



Australia*

– Robin Brown[†], Sitesh Bhojani^{††} and Imelda Maher^{†††}

Six British colonies federated and became the Commonwealth of Australia in 1901. The nation took advantage of its natural resources to rapidly develop its agricultural, mining and manufacturing industries. Australia is now an internationally competitive, advanced market economy. Major sustainability concerns include land degradation, water management, conservation of ecologically significant areas, especially the Great Barrier Reef and reliance on coal for domestic energy and export earnings. Australia is a very high per capita contributor to greenhouse gases and this is in large measure due to coal usage.

Australia is a constitutional monarchy and shares its head of state with the UK and some other nations. Now, with a large proportion of the population of non-British origin, there is a strong republican movement (*though a referendum on this in 1999 failed, arguably not because pro-monarchists are in the majority, but because the republican model offered was not acceptable*).

Economy

From 1900 to 1960, Australia was among the top three nations in the world, in terms of per capita income. From 1960 to 1992, its rank slid to number 15. This was partly due to the decline in world primary produce prices, of which Australia is a significant exporter. But many domestic markets were protected from international competition, by tariffs and other barriers, and/or from new local competition, by either statutory regulation or anticompetitive agreements between incumbent producers. Significant removal of these breaks on productivity growth commenced in the 1970s.

While a number of improvements can yet be made, Australian consumers now generally enjoy goods and services efficiently and fairly delivered by markets well regulated for competition, product standards and information and prevention of deceit and other unfair practices.

PROFILE	
Population:	19.9 million***
GDP (Current US\$):	518.4 billion***
Per Capita Income: (Current US\$)	21,650 (Atlas method)*** 28,260 (at PPP.)
Surface Area:	7.7 million sq. km
Life Expectancy:	79.1 years**
Literacy (%):	100 (of ages 15 and above)
HDI Rank:	3***
Sources: - World Development Indicators Database, World Bank, 2004 - Human Development Report Statistics, UNDP, 2004 (**) For the year 2002 (***) For the year 2003	

This is the result of the three main public policy developments.

Firstly, it was the passage of the Trade Practices Act in 1974. This is the principal legislation for protecting and advancing consumer interests both in terms of competition and consumer protection legislation. Critical characteristics of the legislation are:

- Administration by a Commission statutorily independent of the Government of the day (the Trade Practices Commission, now the Australian Competition and Consumer Commission);
- Application to the whole economy; and
- Exemption from the anticompetitive provisions of the Act only by a public process to satisfy a public benefit test under the authority of the Commission.

Secondly, during the 1980s, a series of reforms, most notably major decisions to float the currency, deregulate financial markets and systematically reduce trade barriers were significant in opening Australia's markets to international competition and moving them towards international best practice.

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Thirdly, in 1995, the Council of Australian Governments (CoAG) adopted the National Competition Policy (NCP). The policy was based on the report of the Independent Committee of Inquiry into a National Competition Policy for Australia (headed by Professor Fred Hilmer) which CoAG had commissioned in 1992.

The inquiry resulted from a widening understanding by governments in Australia that significant economic benefits would flow from enterprises, whether publicly or privately owned, being able to operate in a nationwide market, that any strictures on competition had to pass a tougher public interest test and that reform had to be nationally coordinated.

Competition Policy

The reforms under the NCP are as follows:

- extension of the provisions of the *Trade Practices Act 1974*, prohibiting anticompetitive activities (such as the abuse of market power and market fixing) to all businesses (previously, most Government-owned and some private businesses were exempt);
- introduction of competitive neutrality, so privately owned businesses can compete with those owned by Government on an equal footing;
- review and reform of all laws that restrict competition, unless it can be demonstrated that the restrictions are in the public interest;
- development of a national access regime to enable competing businesses to use nationally significant infrastructure (such as airports, electricity cables, gas pipelines and railway lines); and
- specific reforms to the gas, electricity, water and road transport industries.

It is important to note that the NCP is in no way prescriptive, in relation to other public policy areas. Critically, social (e.g. education, employment, and health) and environmental objectives can override economic objectives, in terms of determining the public interest. Further, the NCP recognises that intervention in markets, to achieve social and environmental objectives, can be entirely appropriate.

A review of regulation and public ownership of enterprises, or delivery of services is required, rather than a general programme of deregulation and privatisation. Thus, it would neither prevent a Government purchasing a private company, nor moving into a new service delivery area, nor introducing new regulations or re-regulating a particular market.

The NCP reforms provide a legislated right of third party access to certain facilities of significance. Concerns has been expressed that third parties could have the rights to access local government body infrastructure, such as water reticulation systems, airports, or sewage works.

The Trade Practices Act

The Trade Practices Act (TPA) is the general platform for consumer protection, competition and market regulation in Australia. Its objective is 'to enhance the welfare of Australians through the promotion of competition and fair trading, and provision for consumer protection'.

This Act is a comprehensive set of rules governing competition, fair trade and consumer protection, thus, governing conduct relating to trade between all market players: initial producers or suppliers, wholesalers, retailers and end consumers. Potentially no trade of any good or service is excluded, however or by whomever the trade is affected. In essence, the Act covers:

- detriments;
- third party access to nationally significant, essential facilities;
- industry codes often involving administration by non-statutory bodies with both industry and consumer representation;
- unconscionable conduct;
- unfair market practices, product labelling/information, country of origin claims, conditions and warranties, actions against manufacturers/importers;
- product safety and product liability;
- price exploitation in relation to the goods and services tax;
- price monitoring and the regulation of particular industries, such as telecommunications, gas, electricity, shipping and airports; and
- telecommunications-specific regimes dealing with anti-competitive conduct and for regulated access to carriage

The Australian Constitution places restrictions on the extent to which the Federal Parliament can make laws to cover all trade within the states, but state mirror and 'application' legislation overcomes this – a process facilitated by the NCP.

Institutions

Three statutory bodies are established under the Trade Practices Act for its administration:

- Australian Competition and Consumer Commission (ACCC);
- Australian Competition Tribunal; and
- National Competition Council (NCC).

Consistent with the way regulation generally operates in Australia, enforcement of the Trade Practices Act (TPA) is via the judicial system.

Companies undertake a great deal of private litigation action against other companies, under the general competition and consumer protection provisions of the TPA. Some actions are performed by the consumers. The Act provides for representative class actions, so that

groups of consumers can seek remedies under a single action. No doubt, there is a much larger occurrence of threats of litigation than acts of litigation. Remedies under private action include:

- damage compensation;
- injunctions (but not for mergers); and
- divestiture (mergers only).

The Australian Competition and Consumer Commission (ACCC)

The Trade Practices Commission (TPC) was first established under the TPA, in 1974. In 1995, the TPA was amended and, *inter alia*, the ACCC replaced the TPC. The ACCC has a wider remit. Like the TPC, ensuring compliance with the competition, fair trading and consumer protection provisions of the TPA is the ACCC's main purpose, but it is also responsible for the administration of the *Prices Surveillance Act 1983* (see box 2.1), and national regulation of the infrastructure markets.

Box 2.1: Monitoring Prices

On May 13, 2002, Airservices Australia provided a pricing proposal to the ACCC covering services for air traffic control, airport rescue and firefighting. Airservices Australia is the only provider of these services in Australia and is 'declared' under the *Price Surveillance Act 1983*. With its monopoly position, Airservices Australia must notify the ACCC of proposed price increases.

Airservices Australia claimed the increases were required to offset the effect on profits of lower traffic volumes as a result of the events of September 11, 2001 and the end of Ansett. It proposed price rises that would result in a return on revenue of 9.1 percent in 2002-03. Overall, the average price increase is 5.1 percent, which translates to an increase of between 0.1 and 0.2 percent of the fare, estimated to be not more than US\$1.47 for an international fare from Australia or US\$1.15 for a domestic fare.

An issues paper was released in May and a preliminary view in June 2002. Submissions were received from the interested parties with most arguing against the proposed increases in charges.

In its July 2002 decision, the ACCC did not object to a temporary price rise, noting that while there was justification for a price rise in the 2002-03 financial year, it could not extend the agreement beyond this period without a review of traffic forecasts. An important factor in the decision was the fact that Airservices Australia had taken the initiative to reduce prices in recent years when airline activity has been growing.

Source: ACCC's News Release

For competition regulation, generally in Australia, the ACCC is the sole responsible agency but, for consumer protection regulation, its role is complemented by the state and territory consumer affairs agencies, which administer the mirror legislation of their jurisdictions.

Various specific consumer protection regulatory responsibilities (e.g. in the areas of product safety, food and drug regulation and financial and investment services) are also undertaken by other agencies.

Generally speaking though, the powers the ACCC has enabled it to 'look over the shoulders' of these agencies in the interest of consumer protection principles being consistently upheld. An important exception is the financial services sector, for which the Australian Securities and Investments Commission has consumer protection responsibility, and in respect of which the ACCC's powers are proscribed.

The ACCC is an active and largely successful enforcer of the Act, both in respect of competition and consumer protection. Depending on the breach of the Act, civil or criminal penalties may apply. At present, the Act does not allow imprisonment, but a proposed amendment would allow for this in relation to hard-core cartel convictions.

The ACCC, as did the TPC previously, employs a 'Compliance Pyramid' approach to its role. Thus, the ACCC devotes a great deal of resources to education and information activities. It seeks to resolve issues through negotiation, and only resorts to legal action when necessary. In short, much emphasis is placed on the advisory role of the Commission.

The success of this approach depends largely on the agency's real and perceived independence, impartiality and success in the enforcement of the law. The essential requirement for the apex of broad political commitment is present in Australia, which, in turn, is generally supported by opinion leaders in the nation's polity, both from the consumer side and the industry side.

The next order of key factors for a sound apex are:

- A Chairperson and Commissioners who have, and are seen to have, appropriate skills and backgrounds.

The ACCC has a Chairperson, a Deputy Chairperson, five full-time Commissioners and four part-time Associate Commissioners. There are also four ex-officio Commissioners, the Heads of other regulatory agencies. The Federal and State/Territory Governments make appointments to the ACCC collectively. The risk of inappropriate, party-politically motivated appointments is thus diminished, although it should be noted that the appointments are effective for a period of five years, and a Commissioner can be appointed for a shorter period of time.

Also, the TPA requires that at least one of the commissioners must have a consumer background. The last two such appointees, therefore, have been made Deputy Chairperson of the ACCC.

- Sufficient skilled staff and a budget to strongly run litigation.

Governments have generally resourced the ACCC (TPC) well enough. The ACCC (TPC) took care in taking on cases it could win, developing the skill with which it had initially and carefully built political and broad community support.

- Courts with the knowledge that the special legal and economic concepts require.

The initial knowledge level of the Courts was taken into account in the cases the ACCC (TPC) litigated. Subsequently, the Federal Parliament established the Federal Court, a major reason being to have a Court with the capacity to deal with complex TPA cases. Competition cases are regarded as ‘Special Federal matters’, and can only be litigated in the Federal Court. Appeals go to a Full Court (three or five judges), and then by Special Leave to the High Court of Australia (Australia’s ultimate appellate court).

The ACCC’s broad role, covering both competition and consumer protection regulation, and all industry sectors, has been significant in curtailing the influence of any particular industry interest group on its impartiality.

The dual competition and consumer protection regulation role has enabled the ACCC to develop a much more effective public profile and to garner greater public support. Benefits lie in the synergies of one agency being able to deal with the range of regulatory interventions, both to do with countering anticompetitive conduct, and to work with countering asymmetry of information, which might be needed to make a particular market work effectively.

Consumers, in general, and the ordinary media do not find it difficult to understand consumer policy and protection regulation and its benefits. Thus, strong community support for this regulation is relatively easily generated.

Generating support for competition policy and regulation, being more complex, is more difficult. The TPC and then the ACCC was able to build broad community support, largely on its consumer protection work, and it has been relatively easy to leverage support for its competition work from that.

For some time now, the Commission has been referred to as ‘the consumer watchdog’ in the media, whether the story is about a competition regulatory action or about correcting misleading advertising.

Australian Competition Tribunal

The Australian Competition Tribunal deals with applications for the review of decisions made by the ACCC on authorisations granted on public interest grounds, and notifications relating specifically to the exclusive dealing arrangements.

The ACCC may also make declarations relating to offshore mergers. The tribunal also hears appeals from decisions of the minister or the NCC in access matters.

The Tribunal consists of a President, who must be a Federal Court judge; and members who are appointed because of their knowledge of, or experience in, industry, commerce, economics, law or public administration.

National Competition Council

The NCC is established, under the TPA, as a statutory body accountable to all Australian States and Territories, through CoAG, with the broad purpose of monitoring and advising on the implementation of the NCP. The Council itself does not implement reforms or direct Governments in the reform process.

CoAG appoints the five part-time members of the Council. They come from different parts of the country having backgrounds in business, academia and government, being supported by a full time Secretariat.

The Council has four main roles:

- assessment of the progress of each Government in implementing the NCP reforms and recommendations on competition payments (see below);
- advice on the design and coverage of access rules under the national access regime;
- community education and communication, covering both specific reform implementation matters and NCP generally; and
- other specific projects requested by Australian Governments.

The NCC plays a number of roles under part IIIA of the TPA, including making recommendations to relevant Ministers on:

- applications to declare particular services for access;
- applications to certify State or Territory access regimes as effective; and
- applications for coverage (and revocation of coverage) of particular gas pipelines, under the National Gas Code.

Competition Payments

On the recommendation of the NCC, the Federal Government makes payments to the States and Territories (on a per capita basis), in recognition of progress they make against the NCP and related reform obligations.

The NCP payments are the means by which ‘gains’ from reform are distributed throughout the community. The

payments recognise that, although the states and territories are responsible for significant elements of NCP, much of the direct financial return accrues to the Commonwealth Government via increases in taxation revenue that flows from greater economic activity.

Anticompetitive Business Practices

Major anticompetitive practices regulated by the TPA 1974 of Australia include:

- price-fixing, where competitors agree to charge the same or similar prices;
- market sharing, which occurs when competitors agree to restrict territories, customers or business operators;
- boycotts or actions, taken by two or more competitors to prevent another from acquiring or receiving goods and services;
- misuse of market power to damage or eliminate a competitor;
- exclusive dealing, where arrangements are made to restrict a business in purchasing or supplying goods or services;
- refusal to supply goods or services; and
- resale price maintenance, or the setting of minimum prices by suppliers to prevent businesses from discounting.

Anticompetitive conduct is a cost to society and needs to be eradicated. The ACCC will continue to pursue such conduct using a number of strategies including education,

court enforceable undertakings and litigation, where other strategies fail or where that is the best option in the circumstances.

The TPA contains a number of so-called '*per se*' prohibitions on anticompetitive practices. That is, the practice is outlawed, irrespective of its effect on competition. Practices, the subject of *per se* prohibitions, include the making of an exclusionary provision (such as a collective boycott), price fixing, and third-line forcing (such as only selling to a buyer if the buyer agrees to buy a product from a specified third party).

Regulatory Framework

Australia is a federation of six states and two territories. Under the Australian Constitution, the Federal Parliament has the main revenue powers. The Federal Parliament and Government have the broad responsibility for the regulation and management of the national economy and national markets. State/territory legislatures and, thus, their Governments have the power to regulate markets within their jurisdictions. The CoAG – a council of all Governments: Federal/State/Territory co-ordinates market regulation across jurisdictions, though not with uniform success.

With quite frequent political switches at federal and state/territory levels, broad public policy, in relation to the economy and markets, has been relatively stable. There has been more or less an orderly shift of many of the formerly numerous publicly owned enterprises, mainly in the banking, transport and infrastructure sectors, to private ownership. Significant public ownership in sectors, such as health and education, is not likely to change.

Whilst it waxes and wanes, with switches from Australian Labour Party (ALP) to Liberal Party (LP) Governments, there has always been a relatively strong preparedness to intervene, by regulation, to protect and advance the public interest, against:

- M&As of companies, which might restrict competition in the markets; and
- anticompetitive practices – cartels, price collusion, resale price maintenance, etc.

The authorisation of the allowance of anticompetitive practices is given when the public benefit outweighs the detriments.

Critical characteristics of the legislation are:

- Administration by a Commission, statutorily independent of the Government at the time (the Trade Practices Commission, now the ACCC);
- Application for the whole of the economy; and
- Exemption from the anticompetitive provisions of the Act, only by a public process to satisfy a public benefit test under the authority of the Commission.

Box 2.2: Importation and Retailing of Compact Discs

The ACCC alleged the defendants *Universal Music, Sony Music and Warner Music and others* had taken unlawful action (threatening to withdraw significant trading benefits from retailers and cutting off supply to retailers who stocked parallel imports of compact discs) in order to discourage or prevent Australian businesses from selling competitively priced parallel imports of compact discs.

The conduct was alleged to constitute a misuse of market power and exclusive dealing prohibited by the TPA. Senior executives were alleged to have been involved in the conduct.

The Full Court of the Federal Court upheld an appeal by Universal and Warner that their conduct did not breach the misuse of market power provision but confirmed that the conduct did breach the exclusive dealing provisions.

The Full Court also upheld the ACCC's appeal on penalty increasing the total penalties from about US\$760,231.59 to over US\$1,520,786.52mn.

* *Proceedings instituted in September 1999 – For summary of allegations see <http://www.accc.gov.au/content/index.phtml/itemId/322787>.*

During the 1980s, a series of reforms, most notably major decisions to float the currency, deregulate financial markets and systematically reduce trade barriers, were significant in opening Australia’s markets to international competition and moving them towards international best practice.

The Fair-Trading amendments to the TPA 1974, which took effect in 1998, provide a general power to make industry codes of conduct enforceable at law. Importantly, this regulatory option also gives the ACCC an enforcement role, ensuring that industry participants comply with code provisions.

States and Territories have also embraced the regulatory option of mandatory codes in their respective Fair Trading Acts (see box 2.3).

The regulatory framework for underpinning industry codes in the TPA 1974, and equivalent State and Territory provisions, then moves on to consider specific regulatory frameworks for industry codes in particular sectors – namely broadcasting, telecommunications, financial services, the health sector and privacy.

In examining these regulatory frameworks, the emphasis is not just on the policy for mandatory codes, but also on how they actually operate. This involves looking at how codes are developed and approved, how complaints are handled and sanctions imposed for non-compliance, and how codes are monitored and reviewed.

Consumer Protection

During the 1970s, improvements in consumer protection regulation have enabled consumers in making markets work better through better-informed choices. By regulating product and information standards, consumer protection regulation also contributed significantly to increase the capacity of Australian firms, to compete internationally on quality.

The current Australian regulatory framework for consumer protection is comprised of federal and state/territory consumer protection legislation and some self-regulatory initiatives. The development of consumer protection regulation rests with the Consumer Affairs Division of the Department of the Treasury. It is also part of the ongoing work of the Division to examine the regulatory framework for consumer protection. The ACCC is the agency primarily responsible for the enforcement of consumer laws in Australia at the national level.

The primary piece of consumer protection legislation in Australia is the TPA 1974, administered by the ACCC. The objective of the TPA, as set out in the legislation, is to “enhance the welfare of Australians through the promotion of competition and fair-trading, and providing for a consumer protection framework”. It contains a range of provisions aimed at protecting consumers and corporations that qualify as consumers.

Box 2.3: Medical Sector Case Study

*ACCC v Baxter Healthcare Pty Ltd** - Medical products industry.

The ACCC alleges that Baxter Healthcare Pty Ltd misused its market power, and engaged in exclusive dealing in the supply of medical products to certain Australian State and Territory health purchasing authorities, in contravention of the *TPA 1974*.

The ACCC alleges that Baxter has entered into long-term, exclusive, bundled contracts (of between three and five years) to be the sole or primary supplier of large volume parenteral fluids (which are intravenous fluids), parenteral nutrition, irrigating solutions and peritoneal dialysis products, with each of the purchasing authorities in New South Wales, the Australian Capital Territory, Western Australia, South Australia and Queensland. Each State and each Territory purchasing authority acquires these products in order to supply them to publicly funded health facilities, including public hospitals.

The ACCC alleges that Baxter has taken advantage of its market power by structuring the terms on which it offers to enter into contracts, for the supply of these products, so that the State or Territory is required to acquire the products as a tied bundle of products, if it wishes to have the benefit of significantly lower prices.

The ACCC alleges that this conduct was engaged in, with the purpose of damaging Baxter’s competitors, Fresenius Medical Care Australia Pty Ltd and Gambro Pty Ltd, in the relevant peritoneal dialysis market, in contravention of *Section 46* of the Act.

The ACCC further alleges that the bundling of all of these products into long-term, exclusive contracts contravenes the exclusive dealing provisions of the Act. It is alleged that Baxter engaged in this conduct with the intent and the effect, or likely effect, of substantially lessening competition in the relevant peritoneal dialysis market; large volume parenteral fluids market; parenteral nutrition fluids market and/or the irrigating solutions market.

* *Proceedings instituted in November 2002 – For summary of allegations see <http://www.accc.gov.au/content/index.phtml/itemId/88219>. Trial completed second half of 2004 Judgment Reserved.*

Australia has civil society consumer organisations, which are quite influential and have a good understanding of competition policy and regulation. Their support, together with that of most, though not all, industry actors, is significant.

Concluding Observations and Future Scenario

To help inform the CoAG review of the NCP and possible future reforms, Australia's Federal Government asked an independent body, the Productivity Commission, to conduct an inquiry into the impacts of the NCP to date, and report on future areas 'offering opportunities for significant gains to the Australian economy from removing impediments to efficiency and enhancing competition'.

The Commission's Report, released in April 2005, recommends that Australia continue with competition related reform to sustain and extend Australia's economic performance, and has made the following key points:

- The NCP has delivered substantial benefits, to the Australian community, which overall, have greatly outweighed the costs;
- Benefits from the NCP have flowed to both low and high income earners; and to rural as well as urban Australia – though some households have been adversely affected by higher prices for particular services, and some smaller regional communities have experienced employment reductions;
- There is scope and need to do better. Population ageing and other challenges will constrain Australia's capacity to improve living standards in the future. Further reform on a broad front is needed to secure a more productive and sustainable Australia;
- National coordination will be critical to good outcomes in a number of key reform areas. Priorities for the new competition policy reform programme include:
 - ◆ strengthening the operation of the national electricity market;
 - ◆ building on the National Water Initiative to enhance water allocation and trading regimes and to better address negative environmental impacts;
 - ◆ developing coordinated strategies to deliver an efficient and integrated freight transport system;
 - ◆ addressing uncertainty and policy fragmentation in relation to greenhouse gas abatement policies;
 - ◆ improving the effectiveness and efficiency of consumer protection policies; and
 - ◆ introducing a more targeted legislation review mechanism, whilst strengthening arrangements to screen any new legislative restrictions on competition.
- An 'overarching' policy review of Australia's entire health system should be the first step in developing a nationally coordinated reform programme, to address problems that are inflating costs, reducing service quality and limiting access to services;

Box 2.4: State & Territories Fair Trading Acts in Australia

Australian Capital Territory

- ACT Consumer Affairs Act, 1973
- ACT Fair Trading Act, 1992

New South Wales

- New South Wales Fair Trading Act, 1987

Northern Territory

- Northern Territory Consumer Affairs and Fair Trading Act, 1996

Queensland

- Queensland Fair Trading Act, 1989

South Australia

- South Australian Fair Trading Act, 1987

Tasmania

- Tasmanian Consumer Affairs Act, 1988
- Tasmanian Fair Trading Act, 1990

Victoria

- Victorian Fair Trading Act, 1999

Western Australia

- Western Australian Consumer Affairs Act, 1971

- National action is also needed to re-energise reform in the vocational education and training areas; and
- The Australian Government should seek agreements with the States and Territories on the role and design of financial incentives under new national reform programmes.

It noted that "the observed productivity and price changes in key infrastructure sectors (electricity, gas, urban water, telecommunications, urban transport, ports, and rail freight) in the 1990s, to which NCP and related reforms have directly contributed to increase Australia's GDP by 2.5 percent. (US\$15bn)".

The upcoming CoAG review provides the opportunity to consider the future of competition and productivity related reform in Australia.

Australia is at a crossroads after its decade of NCP reforms. Which road will it take? Is it the road that lets Australians relax and enjoy the dividends of a reform task that is largely complete? Or is it the road that recognises various international and domestic challenges to the Australian economy calling for further effective reforms – and even higher living standards across Australia? We hope it is the latter! Australia seems poised to learn from its NCP reforms to date and go even further in enhancing the welfare of Australians.

✦ **Australia Calls for Lower Fuel Prices**

Australia's Competition and Consumer Commission has ordered oil companies to lower the price of petrol or face a public outcry.

Australian oil companies have been accused of inflating petrol costs despite a 20-month low in crude oil prices. They now face renewed pressure to lower the prices of automotive fuel by up to 10 cents per litre, in accordance with international benchmarks.

The continuous rise in prices might prompt a full-scale competition investigation.

(Source: Global Competition Review, 16.01.07)

Australian Reforms Take Effect

January 2007 sees several amendments to Australia's Trade Practices Act come into effect. The revisions are fully detailed in new guidelines issued by Australia's Competition and Consumer Commission.

The changes include the introduction of a voluntary formal merger clearance system to work alongside the existing informal process. The formal system comprises a 40-day deadline for decisions and the lure of immunity from legal action once clearance is received.

The revised Act also increases the scope for partners in joint ventures to collaborate, and provides a new collective bargaining process for small business.

Australia's Senate approved revisions to the Trade Practices Act in October, a year and a half after they were first proposed. The bill was prompted by the Dawson Review in 2003.

(Source: Global Competition Review, 04.01.07)

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