



NATIONAL COMPETITION COUNCIL

MEDIA STATEMENT

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Immediate release
4 December 1998

Competition Council welcomes Senate's support of competition policy's public benefit test

"I welcome the Senate's broad support for the approach that National Competition Policy takes to public benefit issues", the National Competition Council's President, Graeme Samuel, said today.

Mr Samuel was commenting on a motion, moved by Senator Margetts on Tuesday and agreed to by the Senate, that addressed the issue of the application of the public benefit test to National Competition Policy in Australia.

"All the elements that the Senate said should be included in the public benefit test are already in it", Mr Samuel said. "For example, the Senate said that the test needs to give full weight to issues including jobs and job security, social welfare, equity considerations, health and safety, regional development, and consumer interests. As our 1997-98 Annual Report — which was tabled in the Parliament on November 11 — points out, these matters are already covered by the current test".

"The Senate also stated that full weight should be given to the principle of ecological sustainability in the application of the public benefit test. Government legislation and policies relating to ecologically sustainable development are also explicitly included in the current public benefit test", Mr Samuel said. "The Council sees the rigorous application of this test as being integral to the implementation of the competition principles."

"Further, ecological sustainability is one of the central goals of the water reform element of the competition policy package. I know that some people have called recently for an easing up on the water reforms, because they see short-term considerations as being more important than the longer-term protection of the environment. For this reason, I welcome the attention that this motion refocusses on the issue of ecological sustainability", Mr Samuel stated.

The Council's Annual Report also emphasised the importance of governments, in their administration of National Competition Policy, taking into account any adverse social impacts of the policy — another matter raised by the Senate. As already noted, the public benefit test

covers an array of social impacts to be addressed when reviewing the merits of a reform. Beyond this, the Council's report commented on the need for governments to provide appropriate adjustment assistance for communities and industries affected by change — whether it be change brought on by a particular reform or change that occurs as part of the normal economic activity. Further, the Council called on governments to address other elements of their policy mix — including in the areas of tax, welfare, education and labour market arrangements — to ensure that the prospective benefits of competition policy are fully reaped and equitably shared, and to give more weight to equity issues generally.

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