



SEAFOOD INDUSTRY VICTORIA

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Competition Policy Review Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

Via: Upload mechanism on Review Website

Dear Review Panel

RE: Submission regarding the Draft Report of the Competition Policy Review

I am writing to thank you for your comments and feedback provided at the Melbourne stakeholder meeting and following these meetings to make a formal submission on the Draft Report of the Competition Policy Review.

As I presented at the public forum, the Victorian commercial fishing industry are currently having a new prospective cost recovery regime placed upon them, which is resulting in very large increases in fees to continue operating. As a part of the implementation we have been seeking the contestability of services given the Victorian Government is operating a fee for service provision (operating a business), of which the regulations in place allow for Fisheries Victoria to only provide 75 per cent of services and we must pay 100 per cent of licence fees. Some of the services provided by Fisheries Victoria are already provided against competitors and would appear to be clear examples of business activities, therefore we seek that the review, if appropriate, provide an avenue for industry to contest the provision of these services.

Our overarching concerns are surrounding the wording used in the Competition Policy, which is considered in Paragraph 3, page 35 'The Panel considers that competitive neutrality policies should be reviewed and updated. Clearer guidelines should be provided on the application of competitive neutrality during the start-up stages of government businesses and the period of time over which start-up government businesses should earn a commercial rate of return. The tests used to identify significant business activities should also be reviewed.' In particular, who determines what a 'significant business activity' is.

Draft Recommendation 13 — Competitive neutrality policy

All Australian governments should review their competitive neutrality policies. Specific matters that should be considered include: guidelines on the application of competitive neutrality during the start-up stages of government businesses; the period of time over which start-up government businesses should earn a commercial rate of return; and threshold tests for identifying significant business activities. The review of competitive neutrality policies should be overseen by an independent body, such as the proposed Australian Council for Competition Policy (see Draft Recommendation 39).

Comment:

Given the Victorian Government appears to be 'operating a business' in the way it delivers research and some management services of Fisheries Management, we strongly support Recommendation 13 being implemented post-review. We would welcome an independent body to raise the concerns of industry with, as at present there appears to be no real avenue of appeal for industry to seek greater transparency of fee for service provisions.

In consideration of this review to increase the transparency and effectiveness of the policy, we would seek a minor change in the definition of the competition policy so that as well as identifying a 'substantial business' that the definition also includes the wording 'or carrying out or providing a cost recoverable activity or service.'

Draft Recommendation 14 — Competitive neutrality complaints

All Australian governments should increase the transparency and effectiveness of their competitive neutrality complaints processes. This should include at a minimum:

- assigning responsibility for investigation of complaints to a body independent of government;
- a requirement for the government to respond publicly to the findings of complaint investigations; and
- annual reporting by the independent complaints bodies to the proposed Australian Council for Competition Policy (see Draft Recommendation 39) on the number of complaints received and investigations undertaken.

Comment:

The Victorian seafood industry further supports the immediate implementation of Recommendation 14 to increase the transparency and effectiveness of their competitive neutrality complaints processes. Given competitive neutrality is not law, but there is no doubt it is a well recognised framework with national application as well as a state based regime, we believe it affords an administrative channel for a challenge to the our cost recovery regime.

I thank you for considering these comments and I am happy to discuss if required, we appreciate the opportunity to provide comment.

Yours sincerely



Johnathon Davey
Executive Director