



National Competition Council

# **National Competition Policy** and its implications for retailing

A presentation by Graeme Samuel,  
President, National Competition Council,  
to the Australian Retailers Association,  
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## INTRODUCTION

Three years ago, the Commonwealth and all State and Territory governments agreed to implement the most broad-ranging program of micro-economic reform ever attempted in Australia. The National Competition Policy (NCP) program stretches beyond the year 2000, and entails a raft of reforms which seek to extend the productivity-enhancing effects of competition to virtually all sectors of the economy. The aim is to lower business costs, enhance competitiveness and provide the conditions for more sustainable economic and employment growth.

The reform package has the potential to affect the retail industry in a myriad of ways — both direct and indirect. It could affect the hours during which different outlets can open for trade, the products different retailers are allowed to sell, the rights which retail tenants have in relation to landlords, and the location and availability of retail space itself. For some particular types of retail outlets, the reforms may affect who can own and operate those types of outlets, and how many of the same type of retail outlets can locate and compete in the one area. The NCP reforms will also impact on retailers indirectly by affecting the price and quality of their inputs, including power, transport and the goods they sell. Through its effects on the economy generally, full implementation of the NCP reforms could result in a substantial boost in effective consumer spending power —estimated by the Productivity Commission to be worth upwards of \$1500 per household per year.

When adopting the NCP package, governments also established the National Competition Council to assist with the process. We administer some aspects of the reforms, assess governments' progress in implementing the reforms, advise governments on implementation of the policy and where more work is needed, and provide public information on the NCP process generally.

Our role of assessing the progress of governments in meeting their NCP reforms commitments is particularly important, because there is significant funding riding on those assessments. Specifically, as part of the 1995 agreements, the Commonwealth agreed to pay the States and Territories some \$16 billion over the period to 2005, provided they make satisfactory progress on implementing NCP reform.

In this presentation, I will discuss:

- the details of the NCP program;
- its implications for business in general; and
- some specific NCP issues of relevance to the retail sector.

## THE NCP REFORMS

The NCP reforms involve some one-off changes to the Trade Practices Act to reduce the scope for market rigging, plus ongoing reforms to address three broad areas:

- the merits of anti-competitive legislation and regulation;
- the competitiveness of government businesses; and
- the efficiency of infrastructure use and provision.

Implementation of the NCP reform program is now gathering pace. Competition reform has already had significant impacts in several sectors and its impact will increase over the next three or four years.

### Anti-competitive legislation

Legislation can limit competition by restricting who is able to enter and compete in a market. Laws limiting conveyancing to lawyers, and taxi licenses, are examples. Legislation can also restrict competition by limiting the ways in which people already in the market can operate. Advertising restrictions are an example.

The Hilmer Review found that anti-competitive legislation was widespread, but in many cases of questionable merit.

Under the NCP legislation review program, each Australian government has agreed to review all laws which restrict competition. Unless such laws are found to confer a net community benefit, they are to be reformed by the year 2000. That said, the review program is not about competition for competition's sake, nor deregulation for deregulation's sake. The NCP agreements list a range of considerations that may help justify some restrictions on competition. However, in the first instance, the NCP presumes competition will generally be in the public interest, and places the onus of proof on those wishing to retain restrictions to demonstrate that they provide a net benefit for the community as a whole, rather than just for the sheltered group.

The program is ambitious, with some 2000 pieces of legislation scheduled for review. These cover matters as diverse as statutory marketing arrangements for primary produce, financial sector regulation, occupational licensing, import restrictions, business registration requirements and consumer protection legislation [see Box 1].

The legislation review program has important implications for industry, not the least of which will be the removal of unnecessary red tape imposing significant costs and delays on business. For example, in NSW, an examination of 250 business licenses led to the nomination of 34 for repeal and the amalgamation of 44 categories into just 3 –fencing, general maintenance and cleaning.

Further, where restrictions on competition are removed, businesses will be able to enter previously sheltered markets, bringing scope for new innovation and leaner, sharper provision of services, to the benefit of consumers. We have seen this already in

telecommunications where, although full legislative restrictions on competition have only recently been removed, earlier reforms have led to an expansion in the range of services and greater customer-focus, as well as lower prices.

There are also benefits for governments: for example, being able to save money where legislation necessitates government expenditures which are excessive or no longer warranted, and by providing an opportunity to rethink approaches to achieving the social, environmental and economic goals which underlie certain laws and regulations. Where governments achieve their objectives more efficiently or at less cost, there are flow-on benefits for the economy generally.

**Box 1: Selected legislation from jurisdictions' schedules**

<i>Jurisdiction</i>	<i>Name of legislation</i>	<i>Review date</i>
Cmwlth	Insurance (Agents and Brokers) Act 1984	1997-98
Cmwlth	Navigation Act 1912 (Part IV)	1998-99
Cmwlth	Financial Corporations Act 1974	1998-99
NSW	Murray Valley Citrus Marketing Act 1989	1996-97
NSW	Business Licenses Act 1990	1997-98
NSW	Innkeepers Act 1968	1997-98
Vic	Workers' Compensation Act 1958	1996-97
Vic	Fisheries (Commercial) Regulations 1992	1998-99
Vic	Transport (Taxi-Cab) Regulations 1994	1998-99
Qld	Business Names Act 1962	1998-99
Qld	Tow Truck Act 1983	1997-98
Qld	Financial Intermediaries Act 1996	1998-99
WA	Casino (Burswood Island) Agreement Act 1985	1998
WA	Health (Liquid Waste) Regulations 1993	1999
WA	Employment Agents Act 1976	2000
SA	Legal Practitioners Act 1981	1997
SA	Environment Protection Act 1993	1999
SA	Landlord and Tenant Act 1936	1999
Tas	Mining Act 1929	1997
Tas	Metropolitan Transport Act 1954	1998
Tas	Land Use Planning and Approvals Act 1993	1999
ACT	Business Franchise ("X" Videos) Act 1990	1997
ACT	Fair Trading Act 1992	1997
NT	Business Franchise Act	1998
NT	Pay-Roll Tax Act	1998

<sup>1</sup> This is a small sample of the 2000 odd pieces of legislation in jurisdictions' schedules (as at June 1996). The Council's April 1997 Legislation Review Compendium contains a full listing.

## Government businesses

The competitiveness of government businesses became a major issue for all Australian governments during the 1980s. Many studies provided widespread evidence of poor performance, including poor capital and labour productivity, overstaffing and excessive use of material inputs, inappropriate management practices, poor quality goods and services, inappropriate pricing practices and poor financial performance.

In the face of this evidence, and the realisation that government businesses have a significant impact on Australia's economy, all governments have been addressing the nature of their involvement in the businesses they own.

One response to this has been to seek to expose government businesses to the same or similar commercial pressures that private businesses face. For example, under the NCP 'competitive neutrality' reforms, governments are removing net advantages enjoyed by public sector businesses over the private sector. Some of these advantages include exemptions from taxes, planning laws and rate of return requirements. By removing these advantages (and any disadvantages), government businesses will be forced to compete on an equal footing with private businesses.

In conjunction with related competition reforms, competitive neutrality provides opportunities for private businesses to move into a wide range of areas previously dominated by government suppliers –for example, accounting services, car parking, cleaning, engineering services, legal work, printing, real estate and property management. The scope for new competition in these markets should drive down prices, benefiting the wide range of businesses and consumers which use these services.

The competitive neutrality and related competition-type reforms are also improving the performance of government businesses themselves [see Box 2].

### Box 2: Recent performance of Government Trading Enterprises

The May 1997 report of the Standing Committee on National Performance Monitoring found that competitive neutrality and related reforms — many of which predated the NCP agreements — are showing some positive results. The outcomes have varied between the enterprises studied. However, over the four years to 1995-96, overall there have been:

- improvements in labour productivity,
- a doubling of total payments by trading enterprises to governments,
- average price reductions of around 15 percent, and
- some limited improvement in service quality.

While some factors such as technological change may also help explain these improvements, this evidence does suggest that the reforms are paying dividends.

## Infrastructure

Infrastructure services such as energy provision, transportation, communications and water supply play a vital role in the Australian economy. They are major business inputs, representing between 7 and 16 percent of production costs for most industries. They are also essential services for consumers. And the industries which supply these services are major resource users in their own right. For example, the electricity supply industry alone has \$55 billion in assets, a workforce of 42 000 people, 8 million customers and over \$12.3 billion in annual revenue.

Consequently, the efficiency and competitiveness of these sectors is important not only for their direct customers but also for the broader business environment and the performance of the economy generally.

The NCP agenda includes reform packages to improve the efficiency of four industries which are major providers of infrastructure services to Australian businesses and consumers: electricity, gas, water and road transport. These reforms will promote more efficient supply arrangements, with the likelihood of better service and/or, in most cases, cheaper costs to industry.

In addition, under the NCP 'access' reforms, businesses will be more able to get access to essential infrastructure services which they need to compete effectively with established players. For example, transport companies may be able to get access to rail networks to run their own trains, in competition with the existing train operator.

While there have been some early hick-ups, particularly in relation to the timely provision of access, some recent measures to inject competition into the big infrastructure sectors are showing significant benefits [see Box 3].

### Box 3: Recent price changes for infrastructure services

Recent benefits from competition in infrastructure sectors include:

- a recent study by Deloitte Touche Tohmatsu found that electricity bills have fallen by around 30 percent on average for those businesses able to select their own supplier under the National Competitive Market;
- average airfares are around 20 percent below their pre-deregulation levels (and total domestic air travel has increased by more than 80 percent);
- rail freight rates between Melbourne and Perth fell by 40 percent following the introduction of competition on that route in 1995; and
- under the recently approved AGL undertaking, gas access tariffs in NSW will fall to about 60 percent below their 1995 levels by the year 2000.

## IMPLICATIONS FOR BUSINESS COMPETITIVENESS

The NCP reforms will have many benefits for business and bring many new opportunities for businesses to move into new markets. Lower prices for inputs, fewer restrictions on business conduct, greater consumer spending power resulting from lower prices generally and a more flexible economy less susceptible to external shocks –these things will all benefit the broad business environment.

But it is important to realise that NCP is not all benefits and no costs for business.

In those markets directly affected by reform, there will be both winners and losers. To give just one example, where anti-competitive regulations are removed, new businesses may be able to enter into markets by competing with incumbent producers. Where new businesses succeed, they will obviously be better off. So will consumers. But incumbent businesses may need to lift their game or risk losing market share.

To improve their competitiveness, existing businesses may need to develop or rethink business plans, examine staff training needs and managerial skills, look for opportunities to expand their product range, improve service quality or find ways of reducing costs.

That said, in many cases, incumbent businesses will be well placed to fend off new competition. Often they will understand their market well and know their customers' needs. They may have had time to build up a loyal clientele and, as mature businesses, they are likely to have more settled and stable financial positions than new businesses.

For new businesses, the removal of anti-competitive legislation brings with it normal commercial risks involved in starting a new business. To make inroads into the market, such business people will generally need to be able to offer a more attractive product — whether it be lower priced, higher in quality, or better suited to customer needs —than the products offered by incumbents.

The NCP processes do not seek to favour any one kind of business over another. Rather, the aim is to allow competition to occur such that businesses compete on their merits. In other words, while the NCP is designed to enhance the performance and competitiveness of the Australian economy overall, it is not designed to improve the profitability or viability of specific businesses or industries themselves. Rather, it is intended to foster conditions in which the businesses and industries that most benefit the community prevail.

## RATIONALE FOR IMPLEMENTATION

Why are governments doing all this?

Firstly, there is an economic imperative, one heightened by recent events in Asia. In an increasingly competitive world, the efficiency and competitiveness of our own businesses is vital. As I have just alluded to, the reforms have the potential to significantly improve the robustness and performance of our economy. I have already pointed to some of the early benefits now flowing from implementation of the NCP program. Overall, the Productivity Commission has estimated that full implementation could boost GDP by more than 5 percent per annum, and increase household spending power by \$1500 per year. Such estimates can never be precise, but they do give an indication of the magnitude of the effects of the reform program.

Secondly, as mentioned earlier, there are \$16 billion in compensation payments from the Commonwealth to the States and Territories riding on successful implementation of the reforms.

And thirdly, there is a fundamental equity question here. Whilst many sectors of the economy are exposed on a daily basis to the true rigorous of the competitive marketplace, some groups are not subject to the same disciplines. But their privileges are not free –they generally come at the expense of the rest of us. Just as many people rightly question the monopolistic wages and conditions attained by waterside workers, people have a right to question the incomes and conditions enjoyed by all special interest groups *to the extent that those incomes and conditions derive from unwarranted restrictions on competition.*

Competition reform, like justice, must be seen to be blind when it comes to matters of class, career and collar colour. Hence, equity, as well as economic efficiency, demands that privileged groups throughout the economy be subject to scrutiny and, where appropriate, genuine reform.



## SOME SPECIFIC REFORM ISSUES

Three specific reform issues and case studies relevant to the retail sector are:

- retail trading hours;
- liquor licensing; and
- retail tenancy legislation.

### Trading hours

One area being addressed under the NCP legislation review program is that of retail trading hours.

As you are no doubt aware, the review of trading hours regulation in Victoria led to the deregulation of shopping hours around eighteen months ago. The ACT also removed its restrictions last year, and there have been partial moves towards deregulation in some other states, although significant regulation remains in some cases. Current South Australian regulations are quite restrictive and something of a hotch-potch.

Deregulation in Victoria has introduced greater flexibility in trading hours. It has not of course resulted in all stores remaining open 24 hours a day, seven days a week. Rather, some stores have chosen to open on Sundays but to close during slow periods on weekdays. As well, many large supermarkets now remain open late at night or for 24 hours. While ABS data does not indicate any significant change in the number of retail businesses operating in Victoria during 1996-97 –the year in which full deregulation occurred, the data indicates that net retail employment has grown more than 10 percent. This presumably reflects the effects of Sunday trading in particular. A referendum was recently held in Bendigo on the matter of Sunday trading. It got a big turn-out, with over 75 percent of voters indicating that they wanted Sunday trading retained.

In the ACT, after a period of liberal trading arrangements, the government reintroduced restrictions on trading hours in larger shopping centres in 1996, essentially to protect retailers in small suburban shopping centres from competition from big supermarkets. Subsequent consumer surveys found that the costs of re-regulation clearly outweighed the benefits, and the decision was reversed.

These events suggest that many consumers, once having experienced deregulated shopping hours, are likely to warm to them.

Moves towards longer and less regulated shopping hours are part and parcel of the structural change in retail markets that has been occurring for many decades. In the grocery retail market, for example, the advent of better transport options and changing lifestyle patterns has resulted in a shift towards larger retail outlets which provide wider product choice, longer opening hours and generally lower prices. It is pertinent to note that a recent *Choice* survey found that prices for items at late night convenience stores

are on average around 43 percent higher, and in some cases almost double, than the price of the same items in late night supermarkets.

Of course, the other side of this coin is that deregulation of shopping hours may pose risks for some small retailers. For example, a study by the Victorian Retail Confectioners and Mixed Business Association indicated that the failure rate among its members' businesses jumped sharply in the six months immediately following deregulation and remains around twice the pre-deregulation level. That said, ABS data does not show any *aggregate* reduction in the number of small retailers. What the data does show is an increase in the number of medium retail businesses –which, I surmise, may hide some formerly small business that have taken on more staff and thus moved into the medium business category –and an increase in small retail business employment of about 5000. Nevertheless, it is too early to reach definitive conclusions about the Victorian experience and, in any case, it must be recognised that deregulation will pose commercial risks or difficulties for at least some existing small retailers.

It is also possible that deregulation could pose commercial risks for retail businesses (and the owners of the properties that those businesses trade from) located in particular areas if, following deregulation, consumers were to choose to shop elsewhere. For example, some consumers might choose to shop late at night or on Sundays in suburban shopping centres near where they live, rather than pick up their shopping in the city during the working week. Hence, while providing extra opportunities for retailers in some areas, deregulation could entail commercial risks for retail outlets and property owners in others.

Given that deregulation could pose risks for some retailers and commercial property owners, the question which arises is:

*Should consumers be forced to:*

- *pay higher prices; and/or*
- *forgo the convenience of extended shopping hours; and/or*
- *forgo the convenience of shopping where they want;*

*to reduce the commercial risks that these retailers and commercial property owners face?*

As I mentioned in a speech recently in Adelaide, it appears difficult to establish a convincing case that they should. Business exists to serve the needs of consumers — consumers are not there to serve the needs of business. Further, while the small business sector is an important component of the economy and a large employer in aggregate, ensuring the viability of any particular small business should not be an aim of government policy. Rather, just like the case of big businesses, whether any particular small business adds value to our economy depends on whether the benefits which flow to its owners, employees and the consumers which use it exceed the costs of maintaining the business. Likewise, whether a retail outlet in a particular area adds

value to our economy depends on whether the benefits which flow from it exceed the costs of maintaining it.

How well a business does when subject to full competition in the market place is generally the best way of ascertaining whether this is the case. In the absence of some significant form of market failure associated with the existence of a particular size or location of business, unfettered competition between businesses –big or small, old or new, city-based or suburban –will be the best way of determining which businesses should survive and prosper. Under the competitive approach, those businesses that are most able to provide the value-for-money, product range, location, convenience, service, friendliness and other attributes consumers are seeking will generally prevail in the market place. In some instances, this will be a small business. In others, it will be a large business. In some it will be a city-based business. In others, it will be a suburban business. As I mentioned earlier, competition policy does not seek to protect the viability of particular businesses. Rather, it aims to establish the environment in which those businesses most able to benefit society can prevail.

While not necessarily disagreeing with this principle, some groups have argued for restrictions on trading hours on various grounds, including that:

- the retail market does not accord with the notion of a perfectly competitive market;
- there is only limited consumer demand to shop outside normal retail hours;
- small businesses generate more employment per dollar of turn-over than big businesses; and
- without restrictions on trading hours, big retail businesses, particularly in the grocery sector, would use their market power to force out small retailers.

On the first point, the case for allowing full competition does not rely on the notion that markets are perfect. It simply requires that they be less imperfect than the alternative. And even then, I know of no economic policy commentator who advocates a completely free market. All markets need at least some basic government-provided ground-rules to operate efficiently.

On the second point, where consumer demand is insufficient to make it profitable for businesses to remain open for extended shopping hours, it is unclear why legislative restrictions would be needed to encourage stores to close. Of itself, this point does not constitute a form of market failure, nor a valid reason for government intervention.

On the third point, arguments about employment in industries subject to reform often overlook the effects of employment in related industries. For example, the lower prices that larger retailers charge mean that their consumers are able to buy more goods and services with each dollar they spend (or save more money for re-investment elsewhere). In turn, this implies greater employment in the industries that supply the retail sector. This would reduce any net reduction in employment which might be associated with the displacement of small retailers by larger retailers.

More generally, however, the relevant policy question is whether retaining current restrictions would benefit the community as a whole by, for example, contributing to an environment which provides for *sustainable* improvements in overall economic and employment growth. In other words, the question for reviews is not simply one of how retaining current restrictions would affect employment in the retail sector.

The fourth point raises the issue of market power and, where it exists, the best way of dealing with it. While the scope for systematic anti-competitive behaviour by large retailers generally appears limited, it is theoretically plausible that it could occur in some contexts.<sup>1</sup> Were reviews to find evidence that such behaviour occurs to a significant extent, they would need to consider the appropriateness of mechanisms for dealing with this problem. While restricting trading hours could be one approach, it would be an extremely blunt instrument for dealing with anti-competitive practices. Before recommending restrictions on retail trading hours on this basis, reviews would thus need to be satisfied that any competitive benefits of such action would exceed the costs, and that the outcome could not be achieved in other, more targeted, ways.

There are of course other issues which may need to be considered in assessing the case for reducing trading hour restrictions. For example, in the South Australian context, it has been argued that current restrictions adversely affect the level of tourist expenditure in Adelaide. There are also concerns that moves to deregulation could affect the patronage of some public institutions located in the city centre. Other issues include whether, if deregulation is generally appropriate, there should be designated core retail hours, and whether there is a need for phasing arrangements to assist in the transition to the new environment. That said, it needs to be realised that many of these issues also have a market solution.

Under the NCP agreements, the onus of proof is on those groups who want to retain legislative restrictions on competition to prove that they should be retained. That is, once a legislative restriction is identified, it goes ~~unless~~ it can be robustly demonstrated that the benefits of the restriction outweigh the costs and that the objective of the restriction cannot be achieved in other ways. This will be an important matter for reviews to examine.

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<sup>1</sup> As the National Association of Retail Grocers has noted, Australia's two largest retailers account for around 30 percent of all non-auto retail sales. However, this is unlikely to be sufficient to allow strategic anti-competitive behaviour against smaller businesses competing in most parts of the retail market. There is greater industry concentration in the retail grocery sector, and the top three chains have increased their aggregate market share in recent years to around 70 percent. The current shares may well exceed ACCC thresholds for examining market structure were two of these entities to consider merging. However, the shares do not indicate that the market is currently uncompetitive. Indeed, robust competition has been observed within markets with only two dominating players. Further, recent changes in market share do not necessarily indicate anti-competitive behaviour by the larger retailers. They may simply reflect improvements in the those retailers' competitiveness in conjunction with consumer demand for their goods and services. That said, there may be more scope for strategic behaviour in specific markets: for example, in country towns with one main supermarket and one or two competing retail grocers. Of course, were such an approach to be pursued, it could occur through sharper price competition within normal trading hours instead of, or as well as, through non-price competition such as trading extended hours.

## **Liquor licensing**

Another area to be reviewed is liquor licensing.

There are obviously important social concerns associated with the consumption of liquor, and some form of regulation may well be appropriate.

However, current regulations often discriminate between different types of outlets and thereby limit competition.

For example, in NSW, restaurant and café owners must obtain a license and meet various conditions before they can to serve alcoholic drinks on their premises. One condition is that they can only serve patrons who are already consuming a meal. Another condition relates to the ratio of bar-stools to table seats in these venues.

These licenses and conditions add to costs and limit the extent to which cafes and restaurants can compete against pubs and clubs, which don't have to meet the same conditions. Indeed, in arguing that "sophisticated Sydneysiders should be allowed to enjoy a cognac at a café," one scribe suggested that NSW's liquor laws "have been cobbled together over many years as some sort of legislative protection racket for the pubs and clubs industry." While I do not know the exact historical developments behind the laws in that State, they clearly do provide some special protections for the hotel industry, at the expense of other entertainment venues and, perhaps more importantly, at the expense of consumers who might simply wish to have a drink in a non-pub atmosphere.

Further, it is not clear that regulating the outlets at which liquor can be sold is a particularly effective way of dealing with problems associated with its inappropriate consumption. This is not only the case in relation to served drinks at hotels *vis a vis* restaurants and cafes. It is particularly so in the case of packaged liquor, such as slabs of beer.

Among other things, reviews will need to identify exactly what the social policy objectives in this area are, whether controls on outlets in fact help achieve these objectives, and can they be achieved by alternative less anti-competitive means. In particular, reviews will need to establish what justification there is for discrimination between different outlets.

## **Retail tenancy legislation**

Another issue in the news recently has been the rights of retail tenants. A recent issue of *Small Business Letter* presents some compelling personal stories of the problems small business tenants can encounter in relation to leases in shopping centres. While views differ as to the source of the problems encountered, the stories act as a warning to other people considering setting up a new retail business to do their homework and to recognise the risks involved in establishing a new business.

Following a recent Commonwealth inquiry, the States and Territories are currently in the process of amending existing legislation to enhance the protections afforded small retailers in shopping centres.

Some elements of the new legislation have the potential to restrict competition. For example, I understand that in some cases it contains restrictions on who a landlord can negotiate with when a particular lease expires.

Under the NCP, when introducing new legislation that restricts competition, jurisdictions need to demonstrate that the restriction is justified against the net community benefit test contained in the NCP principles. That is, they need to show that:

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

Such legislation also needs to be reviewed at least once every ten years to ensure that it is meeting its objectives and is still justified, given the likelihood of changing market conditions.

## **CONCLUDING REMARKS**

The NCP reform program is ambitious, with the potential to affect virtually every Australian and, in particular, to substantially alter the way we approach doing business.

As part of competition reform, some existing retailers will be exposed to greater competition. This will require them to rethink their business strategies and lift their performance, or risk losing market share to other players.

At the same time, other businesses will face opportunities to enter new markets or expand, and all businesses will benefit from lower costs and improvements in the general business environment flowing from competition reform.

The ultimate goal of competition reform is a more productive, efficient, innovative and dynamic economy –one more able to cope with external shocks rather than immediately plummeting into recession; one better able to sustain or enhance the material living standards of its people, or to achieve its social, cultural and environmental goals, without simply adding to national debt; and one which puts its resources to the most valuable use.

And just as there is a compelling economic efficiency case for competition reform, so too equity demands that those currently sheltering behind undue anti-competitive arrangements face the same competitive disciplines as all of us.