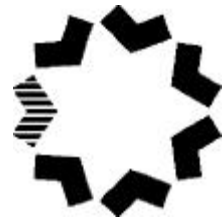


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PRESS RELEASE

INCREASED COMPETITION VITAL FOR IMPROVED LIVING STANDARDS

“Australia must persist in removing barriers to competition in all markets to ensure that Australian living standards continue to rise,” Mr Graeme Samuel, President of the National Competition Council said today.

Mr Samuel said that increased competition was vital if Australians wanted lower prices, a wider range of goods and services, economic growth, job growth and an increased ability to compete actively in world markets.

“Recent IMF and OECD reports have linked Australia’s recent strength and resilience, including sustained economic growth and declining unemployment, with policies such as National Competition Policy,” Mr Samuel said.

“Australia’s annual productivity growth has averaged 2.4 per cent over the last six years, a rate matched only by Norway among the world’s developed nations.”

A discussion paper released by the National Competition Council today shows that Australia is not alone in pursuing greater competition to strengthen our economy and improve living standards.

Mr Samuel said that historically pro-competitive countries such as the USA and UK have achieved substantial community benefits through reducing market restrictions and regulations.

“Recognising the benefits of competition, many other countries, such as the Netherlands, Spain, South Korea and Japan, who have previously relied heavily on market regulation, are now increasing their reliance on competition and market forces to achieve economic and social objectives,” Mr Samuel said.

“The adoption of pro-competitive policies in South Korea, in particular, has minimised the adverse community impact of recent economic upheaval in Asia and accelerated their recovery.”

“Whilst the benefits of increased competition to the Australian community are clear, governments need to manage change to ensure that a range of labour market and welfare initiatives minimise any short to medium term disadvantage to a specific sector or area.

“Moreover, governments need to ensure that the benefits of increased competition are widely enjoyed. The community must see the benefits, in terms of lower prices, improved choice and more innovative services, if it is to support further competition.

“Australia cannot afford to ignore international trends nor attempt to ‘turn back the clock’, because of the risk that benefits for the Australian community will ultimately be lost,” Mr Samuel concluded.

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