

COUNCIL OF AUSTRALIAN GOVERNMENTS - NEW NATIONAL REFORM AGENDA

**14. Mr P. PAPALIA to the Treasurer:**

In February 2006 the Council of Australian Governments agreed to pursue a new national reform agenda. Can the Treasurer inform the house of any new developments in this regard?

**Mr E.S. RIPPER replied:**

I congratulate the member for Peel on the quality of his first question! Last year the Council of Australian Governments agreed to a new set of economic reforms to boost economic growth in Australia. The plan, entitled the National Reform Agenda, is about investing in human capital and promoting competition and regulation reform. We must unleash the full talents of our people to achieve the best standards of living into the future. The plan is focused on three areas: competition reform, regulation reform and improvement in human capital through health promotion, disease prevention and education and training and work incentives. In February 2006 COAG asked the Productivity Commission to investigate the economic benefits of national reform. Today's important development is that the Productivity Commission has released its findings. By undertaking a new and ambitious set of economic reforms, the commission has found that economic activity in all Australian states and territories could increase substantially. For instance, by committing to further competition and regulation reforms, Australia's gross domestic product could increase by 1.7 per cent or \$17 billion a year. That equates to a dividend from competition and regulation reforms of a \$400 a person increase in disposable household incomes. Reforms aimed at improving human capital by lifting work force participation and productivity could have larger pay-offs with the GDP potentially increasing by around nine per cent or \$75 million each year after 25 years. That dividend could substantially offset the negative economic impacts of an ageing population.

Western Australia is well placed to contribute significantly to these benefits because of the capital intensity of our economy and our strong export focus. The next key challenge for the reform agenda is to specify the exact nature of the reforms that can be implemented to achieve the benefits that the Productivity Commission has outlined. The government of Western Australia is committed to the national reform agenda. We look forward to working with the other states and territories and the commonwealth, and with real economic commentators, on the sorts of reforms that can be achieved. Specifically, we look forward to discussing with the commonwealth and the other states the appropriate sharing of the fiscal benefits that will accrue to governments as a result of this ambitious reform program.