone 2**	All jurisdictions: Ministerial Councils to complete reforms in line with milestones outlined in implementation plans agreed by COAG in February 2011
	Commonwealth Attorney General's Department The Attorney General's Department completed one of its four reforms. A national Chemical Security Management Framework has been established and will be applied to all 96 chemicals of security concern by the end of June 2015. The risk assessment of Security Sensitive Ammonium Nitrate has been completed. The remaining work is to improve controls for Security Sensitive Ammonium Nitrate. Reforms will apply to licensing of handlers, security controls and a national security plan for transporters. **Overall assessment of the two milestones** The milestones remain partially completed, as not all the reforms in the implementation plans have been completed.
ASSESSMENT	**Cwlth** **NSW** **Vic** **Qld** **WA** **SA** **Tas** **ACT** **NT**
	Cwlth **NSW** **Vic** **Qld** **WA** **SA** **Tas** **ACT** **NT**

Detailed account of progress by ministerial councils

Select Council on Workplace Relations		
Remaining milestones	**Progress report**	**Assessment**
2011–12 milestone **Major Hazard Facilities:** All jurisdictions: Model WHS laws commence in Australia on 1 January 2012	As reported in the occupational health and safety section of this report, national work health and safety laws commenced by 1 January 2013 in all jurisdictions except Western Australia and Victoria. This reform is now partially complete.	
2011–12 milestone **Labelling of chemicals:** All jurisdictions: Model WHS laws commence in Australia on 1 January 2012	As reported in the occupational health and safety section of this report, national work health and safety laws commenced by 1 January 2013 in all jurisdictions except Western Australia and Victoria. This reform is now partially complete.	
2010–11 milestone **Explosives legislation:** AFER/ Safe Work Australia: Safe Work Australia will consider a proposal for harmonising explosives legislation across Australia. This will include seeking Workplace Relations Ministers' Council (WRMC) and COAG agreement to governance arrangements for the process, taking account of the range of policy agencies and ministerial councils that have some interest in explosives safety and security policy and regulation (December 2010).	Last year, we found this reform partially complete. We also noted that COAG had: • requested that a taskforce provide advice on the costs and benefits of reforms to harmonise explosives legislation • asked the Productivity Commission to provide high level advice on the costs and benefits of this reform. Submissions received from governments indicate that no further work has been done. This milestone remains partially complete.	

Standing Council on Primary Industries		
Remaining milestones	**Progress report**	**Assessment**
2010–11 milestone Single National Agricultural and Veterinary Chemical Framework Reforms Relevant Commonwealth and state and territory ministers: consideration of regulatory model, intergovernmental agreement, COAG decision RIS, funding model and updated implementation plan: start April 2011.	The Standing Council on Primary Industries established the National AgVet System Policy Taskforce to work on the agreement and a funding model. The taskforce provided a reform package to COAG in December 2012, which included a proposed regulatory model, funding model and intergovernmental agreement. This milestone is complete.	
2010–11 milestone Single National Agricultural and Veterinary Chemical Framework Reforms COAG/BRCWG: COAG consideration, through the BRCWG: start June 2011.	The Commonwealth Government advises that in November 2012, BRCWG considered a legislative package and agreed to provide the package to COAG for endorsement (Commonwealth Government 2013, p. 58). The Standing Council on Primary Industries has agreed to the final reform package, Decision RIS and intergovernmental agreement. This milestone is complete.	

Standing Council on Environment and Water (SCEW)		
Remaining milestones	**Progress report**	**Assessment**
2011–12 milestone Environmental labelling of chemicals, governance arrangements for environment risk management of chemicals and the development of a performance measurement framework EPHC National Framework for Chemicals Environmental Management (NChEM) Working Group: Consultation Regulation Impact Statement (RIS) development and public consultation for the reforms on environmental labelling of chemicals, governance arrangements for environment risk management of chemicals and the development of a performance measurement framework by February 2012.	Last year, we reported that this milestone was not complete as a consultation RIS was yet to be drafted. Since then, a consultation RIS has been drafted and released. This milestone is complete.	
2011–12 milestone Environmental labelling of chemicals decision RIS developed by 2012 EPHC NChEM Working Group: Decision RIS development by mid–2012.	The consultation period on the RIS for this reform has recently ended. The Decision RIS is yet to be drafted and the Commonwealth Government reports it is unlikely to be done until 2014. This milestone is not complete.	

Standing Council on Health		
Remaining milestones	**Progress report**	**Assessment**
2011–12 milestone Reforms to separate poisons and medicines scheduling processes National Coordinating Committee on Therapeutic Goods (NCCTG): Review framework developed by July 2012.	The review and recommendations were completed in September 2013 and will be published once the Commonwealth Minister for Health has tabled them in Parliament (Department of Health [Cwlth] 2013). This milestone is complete.	
2011–12 milestone Uniform adoption of national poison scheduling decisions and a nationally consistent approach to regulating poisons NCCTG: Consultation with stakeholders by April 2012.	A consultation RIS was released on 17 August 2012 for a four-week consultation period. This milestone is complete.	
2011–12 milestone AHMC: Approval of decision RIS by June 2012.	A Decision RIS and implementation plan were approved by the Standing Council on Health at its 15 May 2013 meeting (Commonwealth Government 2013, p. 60). This milestone was completed late.	
2010–11 milestone Exemption of workplace users from poisons controls where a poison is adequately covered under workplace substances regulations Labelling—poisons currently utilized solely for industrial use exempt from labelling requirements of SUSMP (ongoing).	As reported in the occupational health and safety section of this report, national work health and safety laws commenced by 1 January 2013 in all jurisdictions except Western Australia and Victoria. This reform is now partially complete.	

Attorney-General's Department		
Remaining milestones	**Progress report**	**Assessment**
2012–13 milestone All jurisdictions: Finalise SSAN security risk assessment by August 2012.	The Commonwealth Government advises that a security risk assessment for Security Sensitive Ammonium Nitrate was completed and approved by the National Government Advisory Group on 17 May 2012 (Commonwealth Government 2013, p. 60). This milestone is complete.	
2012–13 milestone All jurisdictions: Commence development of proposed control measures through the National Government Advisory Group (NGAG), incorporating outputs 2 and 3, by November 2012.	The Commonwealth Government advises that its Attorney General's Department has established a joint government/industry Risk Management Working Group for SSAN to consider the issues and recommend reforms, as needed, to the National Government Advisory Group (NGAG) (Commonwealth Government 2013, p. 60). NGAG will retain overall policy responsibility for SSAN regulatory reforms, and will report progress to COAG through the Business Advisory Forum (BAF) Taskforce. The Risk Management Working Group met for the first time on 27 September 2013. This milestone is not complete.	
2012–13 milestone All jurisdictions: NGAG to report to COAG (through BRCWG) on reform progress by December 2012.	This milestone is dependent on the above milestone. This milestone is not complete.	
2012–13 milestone All jurisdictions: NGAG to agree on proposed control measures by November 2013 (includes targeted industry consultation and re-examination of existing regulations).	This milestone is dependent on the above two milestones. This milestone is not complete.	

Mine safety

What is this reform about?

The output for this reform is a nationally consistent occupational health and safety regime for the mining industry, to be delivered through the following seven strategies:

- a nationally consistent legislative framework (consistent with the national OHS model laws)
- competency support—nationally consistent training
- compliance support—national codes of practice and an online repository of compliance information to assist duty holders
- a nationally coordinated protocol on enforcement
- consistent and reliable data collection and analysis through a National Mine Safety Database
- effective consultation mechanisms
- a collaborative approach to research.

These strategies are explained in further detail in the *National Mine Safety Framework Implementation Report* (National Mine Safety Framework Steering Group 2009).

The reform has been split into 'core' and 'non-core' provisions. The non-core provisions cover high-risk mining activity and will only be enacted in the three major mining States: NSW, Queensland and Western Australia. Safe Work Australia will oversee the implementation of core provisions, whereas the non-core provisions will be implemented through a separate process. We report on both processes.

2012–13 milestones

2012–13 milestone 1	All jurisdictions: Input data into the National Database for the first complete reporting period (2012–13) from 1 July 2012								
What happened?	The National Mine Safety Database became operational in July 2013, so it was not able to record data during the time period specified in the milestone. A number of governments have reported that the entry of data into the database is not required until the Occupational Health and Safety laws commence in their jurisdictions. None have reported the entry of data into the database. This milestone is not complete.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 2	Enact and implement model WHS regulations for mining by 1 July 2012 (Cth, Vic, SA, Tas and NT)								
What happened?	While the core mine safety legislation is covered by the model national workplace health and safety laws, the regulations associated with mining activity are separate to the generic OHS regulations and are yet to be finalised. Some governments reported that the regulations would commence in early 2014. This milestone is not complete.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 3	Introduce primary 'non-core' mine safety legislation by 1 October 2012 (NSW, Qld and WA)								
What happened?	NSW introduced non-core mine safety laws on 21 May 2013, which were passed without amendment on 25 June 2013. Queensland and Western Australia have not introduced non-core legislation. NSW completed the milestone late, but within the reporting period. The milestone has not been completed by Queensland and Western Australia.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 4	Enact and implement core and non-core mine safety provisions by 31 December 2012 (NSW, Queensland and Western Australia)								
What happened?	NSW has passed the non-core mine safety laws but is finalising its regulations to implement both the core and non-core provisions. NSW states that there will be public consultation by the end of 2013. A preliminary timeline suggests regulations will be in place by mid-2014 (NSW Government 2013). Queensland and Western Australia have not yet passed the laws required to enact and implement these provisions (see 2012–13 milestone 3). NSW has partially completed the milestone. Queensland and Western Australia have not completed the milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Overdue milestones from previous years

2011–12 milestone 1	All jurisdictions: Establish a National Regulators Forum by May 2012								
What happened?	The National Regulators' Forum was held on 13 and 14 February 2013. Governments completed this milestone late.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2011–12 milestone 2	All jurisdictions: Finalise development of National Mine Safety Database by April 2012								
What happened?	The National Mine Safety Database became operational on 1 July 2013. Governments completed this milestone late.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Electronic conveyancing

What is this reform about?

This reform is about streamlining the processes for settling property transactions by establishing a national electronic conveyancing (e-conveyancing) system. The system will allow electronic settlement of property transactions, electronic lodgement of instruments with State and Territory land registries, and payment of duties and taxes (NECS 2010). A common regulatory framework for lodgement of electronic documents will provide significant savings to businesses operating nationally (for example, major banks).

States and Territories established the Australian Registrars' National Electronic Conveyancing Council (ARNECC) in 2010. ARNECC is a government body that will ensure a consistent national approach to regulating national e-conveyancing. The transactions themselves are performed through Property Exchange Australia (PEXA), an online facility operated by a company formed in 2010 for this purpose: National e-Conveyancing Development Limited (NECDL).

2012–13 milestones

2012–13 milestone 1	Host jurisdiction: introduce national legislation by August 2012								
What happened?	NSW (the host jurisdiction) introduced the *Electronic Conveyancing (Adoption of National Law) Act 2012* on 17 October 2012. This bill contains the Electronic Conveyancing National Law for other jurisdictions to adopt, and concurrently applies the national law in NSW. The Act has passed both houses and received assent on 20 November 2012. All provisions of the Act commenced on 1 January 2013 (NSW Government 2013, p. 16). NSW completed the milestone late.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 2	States and Territories (except host jurisdiction): introduce application legislation and complete all related transitional arrangements by December 2012
What happened?	Victoria introduced the Electronic Conveyancing (Adoption of National Law) Bill 2012 on 13 November 2012 (Victorian Government 2013, p. 17). Queensland introduced the Electronic Conveyancing National Law (Queensland) Bill 2012 on 27 November 2012 (Queensland Government 2013b, p. 23). Western Australia introduced the Electronic Conveyancing Bill 2013 on 5 December 2013 (Western Australian Government 2013, p. 12). South Australia introduced the Electronic Conveyancing National Law (South Australia) Bill 2013 on 6 June 2013 (South Australian Government 2013, p. 20). Tasmania introduced the Electronic Conveyancing (Adoption of National Law) Bill 2013 on 29 August 2013 (Tasmanian Government 2013, p. 18). The Northern Territory introduced the Electronic Conveyancing (National Uniform Legislation) Bill 2013 on 27 March 2013 (Northern Territory Government 2013, p. 17). The ACT has not introduced legislation (ACT Government 2013, p. 16). All States and Territories, except the ACT, have completed this milestone. Western Australia, South Australia, Tasmania and the Northern Territory completed this milestone late.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2012–13 milestone 3	States and Territories: commence national legislation by December 2012
What happened?	NSW commenced the *Electronic Conveyancing (Adoption of National Law) Act 2012* on 1 January 2013 (NSW Government 2013, p. 16). Victoria commenced the *Electronic Conveyancing (Adoption of National Law) Act 2012* on 14 March 2013 (Victorian Government 2013, p. 17). Queensland commenced the *Electronic Conveyancing National Law (Queensland) Act 2012* on 17 May 2013 (Queensland Government 2013b, p. 23). Tasmania commenced the *Electronic Conveyancing (Adoption of National Law) Act 2013* on 19 November 2013 (Tasmanian Government 2013, p. 18). The Northern Territory commenced the *Electronic Conveyancing (National Uniform Legislation) Act 2013* on 17 July 2013 (Northern Territory Government 2013, p. 17). NSW completed the milestone. Victoria, Queensland, Tasmania and the Northern Territory completed the milestone late. Western Australia, South Australia and the ACT have not completed this milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2012–13 milestone 4	States and Territories: the national electronic conveyancing company to have built and begun testing of its e-conveyancing system by December 2012, such that the first real world transactions will be able to conducted by June 2013
What happened?	NECDL built the national electronic conveyancing platform—PEXA (Commonwealth Government 2013, p. 18). PEXA is being released in two stages over 2013 and 2014. • The first release allows banks and other financial institutions to perform standalone mortgages, discharges and refinances online. • The second release, planned for 2014, will allow solicitors and conveyancers to join and enable multi-party transactions such as online settlements, transfers, notices and caveats. PEXA successfully completed its first transaction on 18 June 2013, between Land Victoria and Commonwealth Bank Australia, marking the beginning of the first release of the system in Victoria. Transactions have also been completed in NSW and Queensland (NECDL 2013). The milestone was completed.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Overdue milestones from previous years

2011–12 milestone 1	States and Territories: agree Intergovernmental Agreement on Electronic Conveyancing by December 2011
What happened?	As we have previously reported, the ACT has not signed the Intergovernmental Agreement (ACT Government 2013, p. 16). The ACT has still not completed the overdue milestone from 2011–12.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Oil and gas

The objective of this reform is to reduce the regulatory burden on the offshore petroleum industry by streamlining Commonwealth, state and territory regulations.

This reform will lead to significant benefits for the oil and gas sector, which contributes approximately 2 per cent of Australia's gross domestic product. In 2009, the Productivity Commission released its *Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector*, estimating the gains from removing unnecessary regulatory burden on this sector to be worth billions of dollars each year (Productivity Commission 2009, p. xxi).

The report highlighted complex and duplicative compliance requirements, delays and uncertainties in obtaining approvals for oil and gas projects, and inconsistent administration of regulatory processes across jurisdictions as major sources of concern for the industry.

The implementation plan for this reform shows three milestones in 2012–13. However, we assessed two of those milestones as completed last year and only assess the one remaining milestone this year.

2012–13 milestone

2012–13 milestone 1	States and Territories: SCER to agree Guidelines that outline principles of engagement for petroleum developers with local government by December 2012								
What happened?	The Standing Council on Energy and Resources (SCER) endorsed the *Guidelines for Engagement for Petroleum Developers with Local Government* at its 14 December 2012 meeting (SCER 2012a, p. 4). The States and the Northern Territory have completed this milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Maritime safety

What is this reform about?

This reform is about creating a national maritime safety system for commercial vessels. Governments will do this by replacing eight different maritime safety regimes with one regime with consistent laws and a single national regulator.

Governments have agreed that the Commonwealth will host the national maritime safety law and other governments will apply the law locally. The Australian Maritime Safety Authority will be the national regulator of safety for commercial shipping in Australian waters (COAG 2009).

The regulation impact statement for this reform found it would:

- provide an efficient national market by allowing labour and vessels to transfer between jurisdictions seamlessly
- reduce the complexity of various maritime safety requirements, such as vessel design, construction and equipment
- reduce costs in the commercial shipping sector (AMSA 2009; DITRDLG 2009).

This year's milestone focuses on getting the final arrangements in place to allow the national regime to start by 1 January 2013. We also assess an overdue milestone from 2011–12.

2012–13 milestones

2012–13 milestone 1	Complete all necessary arrangements to ensure full implementation of the national system on 1 January 2013 by 31 December 2012								
What happened?	The Commonwealth, as the host jurisdiction, commenced the *Marine Safety (Domestic Commercial Vessel) National Law Act 2012* and the *Marine Safety (Domestic Commercial Vessel) National Law (Consequential Amendments) Act 2012* on 1 July 2013. The proclamation of these Acts made the Australian Maritime Safety Authority the national regulator, overseeing a national law, from the same date. As reported below, the NSW, Victoria, South Australia, Tasmania and Northern Territory governments passed laws to apply the national law from that date. As such, national maritime safety regulation now applies in NSW, Victoria, South Australia, Tasmania and the Northern Territory. A three-year transition period applies until 1 July 2016 during which time some vessel owners in these jurisdictions are not required to comply with the certification requirements specified in the national law. Queensland and Western Australia have not applied the national law yet. However, Western Australia has accepted a delegation for the Western Australian Department of Transport to perform functions under the national law while mirror legislation is developed. The Queensland Government has also accepted a delegation into 2014, and is considering its longer term participation in the national regime. The Commonwealth, NSW, Victorian, South Australian, Tasmanian and Northern Territory governments completed this milestone late. Western Australia partially completed this milestone. Queensland has not completed this milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Overdue milestones from previous years

2011–12 milestone 2	Commencement of transitional process to develop and pass national and jurisdictional legislation by March 2012
What happened?	Last year, we reported that the Commonwealth Government introduced the national legislation into parliament on 24 May 2012. The *Marine Safety (Domestic Commercial Vessel) National Law Act 2012* and the *Marine Safety (Domestic Commercial Vessel) National Law (Consequential Amendments) Act 2012* received assent on 12 September 2012. Given the delay with the Commonwealth laws, the States and the Northern Territory could not pass their application laws by March 2012 as required. Most States and the Northern Territory have since passed the laws: • In NSW, the *Marine Safety Amendment (Domestic Commercial Vessel National Law Application) Act 2012* was assented to on 20 November 2012. • In Victoria, the *Marine (Domestic Commercial Vessel National Law Application) Act 2013* was assented to on 18 June 2013. • In South Australia, the *Marine Safety (Domestic Commercial Vessel) National Law (Application) Act 2013* was assented to on 18 June 2013. • In Tasmania, the *Marine Safety (Domestic Commercial Vessel National Law Application) Act 2013* was assented to on 13 May 2013. • In the Northern Territory, the *Marine Safety (Domestic Commercial Vessel) (National Uniform Legislation) Act 2013* was assented to on 29 May 2013. Queensland and Western Australia have not introduced the laws, although Western Australia is developing legislation to mirror the national law. The Commonwealth, NSW, Victoria, South Australia, Tasmania and the Northern Territory have completed this milestone late. Queensland and Western Australia have not completed the milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Directors' liability

What is this reform about?

This reform is about taking a nationally consistent approach to criminal liability for company directors by:

- agreeing to principles for imposing personal liability for corporate fault
- auditing Commonwealth, State and Territory laws against the agreed principles
- amending laws that are inconsistent with the principles and applying the principles to new laws.

Inconsistent laws, disparate standards of responsibility and different defences across jurisdictions are burdensome and complex—leading to uncertainty for people in corporate roles. The inconsistencies detract from good corporate governance, increase compliance costs for business and are a disincentive for people to take up corporate roles (Corporations and Markets Advisory Committee 2006, pp. 61–63).

In 2008, COAG agreed to harmonise the laws regarding personal criminal liability for corporate fault, except for laws relating to workplace health and safety, and environmental protection (COAG 2008a, p. 2; 2008b, p. 7).

The focus of this year's milestones is on the final element of this reform, amending laws that are inconsistent with COAG's principles.

2012–13 milestones

2012–13 milestone 1	All jurisdictions: BRCWG to agree to apply the principles (and guidelines) when drafting future legislation and report to COAG on the mechanism used in each jurisdiction to achieve this by July 2012								
What happened?	The COAG Principles on Directors' Liability Provisions were agreed on 7 December 2009. The Business Regulation and Competition Working Group agreed guidelines for applying those principles, and these guidelines were agreed by COAG on 25 July 2012. The principles and guidelines are available at http://www.coag.gov.au/node/434. This milestone is complete.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 2	All jurisdictions: Develop a legislative plan to implement agreed reforms and introduce legislation by December 2012								
What happened?	Governments have not publicly released their legislative plans for this reform. However, we have assumed a government has met this milestone if it has met the second element to introduce laws to implement the COAG Principles on Directors' Liability Provisions. • The Commonwealth Parliament passed the *Personal Liability for Corporate Fault Reform Act 2012*, which received assent on 10 December 2012. • The New South Wales Parliament passed the *Miscellaneous Acts Amendment (Directors' Liability) Act 2012*, which received assent on 26 November 2012. • The Victorian Parliament passed the *Statute Law Amendment (Directors' Liability) Act 2013*, which received assent on 13 March 2013. • The Queensland Parliament passed the *Directors' Liability Reform Amendment Act 2013*, which received assent on 29 October 2013. • The South Australian Parliament passed the *Statutes Amendment (Directors' Liability) Act 2013*, which received assent on 7 June 2013. • The Directors' Liability (Miscellaneous Amendments) Bill 2012 was introduced in the Tasmanian Parliament on 20 November 2012, although it has not been passed. • The ACT Legislative Assembly passed the *Directors' Liability Legislation Amendment Act 2013*, which was enacted on 22 February 2013. Western Australia and the Northern Territory have not introduced the required legislation. However, the Western Australian Attorney General has outlined the government's plan to bring forward a bill. The council has assessed this as amounting to a legislative plan. Western Australia has also reported that its bill is in an advanced state of drafting. All governments other than Western Australia and the Northern Territory completed the milestone. Western Australia has partially completed the milestone. The Northern Territory has not completed the milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Consumer credit

What is this reform about?

The aim of this reform is to establish a single national approach to consumer credit regulation. The reform covers the regulation of mortgage broking, lending by non-deposit taking institutions and other types of consumer credit, including credit cards.

Under this National Partnership, consumer credit reform is to be delivered in two phases. COAG completed the first phase on 1 July 2010 when the States and Territories transferred their

responsibility for regulating trustee corporations, mortgage broking, margin lending and non-deposit lending to the Commonwealth.

The second phase of reform is the focus of 2011–12 and 2012–13 milestones and has two parts:

- Part One covers reverse mortgages and credit cards, the treatment of consumer leases, hardship provisions, and extending unjust conduct provisions to credit service providers. We found this part of the reform was complete in our 2011–12 report.
- Part Two covers short-term and indefinite consumer leases, credit for investment purposes, private lending, and anti-avoidance measures. This part originally also covered credit for small business, but this has been deferred by the Commonwealth.

In 2008, the Productivity Commission recommended that the Commonwealth assume responsibility for consumer credit regulation, with enforcement by the Australian Securities and Investment Commission. The Productivity Commission stated that a wholly nationally-administered system would be more consistent for all parties, more transparent and safer for consumers, and reduce bureaucratic duplication. Overall, the Productivity Commission projected economic benefits in the range of $1.5 billion to $4.5 billion per year (Productivity Commission 2008b).

2012–13 milestones

2012–13 milestone 1	Commonwealth: Enact legislation for Part Two, Phase Two reforms by July 2012								
What happened?	An exposure draft of the proposed *National Consumer Credit Protection Amendment (Credit Reform Phase 2) Bill 2012* (Commonwealth Treasury 2012) was released for public consultation and comment by 1 March 2013. The Bill has not yet been tabled in Parliament. However, the final form of the legislation will depend on the nature of the referral to be made. This is yet to be agreed by governments. We have not assessed this milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 2	States and Territories: Any States proceeding to adopt the Commonwealth law, enact adoption legislation for Part Two, Phase Two reforms by December 2012								
What happened?	As referral processes have not been agreed for this reform, it has not been possible for governments to enact adoption legislation completing Part Two, Phase Two of this reform. We have not assessed this milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 3	States and Territories: All States to enact repeal legislation for Part Two, Phase Two reforms by December 2012								
What happened?	As referral processes have not been agreed for this reform, it has not been possible for governments to enact repeal legislation completing Part Two, Phase Two of this reform. We have not assessed this milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 4	Commonwealth: Report to COAG, through BRCWG, on implementation of Part Two of Phase Two by December 2012								
What happened?	The Commonwealth Government reported to COAG through BRCWG on the progress of this reform on 7 December 2012 (BRCWG 2012), stating that a referral of power from the States and Territories to the Commonwealth is required to complete this reform. This milestone is complete.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Overdue milestones from previous years

2011–12 milestone 5	Commonwealth: Finalise Regulation Impact Statements for Part Two, Phase Two reforms by December 2011								
What happened?	Last year we reported that the Commonwealth had finalised its Regulation Impact Statements for Part Two, Phase Two consumer credit reform on 5 May 2012, and that the Office of Best Practice Regulation had assessed them as adequate. The Regulation Impact Statements were released publicly on 15 January 2013 at: • http://ris.finance.gov.au/2013/01/15/credit-for-investment-regulation-impact-statement-the-treasury/ • http://ris.finance.gov.au/2013/01/15/small-business-credit-regulation-impact-statement-the-treasury/ • http://ris.finance.gov.au/2013/01/15/addressing-avoidance-of-the-national-credit-code-regulation-impact-statement-the-treasury/ This milestone was completed late.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2011–12 milestone 6	States and Territories: At least one State pass referral legislation for Part Two, Phase Two reforms by June 2012 (if required)
What happened?	No referral legislation has been passed for the Part Two, Phase Two reforms. Governments have not agreed on the legislative process for completing Part Two, Phase Two of this reform. Since it is not clear whether referral legislation is required on the part of any state government, we have not assessed this milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Energy: retail price regulation

What is this reform about?

The reform is about removing retail price regulation in electricity and natural gas markets where competition is effective. The Australian Energy Market Commission (AEMC) is responsible for assessing the state of competition in retail energy markets.

This reform involves a series of reviews of energy retail market competition by the AEMC. Following each review, the relevant government is to respond to the review and may remove retail price regulation where it agrees competition is effective or remove barriers to competition where the review finds competition is not effective.

All governments except Victoria and South Australia regulate retail energy prices. Victoria removed regulation following the AEMC's finding of effective competition in 2008. In 2008, the AEMC reviewed South Australia's retail market and recommended price regulation be removed. This occurred on 1 February 2013.

Deregulated retail prices mean that retailers can set prices that reflect the true cost of energy supply, which in turns sends signals to consumers to manage their energy consumption (otherwise known as active demand side participation).

2012–13 milestones

2012–13 milestone 1	[In 2012, regarding NSW] AEMC to report to MCE on: • effectiveness of competition in retail electricity and natural gas markets • recommend measures to remove retail price regulation if competition is effective • recommend measures to enhance retail competition if it is found to be ineffective
What happened?	The AEMC released its final report on the effectiveness of competition for small electricity and natural gas consumers in New South Wales on 3 October 2013. The Commission is now confident that competition in NSW is sufficiently robust to promote choice and benefit consumers (AEMC 2013). The milestone was completed late.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2012–13 milestone 2	NSW: Respond to the AEMC's findings if it is agreed that competition is effective in [NSW], develop a plan to carefully manage the removal of retail price regulation in electricity and natural gas markets								
What happened?	The milestone requires NSW to respond to the AEMC review within six months of its completion. The AEMC review was completed in October 2013. NSW has until 3 April 2014 to respond to the review's findings. Given the deadline for NSW to respond falls after the deadline for our last report to COAG, we have not assessed NSW against this milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Energy: harmonised legislation

What is this reform about?

The reform is about harmonising energy market legislation by introducing the National Energy Customer Framework (NECF) and by reviewing derogations from the national energy laws. This year's milestone requires States and Territories in the National Electricity Market (NEM) to pass laws applying the NECF. The NECF sets out rights, protections and obligations for small business and household energy consumers.

This year's milestones focus on applying the NECF in NEM jurisdictions. Under the NECF, sale and supply will be regulated by the Australian Energy Regulator (AER), while the Australian Energy Market Commission (AEMC) will be responsible for setting NECF rules.

This aims to improve competition in the retail energy market by replacing complex consumer protection legislation.

2012–13 milestones

2012–13 milestone 1	Commonwealth/SA/Vic/NSW/QLD/Tas/ACT: Application Acts to give effect to the National Energy Customer Framework passed in relevant jurisdictions: by June 2013
What happened?	The NECF commenced: • in New South Wales on 1 July 2013 with commencement of the *National Energy Retail Law (Adoption) Act 2012 No 37* [NSW] (NSW Government 2013, p. 25) • in South Australia on 1 February 2013 with commencement of the *National Energy Retail Law (South Australia) Act 2011* [SA] (South Australian Government 2012, p. 30) • in Tasmania with commencement of the *National Energy Retail Law (Tasmania) Act 2012* and the National Energy Retail Law (Tasmania) Regulations 2012 on 8 May 2012 (Tasmanian Government 2013) • in the Australian Capital Territory on 1 July 2012 with commencement of the *National Energy Retail Law (ACT) Act 2012* and the National Energy Retail Law (ACT) Regulation 2012 (ACT Parliament 2012). According to the Standing Council on Energy and Resources, the NECF is expected to be implemented in Victoria and Queensland in 2014 (SCER). However, Victoria advises it has deferred applying the NECF until it is satisfied with its consumer protections (Victorian Government 2013). Queensland has announced its commitment to implementing the NECF in 2014 (Queensland Government 2013b). The Commonwealth was not required to enact laws to apply the NECF. The milestone was completed by NSW, South Australia, Tasmania and the ACT. The milestone has not been completed by Victoria and Queensland.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Energy: market investment

What is this reform about?

The reform is about establishing a framework to ensure adequate investment in energy market infrastructure. The adequacy of energy market investment underpins the affordability, reliability and security of energy supply.

This reform requires that governments not only assess the adequacy of investment, but also take action, if necessary, to ensure the market delivers efficient levels of investment (COAG 2007a).

Efficient market investment is one of four reforms COAG is making with the aim of creating an open and competitive energy market. The other three components are: retail price regulation, harmonised legislation, and demand side participation.

Overdue 2010–11 milestone

2010–11 milestone	Cwlth/SA/Vic/NSW/QLD/Tas/ACT: Report to MCE on a framework for assessing the adequacy of energy market investment: by December 2010
What happened?	As we reported last year, the Australian Energy Market Operator (AEMO) provided the Standing Council on Energy and Resources with reports on investment in the energy market: • the Electricity Statement of Opportunities 2013 (released 13 August 2013) • the Gas Statement of Opportunities 2012 (released 11 December 2012). The Australian Energy Market Regulator also published the State of the Energy Market 2012 on 20 December 2012. This is an annual report on the electricity and gas markets including investment activity (AER, 2012). As noted by COAG, these reports provide annual and within year information on network infrastructure investment needs and resource management in both the gas and electricity industries. This includes forecasts of potential supply shortfalls should further investments not be made. However, it does not appear that governments have agreed a framework for whether and how to act on this information to ensure the adequacy of investment. COAG has agreed that a framework is in place and this milestone is complete.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Energy: demand side participation

What is this reform about?

This reform is about balancing incentives for 'demand side participation' in energy markets. Demand side participation in energy markets is the 'ability of consumers to make decisions regarding the quantity and timing of their energy consumption' (AEMC 2011).

This reform involves three key elements:

- reviews of demand side participation in the National Electricity Market by the Australian Energy Market Commission
- energy bill benchmarking
- effective price signals for customers through the roll-out of smart meters.

The reviews of demand side participation and energy bill benchmarking were completed in previous years. The key remaining element of this reform is the roll-out of smart meters.

Smart meters are electricity meters that can remotely measure and record electricity consumption in short intervals. They provide more information about electricity consumption than older style meters. Installing smart meters in homes and businesses is a way to help energy customers make decisions about the level and timing of their energy consumption.

In 2007, COAG endorsed the progressive national roll-out of smart meters for residential users where the benefits outweigh costs, to 'improve energy supply reliability and enable customers to manage better their energy use and greenhouse gas emissions'(COAG 2007b, p. 1).

The smart meter program has been incorporated into COAG's energy priority issues of national significance agreed in December 2012:

> [A]ddressing impediments to, and promoting the commercial adoption of, demand-side response in Australian markets (SCER 2013).

2011–12 overdue milestones

2011–12 milestone 1	All jurisdictions: [MCE/AEMC to] develop a national framework for smart meters: June 2012
What happened?	In November 2012, the Standing Council on Energy and Resources released the National Smart Meter Consumer Protection and Safety Review Officials' Report (SCER 2012b). The report provides a framework for the introduction of smart meters in most households and covers direct load and supply control, pricing and consumer protections. Additionally, the (then) Commonwealth Department of Resources, Energy and Tourism commissioned the Smart Meter Infrastructure Report which provides a comprehensive picture of smart meter deployment across Australia (KEMA Australia Pty Ltd 2013). This milestone was completed late.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2011–12 milestone 2	QLD, NT, ACT, WA: pilots and trials and review of smart meter rollout decisions: June 2012
What happened?	On 7 December 2012, COAG announced a new implementation plan for energy market reform (COAG 2012a, pp. 4–5). This implementation plan includes a market-led approach to the roll-out of smart meters. This supersedes the milestone requiring pilots and trials to be run to inform decisions on mandated roll-outs of smart meters. We have not assessed this milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

National Access Regime

What is this reform about?

This reform is about the efficient management of significant monopoly infrastructure. Its objective is to ensure that the regulatory regime for third party access to such infrastructure promotes market competition. It entails the consistent regulation of access to nationally significant infrastructure services, such as the electricity grid, rail networks and port facilities.

The genesis of this reform—and infrastructure reform more broadly—lies in the national competition reforms of the 1990s. COAG formalised its commitments to efficient infrastructure regulation in the Competition and Infrastructure Reform Agreement (CIRA) in 2006 and the commitments were included in the National Partnership Agreement to Deliver a Seamless National Economy.

The National Access Regime regulates the use of infrastructure that cannot be economically duplicated by enhancing the incentives for negotiation between facility owners and those seeking access. It also provides a means of access if negotiations fail. Without such regulation, Australia could face greater costs through higher charges for access to infrastructure, unnecessary duplication of infrastructure, or reduced competition in other markets.

This reform aims to reduce the regulatory uncertainty and compliance costs for owners and users of—and investors in—nationally significant infrastructure.

2012–13 milestone

2012–13 milestone 1	Commonwealth: Commence Productivity Commission review of the National Access Regime, including the impact of the Bill by December 2012. The Productivity Commission review is to satisfy clause 8.1 of the CIRA (including a number of specific reform areas, noted under Infrastructure Reforms)
What happened?	Under clause 8.1 of the CIRA, a review of the operation and terms of the agreement is required after five years (COAG 2006). The Productivity Commission received the terms of reference for its inquiry into the National Access Regime on 25 October 2012 from the then Assistant Treasurer, the Hon David Bradbury MP (Commonwealth Government 2013, p. 38). The inquiry is to assess the role and efficacy of the National Access Regime. As part of the review, the Commonwealth asked the Productivity Commission to propose ways of improving the regime's operation to: • ensure its efficiency • attract investment in essential infrastructure • promote competition in dependent markets. The Productivity Commission released a draft report on 28 May 2013, available here: http://www.pc.gov.au/projects/inquiry/access-regime/draft. The Productivity Commission's final report was submitted to the Commonwealth Government on 25 October 2013 (Commonwealth Government 2013, p. 37). It has not been publicly released. The Commonwealth Government completed the milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

State access regimes

What is this reform about?

The objective of this reform is to establish a simpler and consistent national approach to economic regulation of significant infrastructure. This is to be done by applying the Competition and Infrastructure Reform Agreement (CIRA) principles to certain State and Territory access regimes. The principles include applying a time limit on decisions and regulating access prices.

An access regime provides for businesses to share infrastructure under reasonable terms and conditions. This is particularly important for major facilities where it would be uneconomic to duplicate the facility.

The purpose of certification is to provide immunity from declaration under Part IIIA of the *Competition and Consumer Act 2010* (Cth). Once a State or Territory access regime is certified as effective, access is exclusively governed by the regime.

The regimes that were required to be certified under the implementation plan included:

- all State and Territory electricity and gas access regimes
- specific access regimes listed in the CIRA.

2012–13 milestone

2012–13 milestone 1	Commence Productivity Commission review, to consider the effectiveness of the CIRA, and assess the impact of: certification and the CIRA regulatory principles on the National and state access regimes (commence December 2012)
What happened?	The Productivity Commission received the terms of reference for its inquiry into the National Access Regime on 25 October 2012 from the then Assistant Treasurer, the Hon David Bradbury MP. The inquiry is to assess the role and efficacy of the National Access Regime. As part of the review, the Commonwealth asked the Productivity Commission to propose ways of improving the regime's operation to: • ensure its efficiency • attract investment in essential infrastructure • promote competition in dependent markets. A draft report was released on 28 May 2013 and can be found at www.pc.gov.au. The inquiry was completed by October 2013, but has not been publicly released. This milestone has been completed.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Overdue 2010–11 milestones

2010–11 milestone 2	2010–11 outstanding milestone: Submit third party access regimes for certification (December 2010)
What happened?	As previously reported, the States and Territories have submitted most of the listed access regimes for certification (or in some cases, repealed the regimes). The remaining State and Territory access regimes to be certified are the Victorian rail access regime, the Western Australian gas access regime and all energy access regimes for National Energy Market (NEM) jurisdictions. As previously reported, the Northern Territory has completed this milestone. **Victorian rail access regime** As previously reported, the Essential Services Commission review of the Victorian rail access regime recommended its retention but as a 'lighter-handed regime'. The Victorian Government stated it would make a decision on the regime following consultation with industry. A consultation paper on options for the regime was released in May 2013. However, a decision on the regime has not been made. **NEM energy access regimes and Western Australian gas access regime** The Standing Council on Energy and Resources is coordinating the certification of State and Territory access regimes for NEM jurisdictions. Last year, we reported that the Chair of the Standing Council had written to the Prime Minister requesting that COAG approve an amendment to the Australian Energy Market Agreement to remove the requirement to certify energy access regimes. COAG has not yet decided on this matter. This also affects the Western Australian gas access regime. **Assessment of progress** Most access regimes that are required to be certified have either been certified or repealed. However, Victoria, Western Australia and NEM jurisdictions have some access regimes that have not been submitted for certification. As such, those governments have only partially completed this milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2010–11 milestone 3	2011–12 outstanding milestone: NCC to make certification recommendation on State Access Regimes (six months after each regime is submitted for certification).
What happened?	The National Competition Council (NCC) has made recommendations on all access regimes that have been submitted for certification and these can be found at www.ncc.gov.au. However, until the above mentioned access regimes are submitted for certification, the NCC cannot make certification recommendations on those regimes. This milestone has been completed to the extent possible.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Infrastructure: Ports

What is this reform about?

This reform is about developing a national approach to the economic regulation of ports and port authorities.

Governments agreed to review the effectiveness of competition in their ports and port authorities, and handling and storage facility operations, for a specific set of 'nationally significant' ports. The reviews would be against principles for the economic regulation of monopoly infrastructure that were agreed by all governments under the Competition and Infrastructure Reform Agreement (CIRA).

The nationally significant ports are in NSW, Victoria, Queensland, Western Australia, South Australia and the Northern Territory (National Competition Council 2012).

Overdue 2010–11 milestone

2010–11 milestone 2	Western Australia and Northern Territory: implement recommendations from the competition/regulation reviews of significant ports (March 2011)
What happened?	In our previous reports, we found that NSW, Victoria, Queensland and South Australia had completed reviews of their ports and implemented the findings (COAG Reform Council 2011; 2012). We have assessed Western Australia and the Northern Territory again this year. **Western Australia** Last year, we found that Western Australia had not completed this milestone. It had not implemented the findings of its review of its nationally significant ports and advised that implementation of its findings was pending completion of a further review of port governance. Western Australia's review of nationally significant ports against the principles of the Competition and Infrastructure Reform Agreement (CIRA) included one recommendation for potential improvements to port planning requirements. The review of port governance was completed in 2012. Western Australia introduced legislation on 23 October 2013 to implement the recommendation of the governance review (Western Australian Government 2013). The legislation also includes provisions to implement the recommendation of the original CIRA review. Western Australia partially completed this milestone. **Northern Territory** The Northern Territory's *Review of the Regulatory Framework for the Port of Darwin: Final Report* made four recommendations to change the regulatory arrangements for the Darwin Port. Last year we reported that three of the four recommendations had been accepted and implemented. The Northern Territory Government advises that it has incorporated this work into its Five Year Port Development Strategy, which is being completed for consideration before the end of the 2013–14 financial year (Northern Territory Government 2013, p. 32). The Northern Territory partially completed this milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Infrastructure: Competitive tendering principles

This reform is about providing for competitive tendering to be used in setting terms and conditions for the supply of government owned monopoly infrastructure. This is part of other reforms in the Competition and Infrastructure Reform Agreement (CIRA) that aim to establish a simpler and more consistent national approach to the economic regulation of significant infrastructure (COAG 2006, cl. 2.1).

To do this, the Commonwealth Government had to make regulations that allow the Australian Competition and Consumer Commission (ACCC) to approve competitive tender processes in some circumstances. This was done in June 2010.

This year's milestone focuses on a Productivity Commission review of the CIRA.

2012–13 milestone

2012–13 milestone 1	Commonwealth: Commence Productivity Commission review, to consider the effectiveness of the CIRA, and assess the impact of the competitive tendering regulations on improving conditions
What happened?	The Productivity Commission received terms of reference for an inquiry into the National Access Regime on 25 October 2012 from the then Assistant Treasurer, the Hon David Bradbury MP (Commonwealth Government 2013, p. 38). As well as assessing the role and efficacy of the National Access Regime, the Productivity Commission examined the effects of competitive tendering principles on government owned infrastructure facilities. The Productivity Commission released a draft report on 28 May 2013, available here: http://www.pc.gov.au/projects/inquiry/access-regime/draft. The Productivity Commission's final report was submitted to the Commonwealth Government on 25 October 2013, but it is not publicly available (Commonwealth Government 2013, p. 37). The Commonwealth has completed this milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Occupational licensing

What is this reform about?

This reform is about reducing unnecessary barriers to entry and trade for consumer-related occupations. Unlike the national licensing system reform—which replaces State and Territory licensing with national licensing—this reform aims to abolish unnecessary licensing requirements.

The Productivity Commission's *Review of Australia's Consumer Policy Framework* recommended reform that identifies and repeals needless regulation (Productivity Commission 2008, p. 98).

The initial focus of this reform was the commission's 2008 assessment that governments could eliminate a total of 45 occupational licensing regimes that were licensed in only one or two jurisdictions. The premise was that being licensed in only one or two jurisdictions suggested that licensing was unnecessary.

However, governments advised that 10 of the occupations were licensed under different names in other jurisdictions or did not actually need licenses. This left 35 regimes that could potentially be removed.

We have previously reported that governments have committed to remove 20 licensing requirements—11 of which governments committed to remove through this reform stream. To date, eight of those licensing schemes have been removed.

There are no 2012–13 milestones for this reform. This year, we are reporting on one overdue 2009–10 milestone for South Australia, Tasmania and the ACT to remove the licensing schemes.

Overdue 2009–10 milestone

2009–10 milestone 1	States and Territories: Introduce legislation and complete all related and transitional arrangements: by the end of 2009
What happened?	NSW, Victoria, Queensland and Western Australia previously completed this milestone. The Northern Territory is not required to introduce legislation for this reform. Tasmania and the ACT have not committed to removing licensing requirements through this reform but may do so through other processes. No further progress on this milestone has been made by these governments, so they have only partially completed the milestone. South Australia proposed to remove licensing requirements for passive fire equipment installers as part of the second wave of National Licensing System reform and it has previously removed licensing requirements for optical dispensers (South Australian Government 2013). On 19 April 2013, COAG agreed that this reform had been completed, as far as practicable, and that remaining licensing requirements can be considered further once the National Licensing System is complete (COAG 2013b, p. 5). However, on 13 December 2013, COAG decided not to pursue the National Licensing System further (COAG 2013a, p. 5).

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Heavy vehicles

What is this reform about?

The Heavy Vehicle National Law (HVNL) and National Heavy Vehicle Regulator (NHVR) are intended to create one nationally consistent set of rules for heavy vehicles over 4.5 tonnes. The aim is for a simplified and more easily applied and enforced system of accreditation, vehicle standards and fatigue management.

The NHVR will be a single point of contact for permit applications which will allow operators to travel nationally with one set of paperwork.

The 2012–13 milestones focus on the NHVR starting operations and the national law being enacted. There is an additional 2016–17 milestone in the implementation plan for the Productivity Commission to review the overall economic impact of the new national framework by December 2016.

2012–13 Milestones

2012–13 milestone 1	All jurisdictions: Commencement of Heavy Vehicle Regulator: If possible by July 2012 but no later than December 2012
What happened?	The NHVR opened on 21 January 2013. However, the regulator has not commenced full operations. Partial operations have begun and governments have agreed to start full operations from 10 February 2014 (NHVR 2013a). The regulator covers all jurisdictions other than Western Australia. Western Australia has completed a cost-benefit analysis to determine whether the national heavy vehicle regulatory regime will benefit the State before it decides to join, but this has not yet been considered by the Western Australian Government. All governments completed this milestone, late, except for Western Australia, which did not complete the milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2012–13 milestone 2	All jurisdictions [ATC/SCOT]: Full implementation, including national law, service level agreements between the national regulator and States and Territories and development of one–stop shop mechanisms: December 2012
What happened?	To meet this milestone each government must have the law and a service level agreement in place and a one-stop shop operating by December 2012. **Commencement of the national law** Commencement is conditional on the regulator beginning full operations. Initially this was intended to be 1 September 2013, but this date has been missed and governments have agreed on a 10 February 2014 start date (NHVR 2013b). Governments which have passed the national law will proclaim their legislation once the regulator is ready to commence full operations. **Queensland** On 23 August 2012, the *Heavy Vehicle National Law Act 2012* was passed by the Queensland Parliament, with key provisions proclaimed on 12 October 2012. The *Heavy Vehicle National Law Amendment Act 2012* was passed by the Queensland Parliament on 14 February 2013. This Act allows participating States and Territories to introduce legislation in their parliaments. As host, Queensland has established the regulator which is implementing agreements with other State and Territory regulators. The national regulator has a One Stop Shop website. However, full implementation of the national regulator has not happened yet. Queensland partially completed the milestone. **New South Wales** The *Heavy Vehicle (Adoption of National Law) Act 2013* received assent on 24 September 2013. While the service level agreement is not yet complete, it is expected that it will be ready prior to the proclamation of the Act. NSW partially completed the milestone.

2012–13 milestone 2	All jurisdictions [ATC/SCOT]: Full implementation, including national law, service level agreements between the national regulator and States and Territories and development of one–stop shop mechanisms: December 2012
	Victoria The *Heavy Vehicle National Law Application Act 2013* received assent in June 2013. Victoria is currently finalising a service level agreement for VicRoads to deliver services on behalf of the national regulator. This is expected to be completed before the end of 2013. Victoria partially completed the milestone. **South Australia** The *Heavy Vehicle National Law (South Australia) Act 2013* and the *Statutes Amendment (Heavy Vehicle National Law) Act 2013* received assent on 1 August 2013. South Australia advises it is negotiating a service level agreement which it expects will be complete in time for the commencement of the laws. South Australia partially completed the milestone. **Tasmania** The *Heavy Vehicle National Law (Tasmania) Act* was passed in June 2013. Tasmania advises it will be ready to proclaim the legislation as soon as the regulator is ready to commence full operations. Tasmania partially completed the milestone. **ACT** The *Heavy Vehicle National Law Act 2013* and *Heavy Vehicle National Law (Consequential Amendments) Act 2013* were passed on 28 November 2013. These laws will come into effect when the regulator commences operations. The ACT partially completed the milestone. **Western Australia and Northern Territory** Western Australia and the Northern Territory have not completed the milestone.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

Overdue milestones from previous years

2011–12 milestone 2	All jurisdictions [ATC/SCOT]: Transitional arrangements agreed, December 2011								
What happened?	Last year, we found that this milestone was only partially completed because there were delays agreeing on legislation and in providing draft service level agreements. The national law now appears to be agreed by all governments other than Western Australia and the Northern Territory. Given the progress toward final service level agreements, it would appear most governments have now agreed in principle to transitional arrangements. The Commonwealth, NSW, Victorian, Queensland, South Australian, Tasmanian and ACT Governments completed this milestone late. Western Australia and the Northern Territory have not completed the milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Rail Safety

What is this reform about?

This reform is about establishing a national rail safety framework and regulator and creating a single national accreditation system for rail transport operators. The aim of doing this is to resolve inconsistent regulatory practices between the States and Territories and remove duplication of auditing, monitoring and inspection processes.

Governments signed the Intergovernmental Agreement on Rail Safety Regulation and Investigation Reform in August 2011, which included implementation milestones. The milestones were due by December 2012. They include adopting the national law, agreeing service delivery standards, establishing the national regulator and increasing the Australian Transport Safety Bureau's capacity to investigate.

2012–13 milestones

2012–13 milestone 1	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: December 2012
What happened?	As the host jurisdiction for the national law, South Australia commenced the *Rail Safety National Law (South Australia) Act 2012* on 7 June 2012, paving the way for other governments to pass enabling legislation (South Australian Government 2012, p. 43). The Commonwealth and ACT governments do not have to adopt the national law. Other governments have passed laws as follows: • NSW passed the *Rail Safety (Adoption of National Law) Act 2012* on 29 October 2012 (NSW Government 2013, p. 38) • Tasmania passed the *Rail Safety National Law (Tasmania) Act 2012* on 13 November 2012 (Tasmanian Government 2013, p. 38) • the Northern Territory passed the *Rail Safety (National Uniform Legislation) Act 2012* on 29 November 2012 (Northern Territory Government 2013). The Office of the National Rail Safety Regulator (ONRSR) commenced operations in these jurisdictions on 20 January 2013 (Commonwealth Government 2013, p. 46). Victoria introduced the Rail Safety National Law Application Bill 2013 on 23 April 2013. However, the Victorian law has not yet commenced pending finalisation of a service level agreement between the ONRSR and Transport Safety Victoria (Victorian Government 2013, p. 44). Queensland and Western Australia have not enacted the national law. Both governments have stated that they are still likely to implement the law (Queensland Government 2013b, p. 46; Western Australian Government 2013, p. 33). Queensland continued to work on the reform and has referred the national law to its Office of Best Practice Regulation for review. NSW, South Australia, Tasmania and the Northern Territory completed the milestone. Victoria partially completed the milestone. Queensland and Western Australia did not complete the milestone.
ASSESSMENT	**Cwlth** | **NSW** | **Vic** | **Qld** | **WA** | **SA** | **Tas** | **ACT** | **NT**

Road reform plan

What is this reform about?

This reform is about encouraging efficient road freight infrastructure provision and use by:

- improving price signals for heavy vehicle users of roads
- improving demand information for providers of roads for freight.

Heavy vehicle charging is currently done through a fixed annual registration charge and fuel-based charges. This means that some heavy vehicle users are relatively overcharged and some are

relatively undercharged for their road use. It also means that road pricing does not relate strongly to the costs of providing roads and how use of roads affects those costs.

The output for this reform is a review of pricing options to inform a more efficient productive, safe and sustainable use of freight infrastructure.

To date, a feasibility study has been completed, which estimated the net benefit of these reforms at between $5 billion and $7 billion in present value (COAG Road Reform Plan 2011). In July 2012 COAG endorsed the study's findings and recommendations for reforms to include calculation of prices, collection of charges, and linking revenue generation to provision of road infrastructure.

The Heavy Vehicle Charging and Investment Reform focuses on how money raised from heavy vehicle charges will be returned to the roads used by heavy vehicles. It also deals with how such a revenue stream will provide a financial incentive to road owners to promote efficient investment, operation, maintenance, management and use of road infrastructure by heavy vehicles.

This year's milestones focus on the development of the model for heavy vehicle charging, including pricing, funding and expenditure arrangements for COAG's approval.

2012–13 milestones

2012–13 milestone 1	ATC/SCOTI: Development of proposed new pricing, funding and expenditure (including appropriate governance and institutional arrangements for heavy vehicles): December 2012
What happened?	In November 2012, the Standing Council on Transport and Infrastructure (SCOTI) gave COAG an update on the progress of Heavy Vehicle Charging and Investment, including options that would be included in a regulation impact statement consultation in 2013 (Commonwealth Government 2013, p. 49). In May 2013, SCOTI agreed it would develop a detailed, integrated package of reform options with industry for public consultation. SCOTI further agreed that recommendations on options will be provided to COAG in July 2014. The original timeline for COAG consideration of a Regulation Impact Statement (RIS) was August 2013. The Victorian Government advises that a new timetable/implementation plan for this reform will be developed following COAG's consideration of the options paper in 2014 (Victorian Government 2013, p. 47). This milestone was not completed.

ASSESSMENT	Cwlth	NSW	Vic	Qld	WA	SA	Tas	ACT	NT

2012–13 milestone 2	ATC/SCOTI: Preparation of draft agreements necessary to give effect to the new pricing, funding and expenditure arrangements for heavy vehicles: December 2012								
What happened?	As outlined above, a RIS process will occur before SCOTI advises COAG on the new pricing, funding and expenditure options for heavy vehicle charging. Draft agreements cannot be prepared prior to a decision on these arrangements. The original timeline for COAG consideration of a RIS was August 2013. The Victorian Government advises that a new timetable/implementation plan for this reform will be developed following COAG's consideration of the options paper in 2014 (Victorian Government 2013, p. 47). This milestone was not completed.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Regulation making and review

What is this reform about?

The aim of this reform is to develop and enhance the regulation making and review mechanisms of all Australian governments so that regulation is more consistent and better-designed across Australia.

In particular, governments are concentrating on improving regulatory impact analysis—that is, developing an evidence base for policy that delivers the best value for the community. Key areas to improve include greater commitment to public consultation on proposals and rigorous consideration of alternative policy options.

2012–13 milestones

2012–13 milestone 1	Commonwealth: The Productivity Commission to produce its benchmarking study: by December 2012								
What happened?	The Productivity Commission released its benchmarking study on 13 December 2012. The report is available online at: http://www.pc.gov.au/projects/study/ria-benchmarking/report. This milestone is complete.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2012–13 milestone 2	All jurisdictions: Respond to the Productivity Commission benchmarking study: February 2013								
What happened?	Governments responded to the Productivity Commission study in the document *Business Advisory Forum Taskforce Report on Progress—Lifting Regulatory Performance*, released by COAG on 19 April 2013 (Commonwealth Government 2013, p. 51). The responses are not detailed and generally refer to ongoing reviews of regulation making/regulatory impact assessment processes in each jurisdiction rather than to specific actions taken to improve those processes. This milestone is complete.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Overdue milestones from previous years

2008–09 milestone 1	Implement specific action commitments outlined in COAG's April 2007 Regulatory Reform plan (Appendix C) that were endorsed by BRCWG by 30 June 2009								
What happened?	We have assessed all governments other than the ACT as having completed this milestone in previous years. Last year we found that the ACT had partially completed the milestone as it had agreed to but not yet implemented arrangements to meet this milestone. The ACT still has only partially completed this milestone. The ACT is reviewing its regulation making processes, and this review is currently in progress. At the time of writing, the ACT is considering submissions responding to its discussion paper (ACT Government 2013, p. 41). The ACT has partially completed this milestone.								
ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Legal profession

What is this reform about?

This reform is about creating effective national regulation of the legal profession, to supersede the State and Territory laws which currently govern it. This would allow solicitors, barristers and law practices to operate under one regulatory standard in Australian jurisdictions.

This reform aims to:

> establish uniform laws regulating the legal profession to enable legal practitioners and practices to operate in all Australian jurisdictions without having to meet multiple professional registration requirements (COAG 2012b).

To deliver this, governments will set up a new institutional and regulatory framework comprising:

- uniform legislation and rules that are to be applied by each State and Territory

- a National Legal Services Board
- a National Legal Services Commissioner
- an Australian Legal Profession Register—a database containing information relating to admission, discretionary conditions on practicing certificates and disciplinary findings (Attorney General's Department [Cwlth] 2011).

There are no 2012–13 milestones for this reform. This year, we looked at overdue milestones from 2011–12 and 2010–11 focused on settling a final Bill and rules for the national regime, regulatory impact statement processes, and an intergovernmental agreement.

Overdue milestones from previous years

2011–12 milestone 1	NSW, Vic, Qld and NT: implementation and consequential amendments to be determined, and IGA signed by May 2012 *(Note: This was previously 2010–11 milestone 3, although at this stage it did not refer to the intergovernmental agreement, or to a deadline)*
What happened?	As we reported last year, COAG agreed that the only governments that are proceeding with this reform are NSW, Victoria, Queensland and the Northern Territory. We only assess those governments against this milestone. As reported below, a reform package covering all States and Territories has not been agreed. However, on 6 December 2013, NSW and Victoria announced that they signed an Intergovernmental Agreement on a Legal Profession Uniform Framework (Premier of Victoria 2013). These governments report that they are continuing to seek broader participation in the reform. NSW and Victoria completed this milestone late. Queensland has announced that it is not participating in the reform (Queensland Government 2013b), but this decision has not been endorsed by COAG. The Northern Territory states that its position on this reform depends on progress in NSW and Victoria. Queensland and the Northern Territory have not completed the milestone.

ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

2010–11 milestone 2	Taskforce: Provide a final Bill, National Rules, decision RIS, Explanatory Memorandum and Intergovernmental Agreement for COAG's consideration after the consultation period but before the end of 2010
What happened?	As we reported last year, COAG agreed that the only governments that are proceeding with this reform are NSW, Victoria, Queensland and the Northern Territory. This, coupled with NSW and Victoria's recent intergovernmental agreement to advance this reform in those States alone, means that this milestone is superseded. We have not assessed this milestone.

ASSESSMENT	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Appendix B
Previously completed reforms

This appendix supplements the report findings in the body of this report with summaries of the council's assessments of reforms completed in previous years under the National Partnership Agreement to Deliver a Seamless National Economy.

In a few cases, the council has taken the view that while all reform milestones have been completed, the reform has not resulted in any material change to the Australian regulatory or competition environment. We have noted these instances in the table below by pointing out where the completion of a reform stream has not necessarily led to the achievement of the reform's objective.

Previously completed outputs under the National Partnership

Environmental assessment (see our 2009–10 report)
This reform is about achieving a consistent and efficient system of environmental assessment and approval when processes under both Commonwealth and State or Territory laws are involved. Victoria and the ACT have negotiated bilateral assessment agreements with the Commonwealth. Bilateral agreements were already in place between the Commonwealth and other governments at the time of making the National Partnership. Bilateral agreements allow for a single environmental assessment process instead of two because they accredit a government's assessment process as satisfying the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth). All milestones under this reform were completed and the reform stream is complete. However, the intended output for this reform is being considered as part of the Commonwealth Government's response to the independent review of the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth). COAG reaffirmed its commitment to the output of this reform at its 7 December 2012 meeting and identified a number of actions to simplify environmental assessment and approval processes. It is unclear what progress has been made on these actions.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Payroll tax (see our 2010–11 report)

This reform is about reducing the costs of payroll tax administration for business by adopting common State and Territory payroll tax provisions and definitions.

Significant harmonisation was achieved by all governments subject to a small number of variations. Governments have for the most part adopted common provisions and definitions in their payroll tax laws.

The milestones for this reform have been completed and COAG has determined that the objectives of this reform have largely been met.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Health workforce (see our 2010–11 report)

This reform is about achieving a national health practitioner registration and accreditation system.

All governments enacted laws to establish the national registration and accreditation scheme. The scheme started in July 2010 and applies to chiropractors, dental care professionals, medical practitioners, nurses and midwives, optometrists, osteopaths, pharmacists, physiotherapists, podiatrists and psychologists.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Trade measurement (see our 2010–11 report)

This reform is about establishing a nationally consistent and equitable system of trade measurement, which is funded and administered by the Commonwealth. The Productivity Commission estimated this reform will lower business costs by around $5 million per year (Productivity Commission 2012a, p. 235).

National regulations and all transitional arrangements were finalised. The national system of trade measurement started on 1 July 2010.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Rail safety (see our 2010–11 report)

This reform is about achieving nationally consistent rail safety laws, thus reducing the burden on rail operators of complying with multiple rail safety regimes.

Some governments had already passed the model rail safety laws at the time this National Partnership was agreed. All remaining governments passed consistent rail safety laws under the agreement. A separate reform to establish a national rail safety regulator was completed in 2013 under the competition reform agenda.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Consumer law (see our 2010–11 report)

This reform is about improving consumer wellbeing through a new national consumer policy framework. It includes a national regime for fair trading and consumer protection—the Australian Consumer Law—as well as improved enforcement, cooperation and sharing arrangements between the Commonwealth, States and Territories.

The Commonwealth enacted the Australian Consumer Law and States and Territories passed laws applying the national law. The Australian Consumer Law commenced on 1 January 2011.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Product safety (see our 2010–11 report)

This reform is about a new, nationally consistent product safety regime that is incorporated into the Australian Consumer Law.

The Commonwealth enacted the Australian Consumer Law—including the agreed product safety provisions—and States and Territories passed laws applying the national law in their jurisdiction. The Australian Consumer Law—including the product safety regime—commenced on 1 January 2011.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Trustee corporations (see our 2010–11 report)

This reform is about the national regulation of trustee corporations, better supervision of trustee companies and reducing the regulatory burden on those businesses.

The Commonwealth passed national trustee corporations laws, and all governments adopted the national framework and repealed their laws. The national system of regulation for the licensing and supervision of trustee corporations commenced on 6 May 2010, though some governments completed transitional arrangements after this date.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Consumer credit: Phase One (see our 2010–11 report)

This first phase of consumer credit reform is about the national regulation of mortgage broking, margin lending and non-deposit lending. It transfers responsibility for regulating these activities from the States and Territories to the Commonwealth.

The Commonwealth passed national consumer credit protection laws and State and Territory governments adopted the national framework and repealed their laws. Phase one of consumer credit reform started on 1 July 2010.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Development assessment (see our 2010–11 report)

This reform is about improving processes for development assessment across Australia and reducing building costs.

All milestones under this reform were completed and thus the reform stream is complete. However, not all the intended outputs for this reform were achieved, which is why we previously assessed this reform as 'largely complete' in our 2010–11 report.

Some outputs were achieved. A system of national performance monitoring was established and a set of supporting national planning system principles were agreed. Accelerated use of code assessment was achieved for low risk, low impact, single residential dwellings.

The roll out of electronic development assessment processing nationally was not achieved. An assessment of the benefits accruing from development assessment reforms was also not achieved.

The implementation plan did not contain any milestones beyond 2010–11 to guide the achievement of these remaining outputs. COAG referred the matter to the Standing Council on Federal Financial Relations. A Standing Council for Federal Financial Relations working party reviewed housing supply and government policies that may act as barriers to supply or that stimulate demand for housing and reported its findings to COAG. On 13 April 2012 COAG agreed that—following the completion of this review—development assessment reform is complete.

Overall assessment	**Largely complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Business names (see last year's report)

This reform is about lowering business costs and reducing regulatory burdens by developing a national register for business names.

Last year we found that governments largely completed the output for this reform, with the national business names registration system commencing on 28 May 2012 and the Australian Business Licence and Information Service (ABLIS) commencing on 11 August 2012. While the ABLIS was not yet fully operational, we expected all government systems to be part of it by the end of 2012.

All milestones for this reform are now complete and the output for this reform has now been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Personal property securities (see last year's report)

This reform is about establishing a national personal property securities system including a personal property securities register.

The Commonwealth passed a national personal property securities law and States and Territories passed referral laws and completed all transitional arrangements.

The national personal property securities register commenced on 30 January 2012, after governments completed the migration of over 4.9 million security interests to the new system (Attorney-General's Department [Cwlth] 2012).

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Standard business reporting (see our 2010–11 report)

This reform is about simplifying and standardising government financial reporting requirements, thus reducing the reporting burden on business.

Governments developed a series of standard reporting definitions for key terms—a 'taxonomy'—which businesses now use for reporting financial information.

The standard business reporting system was launched on 1 July 2010.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Food regulation (see our 2010–11 report)

This reform is about reducing the regulatory burden on businesses and not-for-profit organisations in relation to food regulation, without compromising public health. It has three outputs:

- reform of the Australian New Zealand Food Regulation Ministerial Council voting arrangements
- improved national consistency in monitoring and enforcement of food standards
- improved food labelling policies and laws.

All milestones under this reform were completed and the reform stream is complete. The first two stated outputs have been achieved. However, the stated output of 'improved food labelling policies and laws' was not achieved, which is why we previously assessed this reform as 'largely complete' in our 2010–11 report.

The implementation plan does not contain any milestones to guide the completion of this final output. However, COAG agreed that this reform is concluded.

Overall assessment	**Largely complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Wine labelling (see our 2009–10 report)

This reform is about harmonising domestic and export wine labelling requirements.

States and Territories passed laws that bring into force the *World Wine Trade Group Agreement on Requirements for Wine Labelling* (the Agreement). Although all milestones in this reform were completed and the reform stream is complete, the objective of this reform may not have been achieved due to the manner in which the Agreement's requirements were incorporated into State and Territory regulations.

In July 2010, responsibility for regulating wine labelling passed to the Commonwealth Government under the national system of trade measurement.

It is unclear whether this has now led to the realisation of this reform's output.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Retail tenancy reform (see our 2009–10 report)

This reform is about achieving greater national consistency, fairness and transparency in retail tenancy markets in Australia.

Governments developed and rolled out a national disclosure statement and a nationally consistent data and reporting project. Although all milestones in this reform were completed and the reform stream is complete, it is unclear whether the output of this reform was achieved. Only three governments committed to implementing the national disclosure statement and there were no milestones requiring governments to adopt the statement.

On 13 February 2011, COAG noted the council's views but considered governance processes were operating effectively.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Anti-dumping and countervailing duties (see our 2010–11 report)

This reform is about a review of Australia's anti-dumping and countervailing system.

The Productivity Commission submitted its final report on *Australia's Anti-dumping and Countervailing System* to the Commonwealth Government on 18 December 2009. In June 2011, the Commonwealth Government released its response to the review and committed to implement 15 of the 20 review recommendations completely or in part.

All milestones for this reform have been completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Parallel book importation (see our 2009–10 report)

This reform is about reviewing parallel import restrictions on books that have been published in Australia.

The Productivity Commission submitted its review of *Restrictions on the Parallel Importation of Books* to the Commonwealth Government on 1 July 2009. On 11 November 2009, the Commonwealth responded to the Productivity Commission's report but did not accept the report's recommendation to remove existing parallel importation restrictions on books.

Although all milestones for this reform have been completed and the reform stream—which comprised a review process—is now finished, the council notes that no substantive reform took place.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Infrastructure: access regulation of rail track/rail networks (see our 2010–11 report)

This reform is about implementing a simpler and nationally consistent approach to regulating interstate rail track access.

The Western Australian Rail Access Regime was certified as an effective regime by the National Competition Council and the rail line from Brisbane to the NSW border has been transferred to the Australian Rail Track Corporation.

All milestones for this reform were completed and the output for this reform has been achieved.

Overall assessment	**Complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Infrastructure: competitive neutrality (see last year's report)

This reform is about enhancing the application of competitive neutrality principles to government business enterprises engaged in significant business activities in competition with the private sector.

Although all milestones for this reform were completed and this reform stream is now complete, in 2012 we found governments largely achieved the output for the reform to agree principles for competitive neutrality and to report against them.

Each year of reporting on this reform, we found the reports did not sufficiently explain the exceptions and variations to the competitive neutrality principles. We understood this was to be addressed in the 2011–12 competitive neutrality matrix report. It is not clear to the council whether this has now happened.

Overall assessment	**Largely complete**								
Assessment of each govt	**Cwlth**	**NSW**	**Vic**	**Qld**	**WA**	**SA**	**Tas**	**ACT**	**NT**

Appendix C
Our method

This appendix describes our reporting methods and processes.

Our publication timeframes and consultation

The National Partnership Agreement to Deliver a Seamless National Economy requires the council to report annually on implementation of reforms by each government. To enable the council to do this, the Agreement requires each government to provide a detailed report on its progress against the milestones each financial year, within three months of the end of the financial year.

The National Partnership Agreement does not set specific deadlines for the council to report. However, we have adopted the timelines COAG mandated for our National Agreement reports. As such, we report to COAG three months after receiving governments' performance information.

During those three months, we also consult governments for one month on a draft report. We provided the draft to governments on 1 November 2013 for comments by 2 December 2013.

Reforms and reward payments

Over the five years of the National Partnership Agreement, $550 million total funding is available to the States and Territories, which includes reward payments of up to $450 million. The Intergovernmental Agreement on Federal Financial Relations sets out that the Commonwealth will determine whether to make reward payments as soon as possible after receiving our reports. To date, the Commonwealth has paid $264 million in reward payments to the States and Territories, in recognition of progress made in implementing the deregulation priority reforms (Department of Treasury 2011; 2013).

This report covers 45 reforms, of which 26 attract reward payments. We have separated the report into two chapters, one focusing on reward reforms (the 'deregulation priorities') and the other on non-reward reforms.

Changes to implementation plans

COAG can alter the National Partnership's implementation plans (COAG 2008c, cl. 11 & 34(c)). We base our assessment in this report on the implementation plans most recently approved by COAG, which are those agreed:

- for 'deregulation priorities' on 13 April 2012
- for 'competition reforms' on 9 July 2012
- for 'regulatory reform' on 16 August 2010

- for legal profession reform on 25 July 2012.

All versions of the implementation plans can be found on the Standing Council for Federal Financial Relations website (www.federalfinancialrelations.gov.au).

Reporting period and interpreting deadlines

This report includes an assessment of progress against 2012–13 milestones in the above implementation plans, as well as any outstanding milestones from previous financial years. Our deadline for governments to report their progress was 30 September 2013. In previous years, our progress assessments have not considered any activity that may have occurred after this deadline. However, as this is our final report under this National Partnership Agreement, we have considered activity that occurred up to 13 December 2013, the final date for comments from governments on our report drafts.

Some milestone deadlines use terms such as 'early', 'mid', 'late' or 'end' part of a calendar year. We have adopted the following interpretations:

- 'early' means by 31 March
- 'mid' is taken to mean 30 June or 30 September, depending on whether the milestone relates to the end or start of the relevant financial year reporting period
- 'late' or 'end' means by 31 December.

Where no milestone-specific deadline is specified, we have determined which financial year to use based on the other milestones and context for the reform.

Update on reforms

In the event governments have made significant progress against incomplete milestones covered in this report, we may release a supplementary update at the same time as we publicly release the report. The update will note any substantive progress against incomplete milestones since the reporting cut-off date of 13 December 2013.

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The Council of Australian Governments (COAG) established the COAG Reform Council as part of the arrangements for federal financial relations to assist COAG to drive its reform agenda. Independent of individual governments, we report directly to COAG on reforms of national significance that require cooperative action by Australian governments.

Our mission is to assist COAG to drive its reform agenda by strengthening the public accountability of governments through independent and evidence based assessment and performance reporting.

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