

RETAIL TRADING HOURS, DEREGULATION, NATIONAL COMPETITION COUNCIL THREAT

1199. Mr L. Graham to the Premier

I refer to the alleged threats by the National Competition Council (NCC) to cut competition payments to the State unless the State's Retail Trading Hours are deregulated and ask -

- (a) precisely how much has the National Competition Council threatened to reduce Western Australia's payments by;
- (b) in what form has the alleged threat by the National Competition Council been presented to the State; and
- (c) will the Premier provide a copy of the alleged NCC threat?

Dr G.I. GALLOP replied:

- (a) The National Competition Council has not given a precise figure;
- (b) In writing; and
- (c) The threat was contained in a letter from NCC dated the 18 November 2002 which states among other things:

'In submitting its 2002 report on progress by governments against the National Competition Policy and related reforms in August 2002, the National Competition Council deferred its recommendations on competition payments for Western Australia. This reflected the Council's anticipation that Western Australia may address restrictions in legislation regulating retail trading, liquor licensing and potato supply and marketing consistent with its obligations under the Competition Principles Agreement...

I wish to reiterate that the Council does not intend to address legislation reviews and reform activity in NCP assessments after June 2003. Review and reform implementation that is incomplete or inconsistent with NCP principles at that time will be considered not to comply with NCP obligations, with consequent adverse competition payment implications. There will be no further scope to delay the resolution of outstanding matters. Therefore, to meet its NCP obligations and avoid adverse recommendations on competition payments in 2003, Western Australia will need to substantially progress reforms in all outstanding matters including the areas identified above. In this context, the Council considers that failure to progress the three areas identifies above would, of itself, lead to a substantial penalty – which would apply to 2003-04 payments and all subsequent payments until these outstanding matters are resolved'.