

Match fit

Reinvigorating competition in Australia

Amy Auster, Henry Williams and Indra Parta

November 2025



Who are we

Policy Institute Australia has been formed to examine ways to unlock the nation's economic potential and position itself for enduring prosperity in the 21st century. We recognise that Australians value our caring society and that capitalism, free enterprise and a well-functioning market economy are the foundations needed to support the aspirations of our community.

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To get in contact, email us at info@policyinstitute.org.au.



Acknowledgements

This is the first report to be released by Policy Institute Australia. It advocates for a renewed national effort in pursuit of a more competitive, dynamic economy, and sets the framework and rationale for our future program of work.

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The views expressed in this report are those of the authors and do not necessarily reflect the views of Policy Institute Australia's staff, advisors, directors or officers. The authors are responsible for any errors or omissions.

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Contents

1 Executive Summary	4	5.5 Declining labour mobility	24
2 Recommendations	6	5.6 The ultimate performance metric: markups	25
3 Still the lucky country?	9	5.7 The bottom line — competition is on the decline	26
4 The benefits of competition	11	5.8 Is Australia big enough to be competitive?	26
4.1 Competition is the cure for our economic malaise	11	6 What's next? Reinvigorating dynamism and competition	28
4.2 Competition keeps prices down	13	6.1 We have revitalised competition in Australia before	29
4.3 Competition expands choice in products and services	15	7 A pro-competition agenda	31
4.4 ... and in choice of employer	16	7.1 Empower pro-competition reform	31
4.5 Competition can lift quality	17	7.2 Embark on National Competition Policy 2.0	32
4.6 Competition fuels innovation	18	7.3 Remove from industry incumbents the power to limit competition	41
5 Competition appears to be declining in Australia	19	8 The time for action is now	51
5.1 Measuring competition	19	9 Appendix	62
5.2 Industry concentration is increasing	21		
5.3 The top Australian firms tend to stay at the top	22		
5.4 Falling firm entry and exit	24		

1 Executive Summary

Australia's productivity has flatlined.

This is not a temporary phenomenon, and young Australians will grow more despairing about their futures unless and until we address it. Without change, we will struggle to produce affordable housing and energy. Real wages will continue to stagnate. Our budget position will deteriorate and our ability to offer economic equity through our world-leading tax and transfer system will diminish. Social cohesion will fray.

We have not arrived at this position suddenly. Australia achieved a world-record innings of 29 years without a recession until COVID. But underneath the headline figures, our economic health has been deteriorating. In the three years since COVID,¹ our GDP per capita, labour productivity and net national disposable income per capita have stagnated or shrunk. Little wonder less than 30% of Australians are optimistic about our future.

Stagnation in living standards is a direct outcome of low productivity. But productivity growth is difficult to measure across broad swathes of our economy, and there is no single silver bullet for a productivity “fix”.

The only route to prosperity is through productivity. But what should be done?

This paper makes the case for a change agenda that stands the best chance of restarting Australia's productivity growth: a renewed national effort to reinvigorate competition and dynamism in our economy.

¹ June quarter 2022 to June quarter 2025.

A dynamic economy is one that has lots of new firms offering great new products or services. Successful products drive sales, new hires and further investment. Growing firms eventually challenge older firms, which respond by improving their products, or cutting their prices, or both. The firms that can't compete either exit the market or are absorbed by others.

A competitive economy benefits us all. We know that Australian consumers benefit when a new ALDI opens, because the Coles and Woolworths stores that are within one kilometre will drop prices by up to 5%. We know Canberrans who get their petrol near the airport benefit from the cut-price Costco petrol station, as prices in the area are around 10 cents per litre lower. We know that the arrival of Uber has left Sydneysiders more satisfied with taxis, which have lifted their game with better service and better prices.

We know that workers are better off under competition. As shown by the RBA, workers in more competitive markets were getting paid about 5% more than workers in less competitive markets from 2011 to 2015.

When companies compete for Australian customers, and for Australian workers, everyone benefits. New jobs, rising wages and affordable products give Australians the ability to make important decisions about where and how they want to live — in other words, control over their own lives.

Through continual improvement, competition inevitably and powerfully drives productivity. Higher productivity comes through producing more output with the same amount of inputs (not simply working more) as companies and communities discover a better use of labour, or capital, or both.

In Australia, the signs are that our dynamism and competitiveness are on the decline.

Deteriorating indicators mean it is time to ask ourselves some challenging questions. For example, do Australian companies face undue barriers to entering and growing in our market from our regulatory and legal settings? How problematic is it that there has been 225% growth since 2000 in the number of pages of key legislation governing business activity? Could our evident decline in labour mobility be related to an ever-increasing compliance burden and cost that makes it harder for companies to grow and compete?

Do Australia's start-ups and mid-sized firms face undue constraints in challenging industry leaders? Just four new firms have been able to break into the leaderboard of the top five ASX-listed companies by market capitalisation at some point over the past 25 years. This compares poorly with New Zealand, Canada, Japan and the United States, which have all had close to 20 new leader entries over the same period.

Should we accept that Australia's remote location means our industry sectors will be dominated by two, three or four firms, when many industries in similar-sized Canada are much less concentrated? Do the guardrails that enable challenger firms to grow work, or do we need to look at why Section 46 of the *Competition and Consumer Act 2010* — which governs competitive conduct — is rarely used by either private firms or the ACCC?

In its last term, the Government created the Competition Taskforce and announced a revitalised National Competition Policy. This term, the overwhelm-

ing interest in the Economic Roundtable underscored community concern about our national direction. Post Roundtable efforts to improve regulatory practice are welcome, but insufficient thus far. Competition cannot be driven by regulation, or regulators — not even from the end of the ACCC's gun.

What could an agenda for more competition include? The first 10-year National Competition Policy reform agenda in 1995 focused on creating competition in areas of natural monopoly, and levelling the playing field between government and the private sector.

Today, a pro-competition agenda should include regulatory reform, health and social services market reform, capital markets reform and labour market reform, and tackle issues in industry or market practice. It should harness empowered and active consumers, aspirational workers and a creative community in search of new and exciting ideas. These are all future areas of exploration for Policy Institute Australia.

Our overarching message is that it is time for the nation — government, business and the community — to embrace an ambitious pro-competition agenda. We need to take on this challenge with the aspiration and effort that has seen Australia achieve a top 10 position in every Summer Olympics in recent history, and apply that same drive to the prosperity and wellbeing of our Australian community. Policy Institute Australia aims to contribute to this task by illuminating and informing issues in our competition landscape, and developing pragmatic solutions to the challenges we face.

2 Recommendations

Policy Institute Australia was formed in early 2025 to focus less on the “why” or “what” of Australia’s economic challenges and more on the “how” to address them. Change requires not just agreeing on a problem but also finding a solution, and solutions will be the bulk of our effort. Pursuing competition is a thematic topic that will tie together a range of forthcoming solution-oriented papers. In this paper, we limit our recommendations to high-level directions for reform to enable further, more detailed work on reform options.

This first paper sets out the case for a national pursuit of competition and dynamism. We compile the evidence of a trend toward declining dynamism and competition, and discuss its potential impacts on businesses and households. We offer case studies and examples of where increased competition has emerged and how it has benefited consumers, and cite examples of where there is further work to do.

These recommendations are principal actions to support a renewed and reinvigorated economy-wide pro-competition agenda. They are inspired by the highly successful National Competition Policy reforms that commenced in 1995 following the Hilmer Review and catalysed Australia’s subsequent productivity boom. Though the Hilmer reforms are often thought of as “big bang,” in fact the reform process took 10 years, scrutinised 800 entities and offered incentive payments to states and territories equal to more than \$10 billion in today’s dollars. A big factor in its success was the strong governance put in place to identify, track and evaluate specific initiatives for reform.

There were two sides to the NCP process. One was the removal of regulatory and subsidy support for protected firms (public and private) in favour of more competition. The other was strengthening the Australian Competition and Consumer Commission (ACCC) to legally pursue actions against a “substantial lessening of competition.” Since 2005, only the ACCC plank has remained. But enforcement is not a suitable tool to actively seek and encourage new competition, we need a formal mechanism for policy leadership.

Today, the rules and entities impeding competition are more diffuse — found in formal and informal market or industry rules and practices, and spanning all levels of government. We call these rules and entities **gatekeepers**, and our recommendations are aimed at creating a formal, concerted and resourced effort to identify, prune, weed or in some instances remove them.

We define gatekeepers as entities, appointed individuals, standards, rules or practices in the public or private sector that unnecessarily impede competition. They are costly or unreasonable impediments to firms or workers entering, exiting or growing in a market — or from consumers or workers exercising choice. The NCP reforms removed many gatekeepers with wildly successful results. Thirty years later, we are calling for a repeat of that effort.

This is not to make a blanket argument against the need for rules and regulations, or the entities that apply them. Such institutions often have a sound public purpose, with community safety and security chief among these. But some have a legislative or regulatory remit that has become overgrown, unduly burdensome or obsolete, and pruning is needed. In other cases, gatekeepers arise from industry practices that are no longer necessary — they

are not the “law” but have become the “lore”. Gatekeepers across regulation, lore and practice are, however, rarely scrutinised. We believe a concerted effort to review and address gatekeepers could substantially lift economic dynamism and competition.

To do so requires focused effort, resources and leadership. The big-bang reforms that dominated our landscape decades ago were challenging, but perhaps easier to find. Today’s economy requires a deliberate agenda with institutional mechanisms and resources to find opportunities to open up competition, and courage to take on the inevitable challenges that arise through change.

These recommendations are aimed at institutional arrangements to enable the leadership that is required. Further detail on directions for reform can be found in Chapter 7.

This is only the starting point. Economic dynamism relies not on government, but on the decisions and actions of individuals, businesses and the broader community. These recommendations are focused on the governance arrangements to bring about change, but the devil will be in the detail on policy settings, business practices and behavioural change. Future work of Policy Institute Australia will address these in due course.

Recommendation 1: Empower pro-competition reform

The first principal action is to empower leadership in pro-competition reform.

State and territory governments should each appoint a Minister for Competition as a pro-reform leader. Ideally, this would be a senior minister attached to a central department — the treasury or first minister’s department. In each state and territory, a department or agency answerable to this minister should be tasked with, and resourced to, identify and remove barriers to greater competition.

The Commonwealth should empower Treasury as the national steward of pro-competition policy reform, building on the Competition Taskforce, including a mandate and resources to design and implement a bold pro-competition reform agenda over a 10-year time frame.

In public policy, we have become heavily reliant on the competition regulator, the ACCC, on all matters to do with competition. But the ACCC’s mandate is to slow or stop the substantial *lessening* of competition, not to proactively identify problematic sectors where competition has declined and advance solutions to encourage *more* competition. The ACCC alone cannot grow a more competitive Australia. We need a leader of action in policy to drive increased competition, or coordinate where necessary, to spark productivity and better outcomes for all Australians. This should be Treasury.

Given the complexity in identifying the causes of declining competition, Treasury should be tasked with ongoing analysis of competition in Australian industry and markets. This would include specific studies on industries or

groups of firms across the economy. Where data limitations prevent Treasury from adequately assessing markets characterised by a few dominant firms, long settled in their sector, Treasury can be assisted by other agencies that hold information-gathering powers. The intent of these studies should unequivocally be on how to grow competition.

Recommendation 2: Invest in “National Competition Policy 2.0”

The second principal action led by a revitalised role for Treasury is to uplift the current National Competition Policy in scope and effort, creating “National Competition Policy 2.0”. This recognises that our economic environment has become more complex, making the task of reform possibly more challenging than three decades ago. To implement an effective change agenda means an effort at least as large in scope as the Hilmer reforms, with a similar governance structure. The scope must include serious incentives for states and territories to implement change, and an unrelenting effort to find and address barriers to competition that are stopping new private competitors from entering markets, or existing firms from growing.

Policy Institute Australia believes a commitment of \$20 billion in funding over a 10-year reform period (\$2 billion per annum) would be consistent with the commitment to the 1995 NCP effort. Some of this funding would be allocated to increase the \$900 million Productivity Fund created in the last term of Government to pay states and territories to adopt and implement reforms, while other funding would be deployed to national reforms.

Productivity Commission modelling of possible NCP reforms show they could provide an annual boost of up to \$45 billion to GDP, and \$9 billion to Commonwealth revenue. As such, the \$2 billion per year that Policy Institute Australia is proposing for investment in pro-competition reform over 10 years would be recouped rather quickly, and pay for itself many times over.

Recommendation 3: Remove gatekeeping by industry incumbents

The third principal action led by the Treasury should be a specific focus under NCP 2.0 to remove from industry incumbents the power to set rules that determine who can compete with them, or impose unnecessary costs in a way that impedes competition.

The power to set rules or impose costs in relation to entering or growing a market — formal and informal — can come from private firms, industry associations, or professional bodies. Several examples are cited in this report, and two examples — specialist medical colleges and bar associations — are discussed in detail to illuminate the impact on competition. A dedicated and systematic effort is needed to identify and address many more instances of gatekeeping by industry incumbents, as well as steps to transfer their powers to institutions focused on the public interest.

3 Still the lucky country?

Australia's history of economic success is well known. We are a geographically remote and low population country that still manages to be the 15th largest economy in the world, and one that produced 29 years of uninterrupted economic growth prior to COVID.² Our tax and transfer system places us above the OECD average in terms of equity in income distribution, though equity in wealth distribution is on the decline. Our nation regularly tops the lists as one of the best, most secure and most prosperous places to live in the world.

Three decades ago, the story was different. Australia was experiencing high unemployment, stagnating economic activity and high inflation. This burning platform kick-started a period of reform under the Hawke/Keating and Howard/Costello governments. The resulting productivity boom set Australia up for decades of economic success, and the resources boom further lifted all boats. Year after year, Australians felt better off, able to plan for the future and in control of their lives.

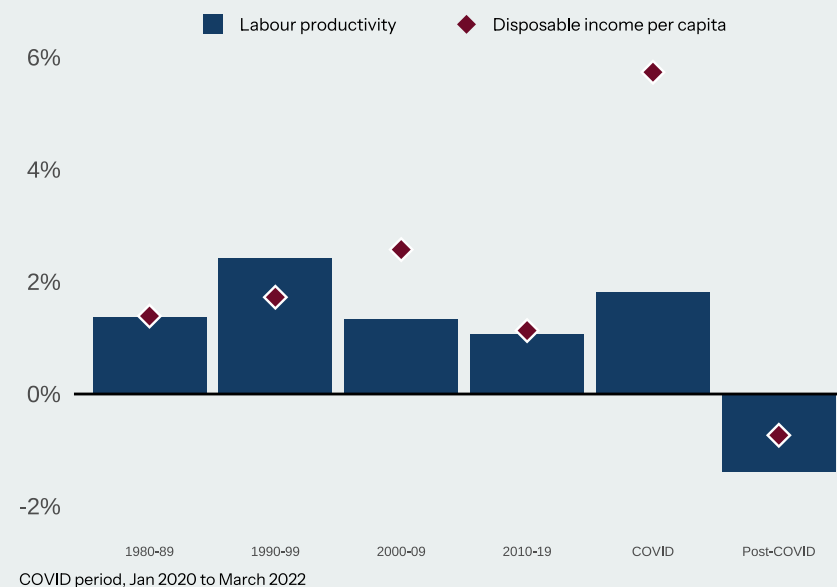
COVID ended the run, and geopolitical uncertainty remains high. Today, the problem is not high unemployment but a stagnating standard of living, as disposable income has failed to grow. The diagnostics seem more difficult when prices are high and wages low; what to tackle first?

The answer is both, through a lift in productivity. In economic terms, productivity growth doesn't mean working more, it means generating more

² International Monetary Fund (2025).

output with the same amount of input. When we can't achieve continual productivity improvement, our economy is faltering. Wages rise, but so do prices because there is insufficient supply to satisfy rising demand. Disposable income stagnates. This is the unappealing picture we see today. Though the economy is growing, few are better off (Figure 1).

Figure 1: Poor productivity growth leads to poor income growth
Annual growth in labour productivity and real net national disposable income per capita (1990–2025)



Source: ABS cat no 5206.0

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From the beaches of the Sunshine Coast to the streets of Sydney and farming towns of WA, how Australians feel about their economic wellbeing depends on how their disposable income is travelling. Higher pay packets and stable prices leave Australians feeling confident that they can buy what they need, have money left over to enjoy life and plan for the future. When wages fall, or prices rise faster than wages, the opposite is true.

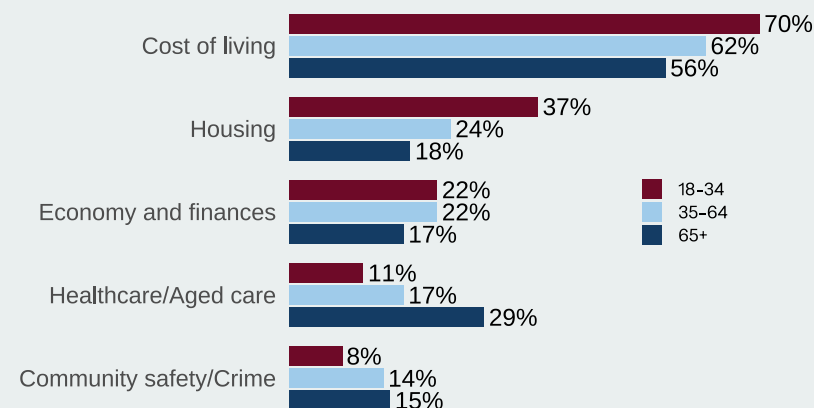
Post-COVID, Australians have experienced three years of falling real disposable income. Values research commissioned by Policy Institute Australia found that the high cost of living remains a dominant concern for Australians, across all age groups (Figure 2). Only 40% of those who participated in the survey feel Australia is currently heading in the right direction. But this is not viewed as a temporary or transitory problem. Worryingly, less than 30% of Australians believe that Australia will be in a better position in five or ten years than it is today (Figure 3).³

Pessimism about the future is insidious; it reduces our drive to aspire, to seek opportunities and take risks. Compounded across the community, pessimism is a cap on our economic future and the wellbeing of future generations. The need for renewal, for understanding how to create our shared prosperity, is urgent.

³ Nationally representative survey undertaken July–August 2025 (n=4054)

Figure 2: Cost of living remains Australians' biggest concern

Unprompted survey response to: 'What are the top two issues the Australian Government should tackle?'



Source: PIA commissioned research (2025)

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Note: Nationally representative survey undertaken July–August 2025 (n=4054)

Figure 3: Australians do not feel good about the future



Less than 30% of Australians feel positive about the future

Source: PIA commissioned research (2025)

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Note: Nationally representative survey undertaken July–August 2025 (n=4054)

4 The benefits of competition

4.1 Competition is the cure for our economic malaise

Weak productivity is evident in the data, but the exact prescription for the cure is not easily written. Productivity is an inferred diagnosis that explains the part of economic growth that can't be directly chalked up to changes in the size of our workforce, how much people are working, or the contribution of the tools they are working with.

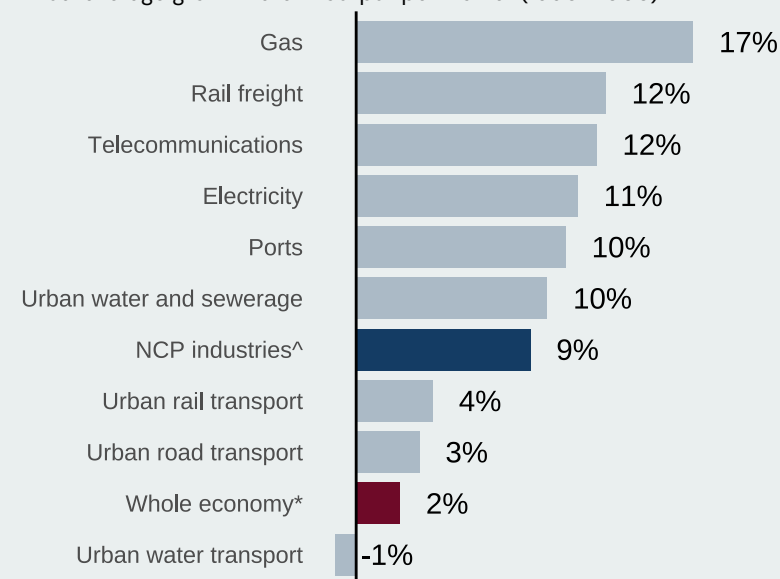
While we cannot directly identify its precise drivers, we do know that the key to productivity in a modern economy is innovation that raises output. The creation, adoption and diffusion of new technology often plays a role. The private sector is best placed to drive, and is usually the only source of productivity growth. So the most direct route to increasing productivity is to encourage the competition and dynamism that drives a healthy, innovative private sector.

The proof is in the pudding. After the Hilmer Review of 1993, Australia embarked on a significant 10-year program of pro-competition reform, known as the National Competition Policy (NCP). The NCP was focused on reducing barriers to trade, removing government ownership of businesses that could be run commercially in the private sector and introducing competitive neutrality between the public and private sectors.

Figure 4 shows the productivity benefit of this reform, with the sectors most affected having experienced a 10-year boom in productivity growth. This

lifted productivity across the entire economy by 2.5%, which translated to an increase in real household income of 1.2%.⁴ The Productivity Commission has estimated that another round of pro-competition reform could boost GDP by a further 1.0-1.7%.⁵

Figure 4: Australia's last pro-competition productivity surge
Annual average growth rate in output per worker (1990-2000)



[^]Unweighted mean of NCP industries growth, ^{*}GDP per capita

Source: ABS cat no 5204.0 and Productivity Commission (2005) POLICY INSTITUTE AUSTRALIA

⁴ Productivity Commission (2025c). This estimate of the effect on productivity of the NCP reforms is distinct from the annual average growth rate in output per worker for the whole economy (1990-2000) reported in (Figure 4).

⁵ Productivity Commission (2025b).

These reforms worked because competition drives productivity growth. In the modern era of globalisation, the idea of increasing competition can at times be negatively associated with the displacement of locally made goods by cheap imports, bot-driven customer service, or with unfair cuts to workers' wages.

But strong competition within a well-run market economy such as Australia's creates far more benefits by opening up choices, including options for quality products and higher wages. Competition means there is more opportunity for innovative, hard-working businesses to enter the market, sell their products and services, employ more workers, and grow. More business competition means consumers have more access to a greater range of products and services, at lower prices, and with more choice on quality.

And a growing economy with expanding businesses means there will be more competition for workers, who in turn will have more options about where to work, and greater bargaining power on terms and conditions.

As this positive cycle spins, the most innovative and competitive firms grow faster while others shrink, and the allocation of resources across the economy becomes more efficient as a result.

All that drives productivity, and productivity drives long-term and sustainable growth.

There are four key benefits of competition, outlined in Figure 5 and the following sections. These include lower prices, better quality products, more choice for consumers and workers, and more innovation.

Figure 5: The benefits of competition



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4.2 Competition keeps prices down

The most direct and obvious benefit of competition is that it keeps a lid on prices. Take the example of supermarkets, where the entry of ALDI clearly increased competition in places where it opened. Figure 6 illustrates 2008 data showing that the same basket of goods was up to 5.2% cheaper at a Coles or Woolworths within one kilometre of ALDI, and up to 3.5% cheaper within five kilometres, than at a Coles or Woolworths where ALDI is not nearby.

Figure 6: ALDI forced Coles and Woolworths to lower prices
Percentage difference in price for a comparable basket of goods, 2008



Source: ACCC (2008)

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Note: Data from appendix tables D.14 and D.15 in ACCC (2008). Price differences for a matched basket of comparable products stocked by ALDI and on which Coles' and Woolworths' prices varied across locations. As a result, the estimates do not reflect the overall cost of a regular weekly shop across supermarkets.

Or take Costco, which opened cut-price petrol stations in some locations. In Canberra, nearby petrol stations dropped their prices within minutes of Costco opening.⁶ The ACT's Independent Competition and Regulatory Commission found that petrol stations near Costco sold petrol for about 10.5 cents per litre less than the ACT average (Figure 7),⁷ and that the discount largely reflected the presence of cut-price retailer Costco and its effect on competition in the area.

If Costco's effect on petrol prices in the ACT suburb of Airport was replicated nationwide, Australian households would save about \$270 per year on average, equating to roughly \$3 billion in household savings nationwide.⁸

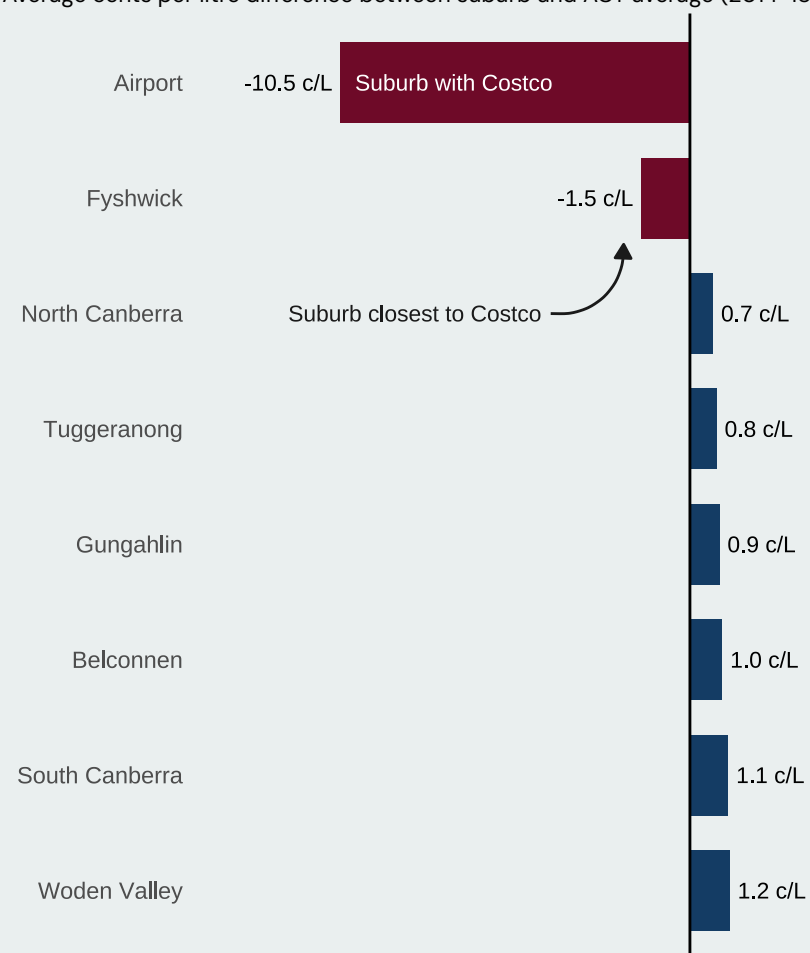
Though these two examples are in the retail sector, the same dynamic is true across our economy — for paper wholesalers selling to Officeworks, quarry operators selling limestone for cement, or power companies selling energy to manufacturers.

⁶ ABC News (2014).

⁷ ICRC (2019).

⁸ Household fuel consumption is estimated by dividing the AAA Transport Affordability Index weekly fuel spend by the AAA's five-city average petrol price (AAA, 2025).

Figure 7: Canberra drivers benefit from Costco's petrol station
Average cents per litre difference between suburb and ACT average (2014–18)



Source: ICRC (2019)

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4.3 Competition expands choice in products and services ...

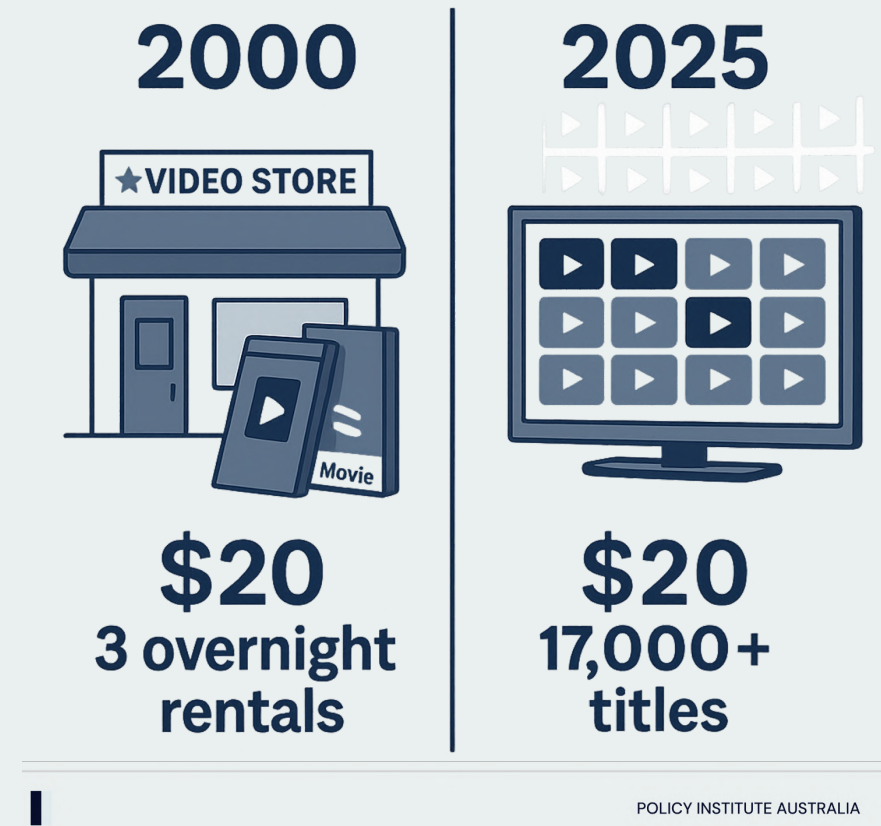
Businesses also compete on the variety and quality of the goods and services they sell. This creates choice for other businesses and consumers.

Take the example of the entertainment industry, where streaming services have changed the game. Only a decade ago, seeing a movie required going to the cinema, watching what was on television or renting a movie at a local video store. We now have more than a dozen streaming services and endless diversity not just in what to watch, but when to watch it.

New rivals frequently enter and compete in the market, pushing bigger catalogues, better apps, flexible plans and lower prices. In the early 2000s, \$20 bought about three overnight rentals from the local video store. Today, the same \$20 unlocks more than 17,000 titles in Australia (Figure 8).

Or take the example of greater competition in the Australian superannuation industry. When super was introduced in 1992, a new worker had their super deposited in the default fund of their employer. Workers who changed jobs often ended up with multiple super funds, which cost them extra fees, and the information about and choice of the investments made with their money was often poor. Reforms to make super portable — giving workers the ability to select their own super fund and to switch funds easily — increased competition across the sector. The customer offering of the super industry has vastly improved as a result.

Figure 8: \$20 buys thousands of hours of entertainment in 2025



4.4 ... and in choice of employer

Competition also expands choice for workers in who they work for. In a growing and competitive economy, more firms are creating and expanding, meaning more choice about where to work. The more employers there are, the more firms will compete to hire and retain employees.

A recent paper from the RBA estimates that, after controlling for productivity and other factors, workers in more competitive markets are paid more than those in less competitive markets and that this ‘competitive market wage boost’ has grown over time.⁹ Workers in more competitive markets were getting paid about 2% more between 2005 and 2007, and this increased to about 5% between 2011 and 2015. The RBA found that this growth in the ‘competitive market wage boost’ was partly due to fewer firms being created in less competitive industries, leading to fewer job opportunities and lower pay for workers in those industries.¹⁰

A separate RBA paper found a similar positive relationship between competition and wages when looking at the economy as a whole at different points in time. It found that an economy-wide fall in competition, including a lack of firm entry creating new options for workers, had reduced wages by about 1% from 2011 to 2015, translating to about \$8 billion less pay overall.¹¹

⁹ Competitive and less competitive market, 75th percentile and 25th percentile HHI.

¹⁰ Hambur (2023).

¹¹ Hambur (2023). Total wages have been estimated using ABS Average Weekly Earnings for all employees and latest employment data from the ABS Labour Force Survey. This assumes a 48-week working year and excludes superannuation payments.

The positive relationship between competition and wages is partly due to competition being a key mechanism through which increased demand for Australian products leads to employment and wages growth, both within that industry and across the economy. We saw this dynamic during the 2000s resources boom.

Higher prices for Australia’s mineral exports such as iron ore flowed through to higher wages in the mining sector, because mining companies scrambling to increase production had to compete against each other for workers. The number of on-site resource construction jobs rose from roughly 15,000 in the mid-2000s to about 90,000 by 2013, drawing in workers from other industries and regions — with evidence of more people choosing to switch jobs, and move between projects.¹² The RBA has estimated that by 2013 the boom had lifted real wages right across Australia by about 6% and reduced national unemployment by about 1.25%.

¹² Doyle (2014).

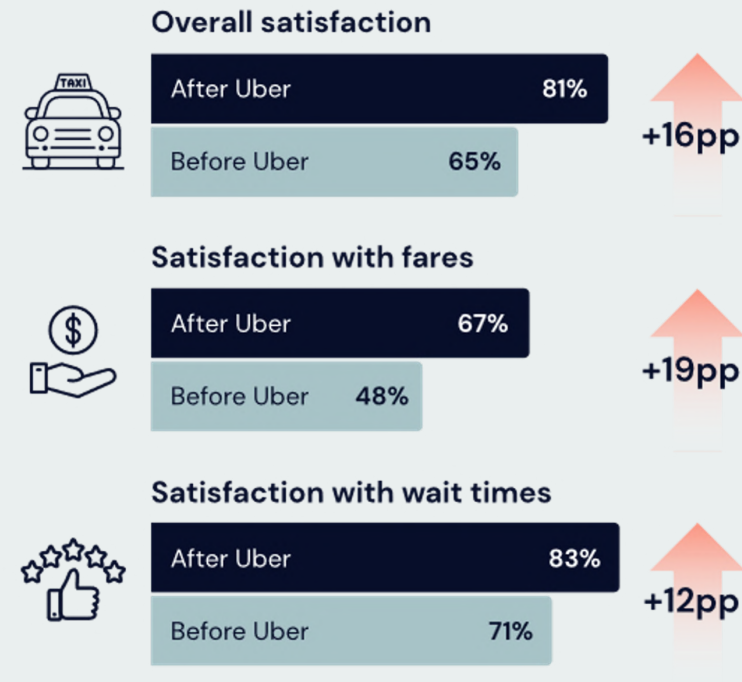
4.5 Competition can lift quality

There is abundant evidence that competition can also lift quality. Ride share is a great example. Taxi customers in Sydney were far less satisfied with their fares, wait times, and overall service before Uber was legalised in 2015. UberX launched with a user-friendly app, cheaper fares, broader availability and shorter waits. The arrival of Uber forced the entire incumbent industry of taxis to lift their game. Taxi networks responded by building apps, upgrading dispatch to match drivers and riders faster, and adding live ETAs. Reliability improved as competition intensified, and riders began to expect a taxi in minutes rather than a quarter of an hour. In the years after UberX was legalised, overall satisfaction with taxis increased by 16 percentage points and satisfaction with fares and wait times also increased by 19 and 12 percentage points respectively (Figure 9).¹³

The same thing has happened in office software. For years, Microsoft Office dominated document editing and improvements came slowly. Google Docs entered in 2010 with real-time collaboration that made character-by-character co-editing standard. Microsoft responded by adding real-time co-authoring, then kept investing with AutoSave, Version History and integrated commenting across the web app and desktop software. Today, real-time collaboration is standard across Microsoft 365 and Google Workspace.

Figure 9: Taxis' service quality rose to compete with Uber

Average satisfaction among Sydney taxi users before and after Uber was legalised



Source: ORIMA (2024) and earlier reports

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Note: Before Uber 2012–2015, after Uber 2016–2024

¹³ ORIMA (2024) and previous years' reports.

4.6 Competition fuels innovation

And, finally, competition fuels innovation.

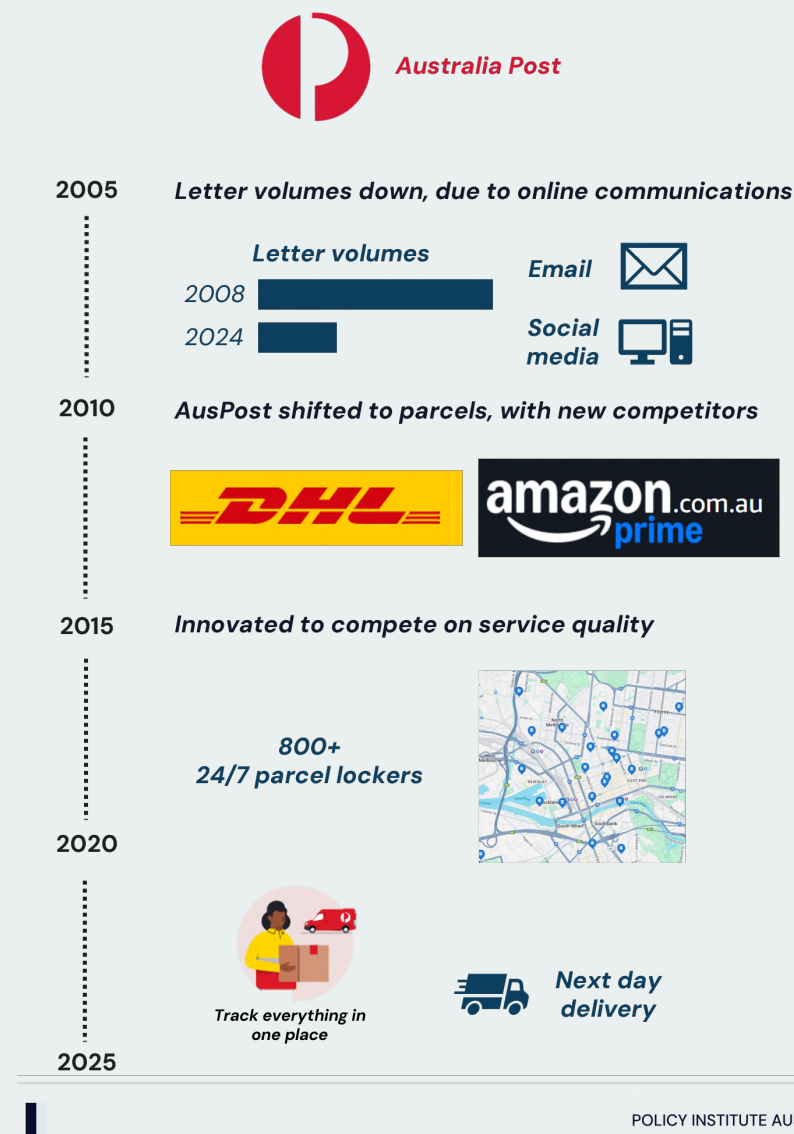
Innovation can come in the form of an existing business figuring out how to lift its performance through efficiency. It can also come through entirely new technologies, products and services. We often think of innovation as being defined by the creation of new technology, such as the Uber example above. But just as important is the application of new technology to existing processes that lead to commercial innovation.

Take the example of Australia Post. Australia Post faced disruption of its core business as email and online billing reduced the need for letters, with volumes falling by about two-thirds from 2008 through 2024. In response, Australia Post shifted its focus to parcels, moving it into direct competition with logistics titans like DHL and Amazon.

To compete on service quality, Australia Post launched the MyPost app, which lets customers track items, set delivery preferences and request redirection, with two-hour delivery in some locations. It leveraged the advantage of its geographic footprint and expanded 24/7 parcel lockers to more than 800 locations, added more collection points and introduced same-day and weekend delivery.

After years of glacial innovation, Australia Post rebuilt its parcel delivery service in under five years. None of the technologies it deployed were new, but Australia Post innovated a new way to provide their services. This improved the quality of its service, and returned the group to profitability.

Figure 10: Competition drives firms to innovate
Evolution of Australia Post's business model



5 Competition appears to be declining in Australia

5.1 Measuring competition

We can see the benefits of competition across the economy. But there is no single definition of competition, and no single metric that tells us how competitive an economy or industry is.

In the absence of direct measurement, the OECD identifies practical ways to assess competitiveness from observable data. Their framework considers two concepts. The first is market structure, which uses metrics to identify business conditions that influence competitive or anti-competitive pressure in an industry or market. The second is market performance, which uses patterns in prices, margins and profitability to estimate and track competition at the firm or industry level.¹⁴

Each approach has strengths and limitations. Structural measures describe the environment in which firms operate, but do not prove that an industry lacks competition. Performance measures speak more directly to outcomes, but they can be confounded by other influences on firm or industry performance such as technology, risk, or product quality. The OECD therefore stresses that assessments should draw on a basket of indicators rather than rely on any single metric.¹⁵

¹⁴ OECD (2021).

¹⁵ OECD (2021).

Weakening competition can be caused by many factors, including government policy, regulation, competitive neutrality settings or changing market size. It can also be caused by firm behaviour.

Using a basket of indicators is intended to give a signal if a firm is — or potentially could — exercise what is known as market power. That is, use its strength or size to influence the market in which it operates, for example by raising prices more than it would if more competition existed, or by reducing product or service offerings. Firms may sometimes use market power in a way that limits the ability of other businesses to compete with them — for example, by offering non-commercial prices on certain products, by preventing their suppliers from selling products to their competitors, or by acquiring competing firms.

Measures of market performance are difficult to assemble, as they require detailed firm-level price and cost data that is rarely publicly available. Given this challenge, more research has been undertaken in studying structural measures, or evidence of *conditions* that would be conducive to firms being able to practise dominant firm behaviour, or exercise market power. These conditions are commonly measured with these metrics:

1. **Industry concentration:** Industries that are dominated by a few large firms are more likely to enable market power as scale and dominance can make it easier for dominant firms to outprice or lock out rivals.
2. **Persistent large firm leadership:** If the leaderboard of biggest companies rarely changes, this may signal that the incumbent firms have

enough market power or scale advantage to keep challengers from overtaking them.

3. **Firm entry and exit rates:** Low entry or growth rates for young firms suggest there are barriers to competition, whether from powerful incumbents or other factors such as regulation. A low entry rate for new firms suggests that challengers face undue hurdles and incumbents may be protected. A low exit rate similarly suggests a lack of challenge from new or growing firms.

4. **Job mobility:** When there are fewer competing employers, workers are less likely to switch jobs. Falling job mobility can signal that employers have the power to hold down pay or conditions because their employees lack other options.

Australia's ongoing struggle with productivity has led a number of researchers to examine whether Australia faces a decline in the competitive landscape. All have documented the challenges of assembling hard evidence of declining competition — and even more so establishing evidence that Australia has a 'competition problem'. At the same time, the studies *have* found evidence of declining competition across many Australian industries.

- *The State of Competition in Australia* from the e61 Institute demonstrated that Australian industries are more concentrated than the United States, have become more concentrated over time, and demonstrate high incumbent retention (lower firm entry and exit, implying less com-

petition).¹⁶

- Reports by the Productivity Commission and Treasury have estimated the impact of declining competitiveness on productivity and growth.¹⁷
- The *Better Competition, Better Prices* report from the Parliament of Australia's Standing Committee on Economics highlighted the lack of consensus on methodologies to measure competition. While the report showed key metrics indicate a decline in the level of competition and dynamism in the Australian economy, researchers called by the committee all cautioned the limitations of data in their analysis.¹⁸

To advance this work, we have assembled a range of indicators to assess the direction of travel on Australia's competitive landscape.¹⁹ The rest of this chapter presents this analysis, which suggests there is evidence that competition in Australia is moving backwards.

Policy Institute Australia intends to undertake further work in this area by compiling and publishing a 'Competition Tracker'. The Tracker will bring together the most up-to-date competition metrics and allow researchers, business leaders and policymakers to better understand trends in competition across Australian industries and the economy as a whole.

¹⁶ Andrews et al. (2023).

¹⁷ Hambur and Freestone (2025), and Productivity Commission (2025a).

¹⁸ House of Representatives Standing Committee on Economics (2024).

¹⁹ OECD (2021).

5.2 Industry concentration is increasing

Many of Australia's largest industries are dominated by a handful of firms. For example, in banking, supermarkets, private health insurance and iron ore mining, the top four players control between 70% and 90% of the market.

High concentration is not limited to Australia's largest sectors; a number of industries are dominated by a few firms (Figure 11). Qantas (which owns Jetstar) and Virgin dominate domestic aviation with more than 95% market share.²⁰ Coles and Woolworths control 67% of the grocery market, up from 60% in 2008. Australia has three operators controlling the national mobile network (Telstra, Optus and Vodafone),²¹ and three fixed-internet providers (Telstra, TPG and Optus) serving about 67% of retail services in Australia.²²

The four major banks together hold around 72% of system assets,²³ and in private health Medibank and Bupa, HCF, nib and HBF hold 82% of the market, with Medibank and Bupa accounting for more than half.²⁴ In general insurance, IAG, Suncorp, Allianz and QBE control around three quarters of the home and motor insurance market.²⁵

In the retail energy market, AGL, Origin and EnergyAustralia serve 60% of electricity customers and about 80% of gas customers.²⁶

²⁰ ACCC (2024a).

²¹ ACCC (2024b).

²² ACCC (2025c).

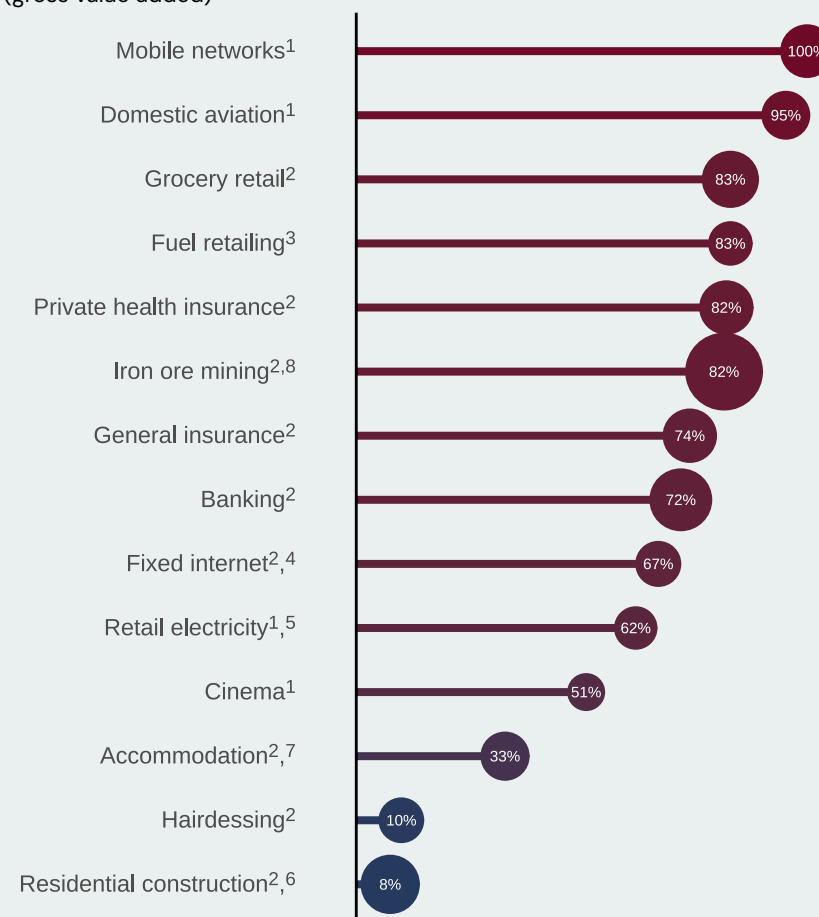
²³ Council of Financial Regulators (2024).

²⁴ AMA Victoria (2024).

²⁵ Senate Economics References Committee (2017).

²⁶ Including all states and territories except Western Australia and Northern Territory (AER, 2024).

Figure 11: Many Australian industries are dominated by a few firms
Market share of largest firms by industry, bubbles are scaled by industry size (gross value added)



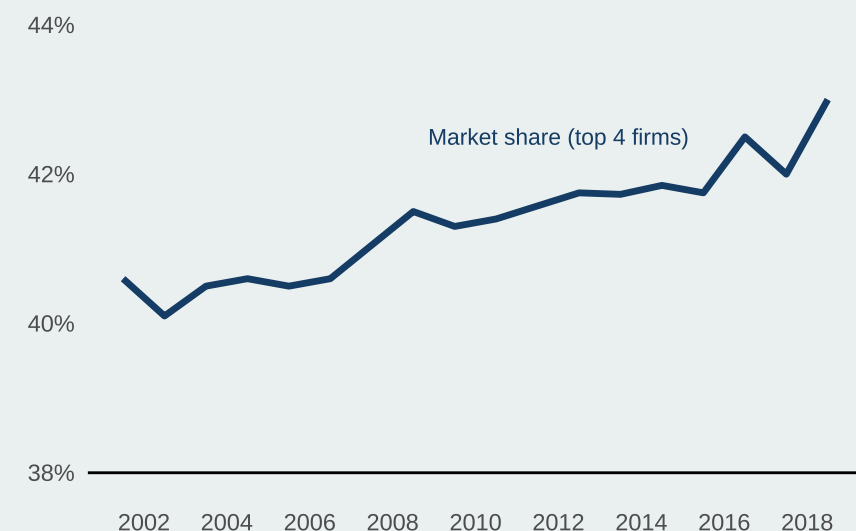
¹Top 3 Firms ²Top 4 Firms ³Top 5 Firms ⁴Share of network ⁵Customers ⁶Site starts ⁷Rooms ⁸Shipments

ABS; ACCC/AER/CFR; IBISWorld; CBRE/STR; Screen Australia

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Industry concentration in Australia has risen over time. The average market share of the top four firms across all industries²⁷ has increased from about 41% in 2001-02 to around 43% in 2018-19 (Figure 12).

Figure 12: Industry concentration in Australia has increased
Average market share of top four firms by industry, 2001-18 (weighted by revenue)



Source: Leigh (2022) Treasury estimates from BLADE data

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²⁷ Weighted by revenue.

5.3 The top Australian firms tend to stay at the top

Australia is not alone in rising industry concentration; many rich economies have become more concentrated since the early 2000s. Some studies have compared Australia to the United States, noting that Australia records greater concentration than the United States in every industry except one.²⁸ The question is whether this comparison implies something specific about Australia, or alternatively is related to the unique size and diversity of the United States.

Taking a wider view, we find that Australia does stand out as having exceptionally high persistence for our large leading firms compared with a range of countries. In the last 25 years, just four new firms have competed into a top five position as national leaders in Australia when measured by market capitalisation²⁹ (the size of a firm listed on the share market). CBA, BHP and NAB were among our top five listed companies in 2000 and still are today; Westpac and CSL have joined the list.

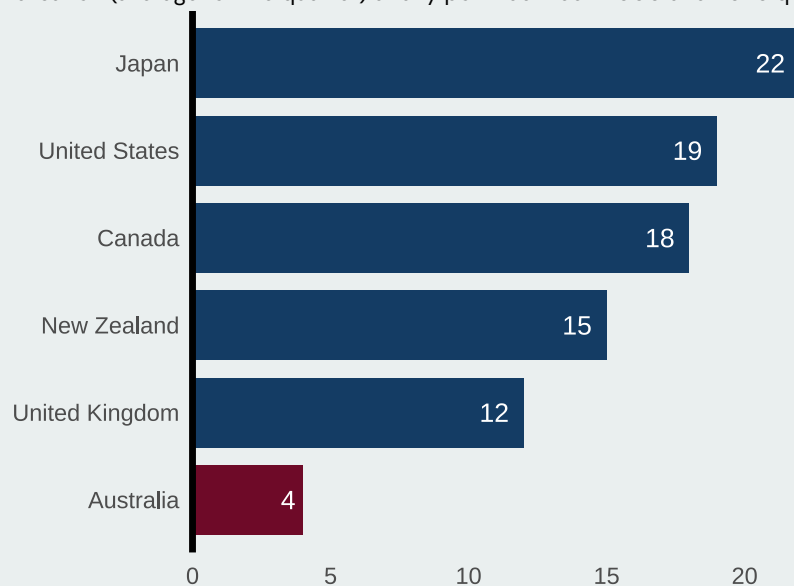
²⁸ Andrews et al. (2023).

²⁹ Average for the quarter.

Over the same period, Canada has replaced its top five leading firms entirely, and 18 new firms have spent time in the top five. Similar figures were recorded in Japan, the United States and New Zealand. Even Great Britain, the lowest-churn peer examined, outpaced Australia in leadership churn three to one (Figure 13).

Figure 13: No change at the top end of town

Number of new companies entering the top five leading firms by market capitalisation (average for the quarter) at any point between 2000 and 2025 q3



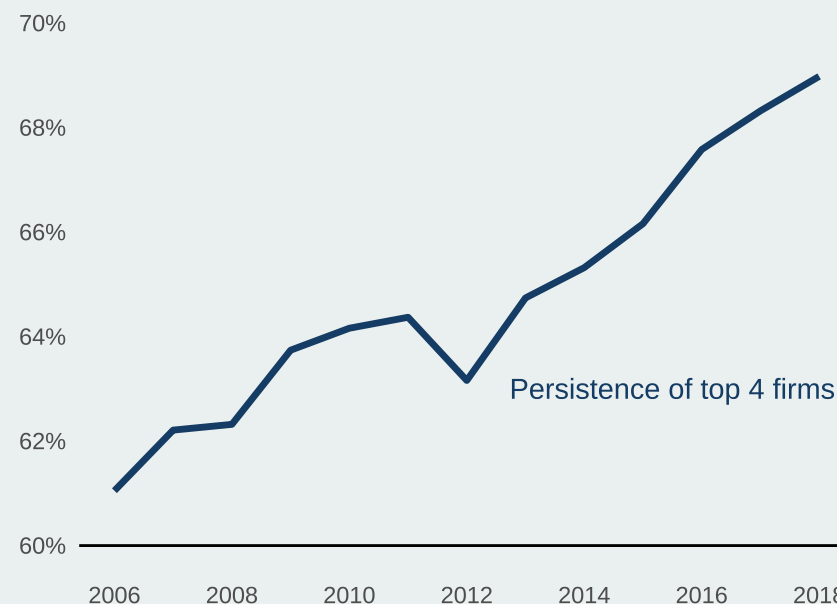
Source: PIA analysis of Bloomberg terminal

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Market leadership in Australia has also become stickier when looking at firm persistence on an industry-by-industry basis. Since 2006, it has become more and more likely that firms that are among the top four largest in their industry will remain there three years later (Figure 14).

Figure 14: Australia's top firms have become more entrenched

Percentage of top four firms who remain in the top four in their industry in three years' time (2006-18)



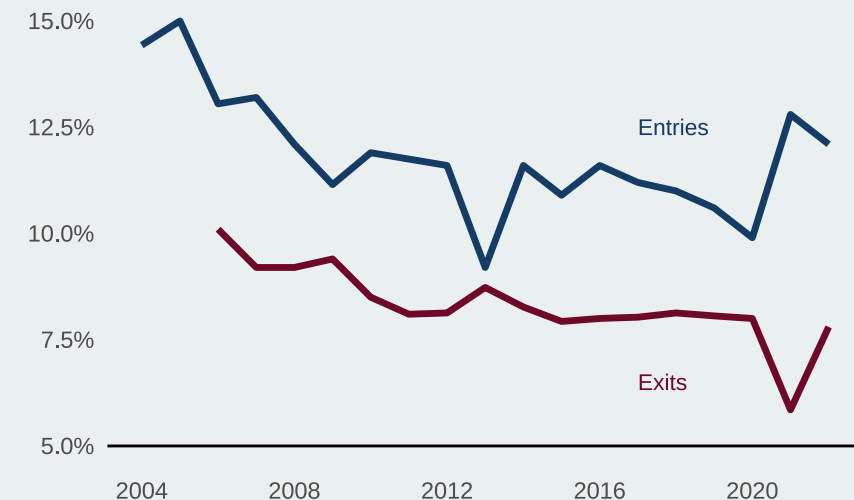
Source: Andrews et al 2023

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5.4 Falling firm entry and exit

The entry of new firms and exit of failing firms is a key marker of dynamism. New firms bring new ideas and new energy; learnings from failure can sprout future success. Australia has seen a falling rate of firm entry and exit so far this century, reversed when COVID hit but now declining again (Figure 15). With fewer challengers starting up and fewer under-performers exiting, incumbent firms are likely to persist at the top.

Figure 15: Firm entry and exit is falling
Employing firms annual entry and exit rate (2004–22)



Source: Andrews et al (2023)

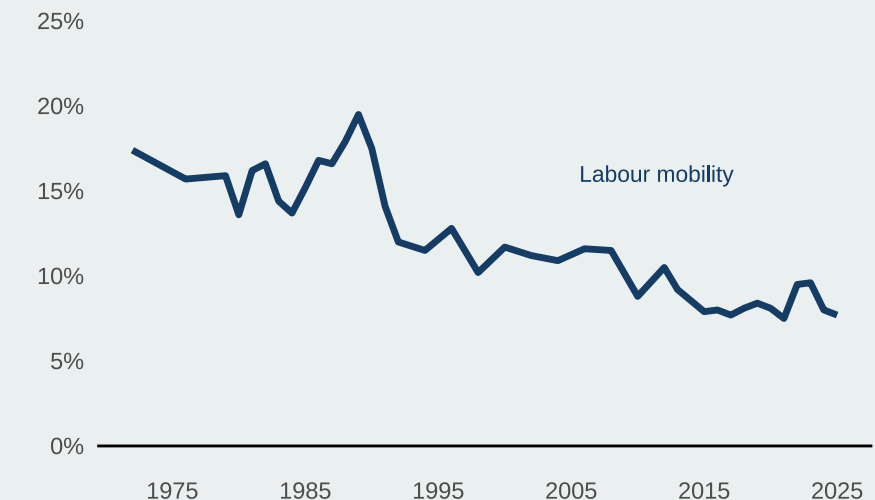
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5.5 Declining labour mobility

As noted above, more competing firms means more options for workers about where to work. How often workers choose to switch jobs can therefore reflect how much competition there is across the economy.

In Australia, more and more workers have been choosing to stay in their current job, rather than find a new one, with labour mobility declining over more than four decades (Figure 16).

Figure 16: Workers are changing jobs less frequently
Percentage of workers changing roles in a year (1972–25)



Source: ABS cat no 6223.0

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5.6 The ultimate performance metric: markups

The most direct measure of poor competition in an industry relates to pricing power. This is measured through tracking markups. A markup is the difference between the sale price of a product and how much it cost for the firm to produce or acquire that product. It is literally a ‘mark up’ — the amount a firm adds on top of cost to set the final price.

In a market economy, the profit motive drives business and creates all the benefits of competition listed above. Typically, firms would like to charge as much as possible for their products and services, but are constrained by competition. That is, their ability to mark up their prices will be limited. The more competition there is for that product or service, the lower markups will typically be. Where there is less competition, there is more ability for firms to increase their markups.

Measuring markups at the product level requires very detailed price and cost data that is rarely available. As an alternative, researchers undertake econometric modelling to approximate markups from other data.

A paper released by Treasury in 2023 looked at firm-level tax data in the Business Longitudinal Analysis Data Environment (BLADE) to investigate whether markups had changed over time. The paper found that on average, firms had increased their markups by about 6% between 2003 and 2017, suggesting that competition across the economy had weakened over that period.³⁰

³⁰ Hambur (2021).

Treasury followed this up with a paper in August 2025 which estimated the economic impact of this fall in competition by asking the question: if the economy had the same level of competition in 2017 as it did in 2003 (measured by markups and other measures), what would productivity growth have been?

The authors found that if the economy had retained the level of competition in 2017 as it had in 2003, productivity growth would have been up to 3% higher, worth about \$3,000 per Australian.³¹

³¹ Hambur and Freestone (2025).

5.7 The bottom line — competition is on the decline

As discussed above, measuring competition is tricky. However, the pattern in the available evidence is consistent. As shown in Table 1, across 12 indicators that are commonly used as proxy measures for competitive conditions, all the metrics show that Australian competition is on the decline (Table 1).

The pace of change is not dramatic, but it seems persistent. If this decline continues, the risk rises that Australians will miss out on the benefits of competition — higher productivity, greater affordability, more choice of what to buy or where to work, high quality products, and more innovation.

Table 1: Twelve indicators point to falling competition in Australia

Topic	Metric	Magnitude	Competition
Industry Concentration	Average top-four firm share	41% → 43%	↓
Industry Concentration	HHI	0.111 → 0.120	↓
Firm Dynamism	Firm entry rate	Startup rate trending down	↓
Firm Dynamism	Firm exit rate	Exit rate trending down	↓
Firm Dynamism	Displacement of top firms	61% → 69%	↓
Markups	Average firm markup	Index 1.00 → 1.06	↓
Profit Share	Operating share of GDP	30% → 35%	↓
Job Mobility	Job mobility rate	11.7% → 7.7%	↓
Wages vs Productivity	Real wages vs productivity	Prod growth 20% higher	↓
Wages vs Productivity	Real Unit Labour Cost	Down 5%	↓
Stock Market Dynamism	Listed companies	2200 → 2000	↓
Stock Market Dynamism	Turnover in top five	Four entrants in 25 years	↓

Note: See Appendix Table 2 for additional detail and references

5.8 Is Australia big enough to be competitive?

It is often said that Australia is too small, or our population too spread out, to sustain more than a few large firms in any given industry. Is this a fact, or a myth?

There are *some* industries in Australia that are *less* concentrated than in most rich countries. For example, residential building, e-commerce, electricity retail, and hospitality are not highly concentrated in Australia, with Australians — for example — mostly drinking and eating out at independent cafes and restaurants instead of chains.

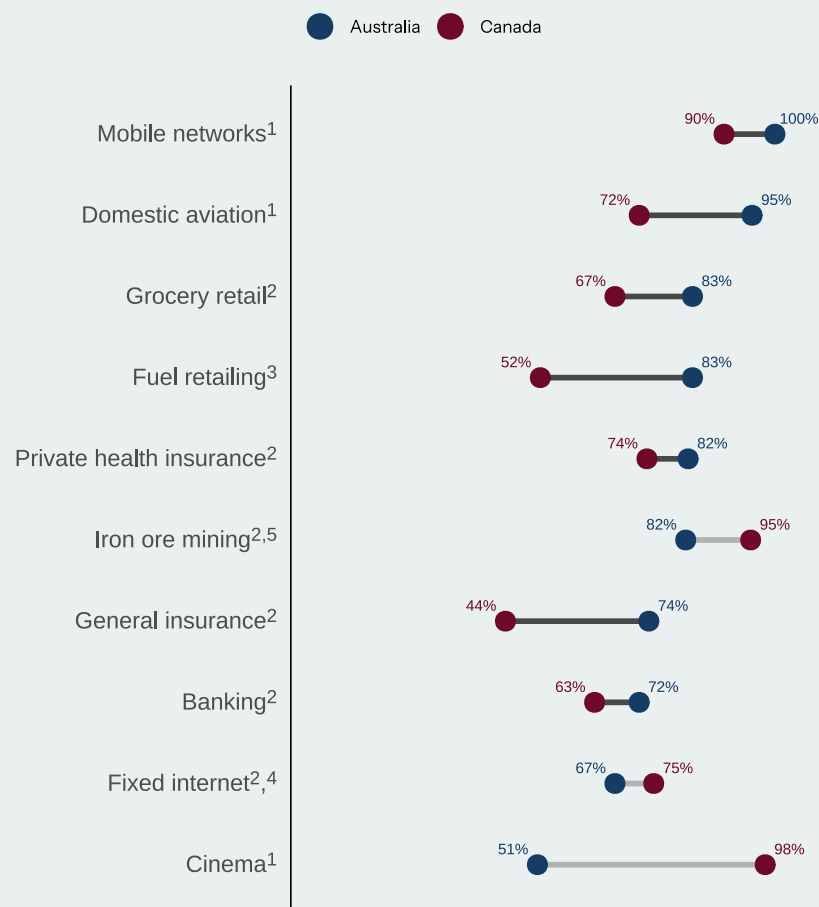
Figure 17 offers a comparative analysis between Australia and Canada, one of Australia's closest comparator economies. Australia and Canada are both large land mass countries with relatively small populations, similar federated governance structures, rich in resources and economically prosperous.

As the chart shows, Australian industry appears more concentrated across numerous sectors, and by a surprising margin in some cases. In supermarkets, Australia's top four firms account for about 83% of Australian grocery sales, while Canada's top four grocers hold about two thirds and there are five national players with material scale.³²

³² ACCC (2024c); Delibashi (2024).

Figure 17: Industry concentration comparator — Australia versus Canada

Market share of four largest firms by industry



¹Top 3 Firms ²Top 4 Firms ³Top 5 Firms ⁴Share of network ⁵Share of shipments

PIA analysis of government, regulator and industry publications POLICY INSTITUTE AUSTRALIA

In domestic aviation, both countries have two major groups, but Canada sees sustained competition from Porter and other ultra low-cost entrants, whereas Qantas (which owns Jetstar) and Virgin together carry the overwhelming majority of passengers (95%).³³

In fuel retailing, Canada's top five brands account for about 52% of sites, while in Australia the top five control about 83% of the market.³⁴

Of course the major difference between our two nations is the proximity of Canada to the United States, and cross border trade under the North American Free Trade Agreement. Whether Australia's remoteness inevitably limits an ability to host more firms per industry is an important question, and one that Policy Institute Australia will revisit in future research.

³³ Competition Bureau (2025); ACCC (2025b).

³⁴ Canada Convenience Store News (2024); 6Wresearch (2025).

6 What's next? Reinvigorating dynamism and competition

The metrics described above suggest that the competitive environment in Australia is weakening. Beyond this, historic experience demonstrates that a pro-competition reform agenda is a low regret pathway to raising productivity growth, economic growth and income growth for the benefit of all Australians.

Policy Institute Australia proposes a reinvigorated effort – a pro-competition agenda guided by identifying unreasonable or costly impediments to:

- firms entering or exiting their chosen market — into Australia or across states and territories within Australia
- firms growing or expanding
- firms competing in their chosen market
- Australian consumers exercising choice
- Australian workers exercising choice

Unreasonable or costly impediments to competition can arise from public barriers — that is, barriers set in place by government, its agencies or other public bodies. Examples include unduly onerous or unnecessary regulation, unbalanced or uncompetitive government procurement practices, disincentives created through poorly designed tax policy, distortionary subsidies that crowd out private activity or inconsistent enforcement of rules.

Private barriers to competition will most often arise from firms that achieve

market power and proceed to exercise it, but can also arise from groups of firms acting together, or private entities being granted public powers or authority.

As discussed above, market size and geographic distance can also affect competitive conditions — this may be the case for Australia as a whole, but also for parts of regional and remote Australia.

Most often, barriers to competition are brought to life through organisations — public or private — that hold the keys to the rules of competition (or lack of competition) in that sector. For this reason, we call these impediments

Gatekeepers.

In addition to specific barriers to competition, there are enabling factors that can help competition to thrive. Access to land, labour and capital at competitive prices, to new markets including offshore and to innovation and technology are important for competition. Sufficient risk appetite, the ability to fail and to learn from these experiences is essential. These are thematics that Policy Institute Australia will consider over time.

Most immediately, our proposed pro-competition agenda revolves around identifying gatekeepers, and reducing or removing the barriers they have in place.

6.1 We have revitalised competition in Australia before

Though an agenda for pro-competition change is challenging, we know from experience that it can be done — and to great effect. A serious bout of pro-competition reform helped launch Australia out of its economic malaise in the 1970s and 1980s when the Government launched the National Competition Policy (NCP) in 1995.

Arising out of the findings of the 1993 Hilmer review, NCP created a compact between the Commonwealth, states and territories to open parts of the economy that had been sheltered from rivalry, while keeping a clear public-interest test on any rule that restrains competition.

NCP took the principles of the Hilmer Review and turned them into a national framework. It applied the same competition law to virtually every business, public or private, and created enforceable rights to third-party access for monopoly infrastructure.

The guiding principles of NCP can be summarised as:

- **Public interest first.** Keep a law or rule that limits competition only if the benefits to the community clearly outweigh the costs.
- **Competitive neutrality.** Government businesses should not enjoy a net advantage simply because they are publicly owned.
- **Structural reform of public monopolies.** Before introducing competition, separate the natural-monopoly elements from contestable services, and split commercial, policy and regulatory roles.

- **Open access to essential infrastructure.** Create a right to negotiate third-party access to nationally significant facilities such as electricity grids, gas pipelines and rail track, backed by an enforceable regime.

Governments used NCP to build the institutions, regulations and legal settings needed to make these principles stick.

To set the rules of play, three intergovernmental agreements were created.³⁵ These agreements unified competition law under a national banner, defined the principles above, and linked them to sectoral reforms in energy, water and road transport.

Before NCP, competition law did not apply to many government-owned businesses, and small unincorporated firms did not always face the same penalties as companies. NCP levelled the playing field by applying competition law uniformly. To turn the rules into results, two levers were used.

The first lever was enforcement: the ACCC enforced the competition rules, investigated breaches, took matters to court, and assisted in administration of third-party access to essential infrastructure.

The second lever was proactive competition reform: the National Competition Council (NCC) advised governments on opening markets, checked whether restrictions on competition were justified and assessed whether each state had earned its competition payments.

³⁵ The Competition Principles Agreement, the Conduct Code Agreement and the National Competition Policy and the Agreement to Implement the National Competition Policy and Related Reforms.

Though the ACCC and NCC had important roles, Treasury led the NCP reform process. It was responsible for coordinating advice and issues, including any negotiations with states and territories. It published a national report on the progress of reform, including development of benchmarks, had responsibility for payments made to states and territories for reform implementation, and developed the frameworks and approaches used to restructure public monopolies and introduce competitive neutrality.

Where reforms sat with the states and territories, the Commonwealth committed \$5.5 billion in incentive payments over a decade (equal to more than \$10 billion in today's dollars),³⁶ conditional on progress with pro-competition reforms across infrastructure, utilities and regulation.

Every jurisdiction had to review existing laws that restricted competition, scrutinise new or proposed regulation, and publish annual progress reports. The National Competition Council assessed compliance and certified payments, creating a strong financial incentive to deliver.

Together these mechanisms turned a reform slogan into a working program that lifted competition in Australia particularly in network industries such as energy, transport and water. Independent evaluation backed this up. The Productivity Commission later estimated that the reforms increased GDP by at least 2.5%, which is \$50 billion a year in today's terms, or about \$5,000 per household.³⁷

Once the 10-year program of reform came to an end, the pro-competition

³⁶ NCC (2023).

³⁷ Leigh (2024a).

agenda faded — coinciding with a decades-long decline in productivity growth. Most of the NCP structures withered. What was left was the ACCC's role to enforce competition law, but it should be noted that the ACCC's mandate is to prevent 'the substantial lessening of competition' as per the *Competition and Consumer Act 2010*. It is not in the ACCC's remit to proactively promote competition (and recent merger reforms have not altered this fact).

In its last term, the Commonwealth Government led the states in a positive direction by revitalising National Competition Policy, and following the Economic Roundtable of August 2025 all states and territories agreed to progress a Single National Market.³⁸ But a more proactive approach is needed to move the dial on economic dynamism and competition, in the spirit of the original NCP.

The next chapter lays out this proposal, and the remainder of the report outlines a plan to update institutional settings to lay the foundation for a more competitive Australia.

³⁸ Chalmers (2025c).

7 A pro-competition agenda

The following recommendations are aimed at supporting an economy-wide agenda to reinvigorate dynamism and competition in Australia. They create a critical force we have lacked: individuals and institutions that will be accountable for a lift in competition across the Australian economy.

These recommendations are aimed at institutional arrangements to enable and support that leadership.

This is only the starting point. These recommendations are focused on the governance arrangements to bring about change, but further detailed work on policy settings, business practices and behavioural change will be areas of future exploration for Policy Institute Australia.

7.1 Empower pro-competition reform

For the conduct of business and commerce, the bulk of regulation sits with states and territories. This includes business licensing, zoning and permit approvals, environmental approvals, occupational licensing, and health and safety regulation, in addition to compliance with payroll tax, stamp duty and land tax. A pro-competition reform agenda must be active at the state level to touch the sides of the environment in which Australian businesses operate.

Reform at the state and territory level is critical to competition. No state or

territory currently has a Minister for Competition.³⁹ This should be rectified.

A Ministry for Competition at the state and territory level means empowering a minister to lead pro-competition reform. Ideally, given the importance and pervasiveness of competition issues across the economy, this would be a senior minister attached to a central department — the premier's or chief minister's department, or treasury.

In each state and territory, a department or agency answerable to this minister should be tasked with, and resourced to, identify and remove barriers to greater competition. This could include, but should certainly not be limited to, reforms pursued at an inter-governmental level under NCP.

The Commonwealth Government has a Competition Minister — Andrew Leigh MP — and a Treasurer who have re-started national competition reform. But greater clarity and impetus is needed at an institutional level and across jurisdictions to push a bolder pro-competition agenda.

At the Commonwealth level, with ministers in place, Treasury should be mandated and resourced to drive the pro-competition agenda. This recommendation is made in recognition of the important contribution that strong and central governance made to the success of the original NCP. The need here is not only to identify gatekeepers, but to provide a central point of authority to assess the impact of the gatekeeper, the relative merits of reducing or removing its influence and the actions that would bring about that change.

³⁹ Every state and territory has a Competition Policy Reform Act, which ensures uniform competition law coverage nationally — with the Treasurer or another economic minister responsible for administering the Act in each jurisdiction.

Rather than create another new entity to pursue pro-competition reform, Policy Institute Australia believes that Treasury is the best agency to be charged with stewardship. In 1995, the role and resourcing of Treasury provided intellectual leadership to enable a proactive approach that identified gatekeepers, developed the evidence of barriers to competition, and worked with stakeholders to develop and implement reform, including incentive payments to states and territories. Treasury is well placed to be the central point for analytical work needed to measure and monitor competition metrics as well as take charge of designing and taking action on a pro-competition reform program over a 10-year time frame.

This means Treasury would be given the task of leading analysis of market and price behaviour of industries, as well as specific studies that may be needed. This work should be done on an economy-wide basis and consistently over time to enable proactive and constructive reform, thereby avoiding ad hoc changes that respond to reactive sector-based or firm-based point-in-time analysis. Improvements to the methodologies used to assess competitive conditions — including factors specific to Australia — could be an added benefit to this work.

Treasury's stewardship of pro-competition reform has begun to work already under the banner of the Competition Taskforce, which has been influential. It was Treasury that documented gaps in merger scrutiny and oversight, which led the Australian Government to reform how the ACCC assesses mergers, and highlighted how workplace non-compete clauses restrict job switching, which led to the Commonwealth banning non-compete clauses for workers

earning less than \$183,100 from 2027 onwards.⁴⁰ A proactive Treasury, resourced over a 10-year period, would find evidence of poor competition and identify actions, potentially including facilitating entry of new market participants to encourage competition.

Under this approach, the ACCC would no longer be tasked with undertaking ad hoc market pricing studies, unless the ACCC decided these were needed as a precursor to potential enforcement action. The ACCC would be resourced and empowered to focus on its core remit — enforcing competition law.

Where the availability of public data inhibits Treasury from adequately assessing industry dynamics or firm behaviour, Treasury could collaborate with other agencies that have powers to compel the sharing of data such as the Productivity Commission and the ACCC.

7.2 Embark on National Competition Policy 2.0

With Treasury empowered as the Commonwealth steward of pro-competition reform, and states and territories having nominated a Cabinet leader for pro-competition reform, the task turns to designing a 10-year pro-competition reform agenda and committing to its implementation.

Policy Institute Australia believes a funding commitment of \$20 billion over a 10-year period (\$2 billion a year) would signal the Commonwealth's commitment to change as well as the breadth of the task. This is a significant sum of money, but it is a fraction of the more than \$7 trillion that will

⁴⁰ Chalmers et al. (2025); Leigh (2025).

be allocated by successive Commonwealth budgets over the next 10 years. Indeed, \$2 billion a year is about half of the annual increase in Commonwealth spending on the National Disability Insurance Scheme.⁴¹ The multiplier effects of pro-competition reform across Australia's \$2.6 trillion economy are also well documented.

The Productivity Commission modelled the economic impact of 26 possible NCP reforms in 2024. They estimated, 'based on the impacts [they] could quantify', that the proposed reforms have the potential to boost *annual* GDP by \$26–45 billion or 1.0–1.7% of GDP in the long run (in 2023–24 dollars) – equivalent to \$3,000–5,000 a year per household. The reforms could also boost Commonwealth *annual* revenue by up to \$9 billion.⁴² As such, the \$2 billion per year that Policy Institute Australia is proposing for investment in pro-competition reform over 10 years would be recouped rather quickly, and pay for itself many times over.

Policy Institute Australia suggests that NCP 2.0 has four focus areas:

- Increase incentives for states and territories to pursue pro-competition reform
- Take a pro-competition lens to improving regulatory practice
- Ensure the effectiveness and accessibility of competition law enforcement
- Identify specific sectors or industry areas of weak competition and consider actions to increase competition

⁴¹ Chalmers MP and Gallagher (2023).

⁴² Productivity Commission (2024b).

Figure 18: Pro-competition reform pays dividends
Estimated impact of 26 possible NCP 2.0 reforms

	\$26b to \$45b Increase in GDP per year equivalent to
	\$3,000 to \$5,000 Per household per year
	-0.7% to -1.5% Decrease in consumer prices
	\$6.6b to \$9.1b Annual Increase in Cwlth budget revenue
	\$2.5b Annual increase in state budget revenue

Source: Productivity Commission (2024b)

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7.2.1 Increase incentives for states and territories to pursue pro-competition reform

Over the last few years, the Commonwealth has rebuilt the scaffolding of pro-competition reform with states and territories, under the banner of a revitalised NCP.

In November 2024, Australian state and territory treasurers signed an inter-governmental agreement which introduced updated National Competition Principles, including a commitment to promote a Single National Market, and outlined the first steps of a 10-year reform program.⁴³ The Single National Market concept aims to reduce or eliminate barriers to buying and selling goods and services, operating a business or working across states and territories, as well as international borders.⁴⁴

For states and territories, this means advancing the harmonisation and/or automatic mutual recognition of their existing licensing or regulatory regimes with those of other jurisdictions.

A ‘National Productivity Fund’ of \$900 million was set up to incentivise states and territories to undertake pro-competition reforms, reflecting the understanding that much of the fiscal dividend would flow to the Commonwealth in the form of higher income and company tax revenue.⁴⁵ By comparison, the original NCP involved payments to the states and territories equal to more than

⁴³ Chalmers (2025c).

⁴⁴ CFFR (2024).

⁴⁵ Productivity Commission (2024b).

\$10 billion in today’s dollars.⁴⁶

The initial list of five reforms that the Commonwealth announced in late 2024 under the revitalised NCP banner was modest.⁴⁷

1. Liberalise and standardise commercial zoning rules and review planning requirements to ensure they do not distort competition
2. Lower barriers to the adoption of overseas standards in regulation
3. Lower barriers to modern methods of construction
4. Review of the existing Motor Vehicle Information Sharing Scheme – with the aim of removing barriers to the ‘right to repair’
5. Development of a National Worker Screening Check to improve labour mobility in human services

There is nothing wrong with what has been committed to so far – but it is insufficient to improve competition for most of the economy. These reforms will capture only a small fraction of the potential benefit estimated by the Productivity Commission.

As a starting point for a more ambitious agenda, there are many good ideas on the list of reforms that the Productivity Commission was asked to model.⁴⁸ More of these should be undertaken and a relentless search for more opportunities should be launched. Examples include removing requirements

⁴⁶ NCC (2023).

⁴⁷ CFFR (2024).

⁴⁸ Productivity Commission (2024b).

not found in comparable countries or harmonising and simplifying payroll tax parameters to reduce the time it takes businesses to complete regular filings.

There are inevitably protests that states and territories should not have to be “paid” for pursuing reform. These governments should undoubtedly be pursuing pro-competition reforms off their own bat — as proposed above — to the benefit of both their constituents and their fiscal positions. But the reality is that many pro-competition reforms, such as regulatory harmonisation, are unlikely to happen without Commonwealth leadership and incentives. Implementation often requires states and territories to agree and undertake very detailed legislative change as well as platform or technology changes to allow interoperability, and all the stakeholder engagement and consumer education in their local jurisdiction that goes along with that change. Because the benefits do not flow to a single jurisdiction, there is insufficient incentive for a single jurisdiction to resource the change. National leadership and coordination is required, for the benefit of all.

7.2.2 Take a pro-competition lens to improving regulatory practice

No market economy can function well without guardrails, or the rules that set the standards for the behaviour of individuals and firms. But undue or unnecessary regulation, and the burden of complying with a growing raft of regulation, damages the competitive landscape and the opportunity for individual firms to compete.

The Productivity Commission found that Australia, while making some small

improvements, is falling behind its peers in ‘economic regulation’ that ‘directly influences prices, competition, and market entry or exit’. And that the volume of ‘social regulation’ protecting ‘health, safety, the environment, and social cohesion’ seems to have grown.⁴⁹ In 2024, 50% of small businesses surveyed by the Australian Chamber of Commerce and Industry reported spending more time on regulatory compliance than 12 months prior and only 3% reported spending less.⁵⁰

Regulatory reform pursued through the lens of competition would be a highly effective framework for prioritising effort. Specific recommendations are to:

Streamline and simplify business-critical legislation to reduce the cost of business compliance. Measuring the cost of red tape is a perennial exercise, often complex and point in time. The Commonwealth Treasurer has recently tasked the Productivity Commission with providing best practice guidance on measuring the burden of regulation on business across the economy, including with a review of international practice.⁵¹

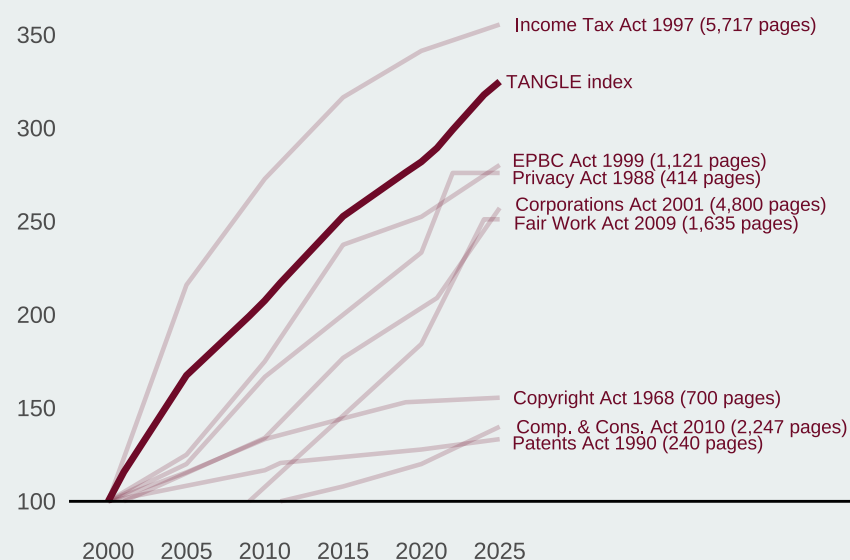
As a simple and illustrative exercise, Policy Institute Australia has calculated the annual percentage change in the number of pages of the top eight most important pieces of Commonwealth legislation that set the rules for Australian businesses. Averaging these together, we have created the ‘TANGLE index’ (Tracking Addition of New Government Legislation Enumeration) (Figure 19).

⁴⁹ Productivity Commission (2025).

⁵⁰ ACCI (2024).

⁵¹ Chalmers (2025b).

Figure 19: The TANGLE index charts the red-tape explosion
Number of pages in primary legislation, index (2000 = 100)



Source: www.legislation.gov

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Note: TANGLE index averages Act growth rates each year using current-year page counts as weights

Every Act has expanded, and on average the lengths of these Acts have increased by about 225%. Sitting underneath each Act there are of course also regulations, and regulatory guidance indicating regulators' expectations as to how firms should comply with the legislation.

Legislation or regulation that is excessively complex to understand or to comply with is an unnecessary cost for all firms. However, it disproportionately affects small and medium sized firms that are less resourced to manage compliance. A recent submission from the Council of Small Business Organisations Australia states: 'Small businesses constantly refer to being strangled by or drowning in red tape and compliance.'⁵² Businesses complain of needing teams of employees just to make sure they are complying with all the applicable regulations. The need to devote substantial resources to simply participating in an industry clearly makes it more difficult and more costly for new competitors to enter, and smaller firms to grow.

A case in point is the Telecommunications Amendment 2015, which requires telco providers to store a defined set of data for at least two years. PwC estimated upfront capital costs to industry of between \$189 million and \$319 million, and its per-customer operating-cost range implies industry-wide ongoing costs of about \$53 million to \$178 million per year, depending on how "customer" is counted and the base year.⁵³

Another example is the Fair Work Act. The many findings against employers for wage theft and other breaches of the Act demonstrate the importance of

⁵² COSBOA (2025).

⁵³ Attorney-General's Department (2015).

having workplace rules with robust enforcement, but the Act itself is long and complex. The Act has grown in length and complexity in recent years. Since COVID, the length of the Act has expanded from around 1,000 pages to nearly 1,700 pages.⁵⁴ Simplifying without reducing workplace entitlements would go a long way to reducing the disproportionate regulatory burden on small and medium employing firms.

Enforcing existing regulations rather than adding new rules when issues arise also plays a part in better regulatory practice. A well-cited example is legislation passed in the wake of the Hayne Royal Commission into Financial Services that significantly increased the regulatory burden for a broad range of financial service firms, despite Kenneth Hayne suggesting that existing laws were generally sufficient if they were enforced.⁵⁵ More recently, Treasury has released the exposure draft of an amendment to the Food and Grocery Industry Code that would prohibit excessive pricing on grocery products by very large retailers (over \$30 billion in covered revenue annually) following the ACCC's Supermarkets Inquiry. Treasury's discussion paper notes the amendment had close regard to overseas approaches to excessive pricing regulation in the UK and Europe, while acknowledging that regulatory enforcement of excessive pricing laws has been only occasional in these jurisdictions and never used in a supermarket context.⁵⁶

⁵⁴ Australian Government (n.d.).

⁵⁵ Hayne argued in the interim report that: 'the law already requires entities to "do all things necessary to ensure" that the services they are licensed to provide are provided "efficiently, honestly and fairly". Much more often than not, the conduct now condemned was contrary to law. Passing some new law to say, again, "Do not do that", would add an extra layer of legal complexity to an already complex regulatory regime. What would that gain?' (Hayne, 2018).

⁵⁶ Commonwealth Treasury (2025); Snowden (2025).

Adopt and implement proportionality in regulation to reduce the impost of unnecessary regulation on small and medium-sized firms. Examples include reducing regulation that is imposed by threshold at the small firm level (e.g. 15 employees) and applying a gradual escalation of regulatory impost to enable firm adjustment; reducing the frequency of compliance reporting, for example from quarterly to annually; reducing the amount of compliance information required; and exempting or reducing requirements for small and medium-sized firms from regulations that are primarily designed as guardrails for large firms.

A good example of progress on proportional regulation is the Council of Financial Regulators' Review into Small and Medium-sized Banks that, among other things: encouraged regulators to allow smaller banks more time for staged implementation of new regulations; asked Australian Securities and Investment Commission (ASIC) to consider narrowing the scope of its requirements for breach reporting for smaller banks; and pushed the Australian Prudential Regulatory Authority to formalise its three-tier proportional framework for its prudential standards which have a significant impact on banks' ability to engage in lending.⁵⁷

This reflects a desire to avoid over-burdening Australia's five medium-sized banks and 74 small banks with requirements that were really aimed at ensuring the ongoing strength of our large four systemically important banks. It is a good step forward, but comes nine years after the Financial System Inquiry recommended greater proportionality in regulation to encourage competition

⁵⁷ APRA (2025); Council of Financial Regulators (2024).

and regular reviews of the state of competition in the financial services sector.⁵⁸

Expand the Commonwealth’s ‘tell us once’ streamlining of regulatory reporting to businesses, and share data with the states and territories.

The Commonwealth has announced it will re-invigorate a ‘tell us once’ streamlining approach for consumers, so that updating personal details on one Commonwealth platform (e.g. Centrelink) will update across all platforms. The Commonwealth has also committed to a public registry of beneficial ownership.

Applying the ‘tell us once’ principle, ASIC’s business registries data should be deployed to enable automated form-filling across multiple regulators, including at the state level. This would reduce duplication in form-filling for businesses, hasten regulatory checks and enable time-saving changes like automatic re-issuing of licences and pre-filling of compliance forms.

Regulate the regulators, through specific measures that aim to continually reduce unnecessary regulatory impost and improve the efficiency of regulatory practice. Examples include setting performance metrics for regulators, such as time limits for approvals, or increasing transparency of regulatory performance by publishing wait times for an application to receive a decision. Under ‘deemed approvals’, applications — say for a building permit — are assumed to be approved if the regulator has not made a determination within a set time period.

⁵⁸ Commonwealth Treasury (2014).

Finally, Governments can set pro-competition goals for regulators through Statements of Expectations that require them to shift to a more proportional risk appetite and to consider competition in regulatory practices. A good recent example of setting expectations was the recent action by the Minister for Finance to seek and publish ideas from 38 Commonwealth regulators to improve regulatory practice;⁵⁹ this is a useful exercise and could be repeated on a three-year cycle.

7.2.3 Ensure the effectiveness and accessibility of competition law enforcement

Where a firm or group of firms does engage in anti-competitive conduct, it is imperative for the industry and the competitiveness of the broader economy that the laws against such conduct are enforced. Australia’s *Competition and Consumer Act 2010* is the foundational legislation that sets out the rules governing anti-competitive behaviour in Australia. This includes:

- agreements between competing firms that reduce competition, such as price fixing, bid rigging, output restrictions and market sharing (‘cartel conduct’)
- coordinated behaviour between firms that undermines competition, such as sharing pricing information (‘concerted practices’)
- arrangements which prohibit other firms from dealing with competitors (‘exclusive dealing’)
- arrangements which prohibit other firms from lowering the price of

⁵⁹ Chalmers and Gallagher (2025).

products they on-sell ('resale price maintenance')

- anti-competitive behaviour by dominant firms ('misuse of market power')

The legislation that governs competition can be used by private parties to seek redress in the courts, or by the ACCC. To conclude that a firm has engaged in anti-competitive behaviour, three elements must be proven: that the firm had real market power, that it engaged in the conduct, and that the conduct's purpose, effect or likely effect was to substantially lessen competition.

This is a high bar, and requires convincing evidence both regarding the conduct of the firm, and its effect on the market. The ACCC has had several high-profile wins in cartel and other competition cases. However, in a typical year, only a handful of competition cases brought by the ACCC proceed to judgement.

For competition matters, an important part of the *Competition and Consumer Act 2010* is Section 46, which outlaws the 'misuse of market power' by dominant firms. This is arguably the broadest head of power in the Act, but has seen limited use by either the ACCC or by private parties.

Since it was introduced in 2017, the ACCC has filed two misuse of market-power cases, against TasPorts and Mastercard. Private parties appear to have taken less than a dozen other matters to court, of which only a few resulted in a judgement, including the recent findings by the Federal Court that Apple and Google had misused their market power against Epic Games (Box 1). This was the first contested application of the new misuse of market power provisions,

and may result in compensation for consumers and app developers.

Box 1: Epic Games v Apple and Google

In 2020, blockbuster game Fortnite was kicked out of the Google and Apple app stores for offering its own in-app payment system, bypassing Google and Apple's native payment systems, on which they take commission.

Fortnite's developer, Epic Games, took both Apple and Google to court, and in August 2025 won a landmark Federal Court decision. The judge found that both companies had breached Section 46 of the *Competition and Consumer Act 2010* by misusing their market power to reduce competition.

The judge rejected other allegations, including that Apple and Google had engaged in 'unconscionable conduct'.^a

^a ABC News (2025).

Given the few matters pursued in the courts by the ACCC or others under Section 46, it would seem appropriate to inquire whether Section 46 is being utilised for its intended purpose. Factors inhibiting its use may include the high bar of the "substantial lessening of competition" test and evidentiary requirements, and the high cost of pursuing court cases — particularly against well-resourced large firms — for both private parties and the competition regulator.

Providing small and medium-sized firms with a new mechanism that enables lower cost access to legal channels if they wish to pursue an anti-competitive matter — rather than having to rely on action by the regulator — could be a sensible direction for reform.

In contrast to competition matters, the ACCC brings to court many more cases enforcing its consumer protection powers, in which it has the significantly simpler task of convincing a judge that a reasonable person would have been deceived by the firm's conduct.

This lower bar in consumer protection law opens up a range of alternative mechanisms that the ACCC as a regulator can use to resolve disputes or punish wrongdoing. In cases where businesses engage in deceptive and misleading conduct, the ACCC regularly intervenes to simply demand that the business stop that activity, or issues fines in the form of infringement notices. The onus is then on the business to challenge the notice in court if they choose. In 2023–24 the ACCC issued 32 consumer, product safety and fair trading infringement notices, totalling around \$1 million.⁶⁰

The Commonwealth Government has recently overhauled merger rules and processes, including a shift from 1 January 2026 that means that proposed mergers and acquisitions that meet certain requirements will need to seek ACCC clearance before completion. These changes will make it easier for the ACCC to block anti-competitive mergers and acquisitions.

It will also increase their workload, with the Commonwealth estimating that

⁶⁰ ACCC & AER (2024).

the number of ACCC merger reviews will increase from 300 to between 1,000 and 1,500 a year under the new regime.⁶¹ The ACCC has been hiring to meet the expanded workload, but there remains uncertainty around the volume of mergers and acquisitions that will report under the new regime.

Enforcing compliance with competition and consumer law is the core responsibility of the ACCC and should be its paramount focus.

However, in addition to its regulatory responsibilities, the ACCC also runs market studies, public inquiries and monitoring programs when requested by the Minister. Recent years have seen the ACCC assigned an increasing number of these studies. In 2023–24, the ACCC produced 38 monitoring and inquiry reports across 11 sectors, including into electricity, gas, banking, insurance, childcare and supermarkets. These studies rarely lead to enforcement actions, and indeed are not designed to do so.⁶²

The ACCC's regulatory and enforcement role is critical to Australia's competitive landscape. It should be empowered to focus on this role.

7.2.4 Further pathways to increase competition

The above actions are largely focused on improvements in legal or regulatory settings that would enable greater competition in Australia. There are other proactive actions to increase competition that should be considered under NCP 2.0, aimed at specific competition impediments in a particular sector.

⁶¹ Leigh (2024b).

⁶² One prominent exception is the Digital Platforms Inquiry, which informed an Australian Consumer Law case against Google that resulted in a \$60 million penalty ACCC (2022).

An area for continued reform is to: ensure consumers are as informed as they wish to be, and empowering their choice. We have earlier described the reforms that allowed superannuation account holders to consolidate their accounts and switch to a new fund if they chose. Ensuring that consumers have easy access to all the information they need to become informed buyers supports competition, as well as ensuring there are no undue or unreasonable barriers or transaction costs for consumers to change products or service providers.

Another is allowing and enabling technology and innovation to drive competition. Uber and streaming services are two examples cited in this report, but there have been and will be many more. This area encompasses facilitating the entry of new firms that bring new technology, such as Uber, as well as avoiding undue restrictions or regulations that would unnecessarily impede Australian firms from adopting new technologies and the innovation that accompanies them.

Another example is actively seeking and facilitating the entry of new firms, products and services to Australia. An ongoing Treasury-led analytical diagnostic of sectors and industries may identify areas where investment facilitation could support market capacity as well as competition in Australia.

7.3 Remove from industry incumbents the power to limit competition

As defined above, ‘gatekeepers’ are unnecessary barriers or excessive costs that impede competition. Gatekeepers can inhibit firms or workers from joining an industry, make it harder for a firm or product to enter the Australian market or move between states or territories, or to expand within a market.

In this section, we focus on instances where private interests are empowered to act as a gatekeeper – firms or individuals, acting alone or through professional associations or industry bodies. This section is not based on any observed or identified conduct. Rather, we are looking at instances where individuals, firms or private member organisations have acquired, built or been given gatekeeping powers – formal or informal – that have potential to limit competition in their market.

Under NCP 2.0, such gatekeeping should be identified, and changes made to ensure that the powers to make or enforce rules or charges to enter a market are determined by entities that act in the interests of the public, not in the interests of industry members or owners. A dedicated and systematic effort is needed to broaden the efforts under which some recent gains have been made.

An historic example is Australia’s experience with airport slot coordination. In 1998, the Australian Government appointed Airports Coordination Australia, a private company partly owned by airlines including Qantas and Ansett (and

later Virgin), to manage slot allocation.⁶³ This led to predictable problems, with smaller airlines like Rex complaining about difficulty securing peak-time slots, and allegations that Qantas and Virgin engaged in “slot hoarding” — holding unused slots specifically to block competitors.⁶⁴

By 2023, the ACCC was highlighting issues with the arrangement, noting that Sydney Airport’s valuable and limited slots were being allocated by a company “majority owned by Qantas and Virgin”.⁶⁵ In response to mounting criticism, the Australian Government acted in 2025 to eliminate this conflict of interest by appointing a British slot management company to take over that role.

Another more recent example of key infrastructure controlled by industry incumbents is the New Payments Platform (NPP), Australia’s fast payments infrastructure. Launched in 2018, and operating as a non-profit, NPP was formed by a consortium of 13 shareholding financial institutions, including the RBA.⁶⁶

⁶³ Parliament of Australia (2025); ACCC (2024a).

⁶⁴ ABC (2024).

⁶⁵ ACCC (2024a).

⁶⁶ NPP is owned and operated by NPP Australia, which in 2021 became a wholly owned subsidiary of Australian Payments Plus (AP+) following ACCC authorisation of a merger with BPAY Group and eftpos. (ACCC, 2021; NPP Australia, 2020).

A 2018 Productivity Commission report raised concern:

that participants of the NPP may be subject to conflicts of interest that could create barriers for new entrants to access the NPP. It is ultimately up to the Board of the NPPA, largely made up of directors representing incumbent participants, to determine whether or not to accept a new applicant

It recommended, among other things, that NPP be subject to an ‘access regime’ to ensure ‘widespread access of both financial system providers and consumers’.⁶⁷

The RBA (with input from the ACCC) undertook consultations on the NPP, reporting in 2019. Its recommendations included: allowing a broader range of financial institutions access to NPP; increasing transparency in the assessment of applications for access; and introducing less costly access options (a minimum upfront purchase of around \$2 million of shares had been criticised in consultations as ‘a barrier to entry for start-ups and other firms that have limited capital and are trying to grow their business’).⁶⁸ Today, over 100 financial institutions ‘provide NPP-enabled services to customers, with 14 directly participating in clearing and settling NPP payments’.⁶⁹

Other examples are found in industry practice. In motor vehicle repair, the Commonwealth has recently introduced the “right to repair”, which requires car manufacturers to share diagnostic information with independent

⁶⁷ Productivity Commission (2018).

⁶⁸ RBA (2019).

⁶⁹ Australian Payments Plus (2025).

mechanics on fair terms so that car owners can have a wider choice of mechanics.⁷⁰ Expanding the right to repair to agricultural machinery would seem a natural next step.

In gas appliance certification, there is the case of the Australian Gas Association (AGA) which prior to 2004 held a monopoly over mandatory gas appliance certification. This created an inherent conflict of interest: as an industry association representing gas suppliers, retailers, and manufacturers, the AGA's members could effectively control market entry by determining certification standards, potentially protecting incumbent positions.⁷¹

Industry participants criticised this arrangement as overly interventionist and creating a “fortress” environment that restricted competition.⁷² In response, regulators reformed the system by eliminating the AGA's monopoly and permitting multiple independent certifiers to operate, provided they meet rigorous accreditation requirements.⁷³ This competitive model has resulted in five accredited certifiers operating in the market, effectively ending the AGA's role as gatekeeper.⁷⁴

Still other examples are found in the imposition of costs. Standards Australia is a not-for-profit entity that develops Australian standards which are voluntary unless referenced in legislation, at which point compliance becomes manda-

tory. It charges businesses for access to these legally required documents,⁷⁵ and these charges can be substantial. Costly barriers inhibit firms from setting up or expanding their product offering, with small firms particularly affected.⁷⁶ The Productivity Commission has repeatedly flagged access-cost concerns, including citing a small electrical engineering business that had to buy hundreds of standards for one project at a total cost exceeding the project's profit margin. They have recommended that governments fund free or low-cost access to standards incorporated in legislation, with an indicative cost to government of about \$7 million per year.⁷⁷

In the labour market, there are many examples of gatekeepers inhibiting competition. This seems a particularly fruitful area of investigation, given the Productivity Commission's modelling of 26 possible NCP reforms suggested that the reform with the biggest growth opportunity was streamlining occupational licensing and registration requirements.⁷⁸

The Commonwealth Government announced in March 2025 that it will ‘work with states, territories, businesses and unions to design a national licensing scheme for electrical trades people’.⁷⁹ This is positive, but greater harmonisation is needed across a wide range of professions. A broader and potentially swifter approach would be to push towards more universal coverage on the stalled implementation of ‘Automatic Mutual Recognition’

⁷⁰ ACCC (2025a).

⁷¹ AGA (2017).

⁷² Fisher & Paykel Appliances (2008).

⁷³ Equipment Energy Efficiency (2012).

⁷⁴ Energy Safe Victoria (2025).

⁷⁵ Standards Australia offers limited access to their documents through their “Reader Room” however it is for non-commercial, read-only viewing.

⁷⁶ Standards Australia (2025).

⁷⁷ Productivity Commission (2025b).

⁷⁸ Productivity Commission (2024b).

⁷⁹ Chalmers (2025a).

- which ‘enables individuals licensed or registered for an occupation in one Australian state or territory to work in another state or territory using their home state licence’.⁸⁰

Policy Institute Australia has undertaken a deep dive to produce two specific case studies of gatekeeping in the labour market. These relate to professional member bodies – specifically specialist medical colleges and bar associations – that hold powers to influence who can enter their market. They sit in contrast with the vast majority of professions, where entry is determined by an institution that is set up to act in the public interest⁸¹ – this approach is used, and works well, for nurses, teachers, and most other professions.

A dedicated and systematic effort under NCP 2.0 would undoubtedly identify many more instances of incumbent or industry gatekeeping. To boost competition, finding and addressing such gatekeeping should be prioritised.

⁸⁰ Consumer Affairs Victoria (2023).

⁸¹ Typically a government-appointed board with industry representation.

Specialist medical colleges

After completing a medical degree, which can take four to six years, doctors undertake a minimum of two years of on-the-job training as a junior doctor in a hospital, before being eligible for specialised training as a registrar.⁸² Only after completing at least three to seven years of specialised training can they call themselves, for example: a GP, oncologist, anaesthetist, radiologist, psychiatrist, or plastic surgeon.

Except for GPs, most specialist training spots are in public hospitals and are funded out of public hospital budgets.⁸³ A recent report from the Grattan Institute found that ‘funding for specialist training is disconnected from workforce needs’, and is not driven by workforce planning.⁸⁴

But whether or not a hospital is able to train registrars in a particular speciality, and how many, is determined through a process of ‘accreditation’ by the member-elected and -controlled specialist medical colleges. A key lever held by the colleges is that they can specify the number of trainees allowed under the supervision of each ‘consultant’ specialist.⁸⁵ Setting this ratio can help ensure training is delivered safely, but can also be used to unnecessarily restrict the number of training places provided. The colleges also dictate other aspects of training, such as curriculum, assessment, and length of time, which

⁸² Breadon et al. (2025).

⁸³ A notable exception is the Australian Government’s ‘Specialist Training Program’ which supports training positions outside the traditional metropolitan teaching hospitals, including in regional, rural, remote, and private facilities Commonwealth Department of Health Disability & Ageing (2025).

⁸⁴ Breadon et al. (2025).

⁸⁵ RACP (2025).

determine how high the bar is to completion.⁸⁶

The AMC is in the midst of a review of these standards, but this does not appear to be considering whether the colleges are the appropriate institution to provide accreditation. Separately, the AMC has recently published updated ‘model standards’ for colleges to follow in accrediting public hospitals, although these provide ample scope for colleges to restrict numbers.⁸⁷

Across many (but not all) specialities and sub-specialties, there is a significant gap between the number of training spots offered each year and the number of applicants. For example, in 2024 there were 281 applicants for orthopaedic surgery with 61 accepted, and 39 applicants for neurosurgery with 11 accepted.⁸⁸

Partly these gaps may be attributable to the unsuitability of some applicants. Where the gaps are significant, they are likely attributable to *either* a lack of hospital funding *or* insufficient training spots under the accreditation rules of the relevant college — although it is challenging to tell the difference based on public information.

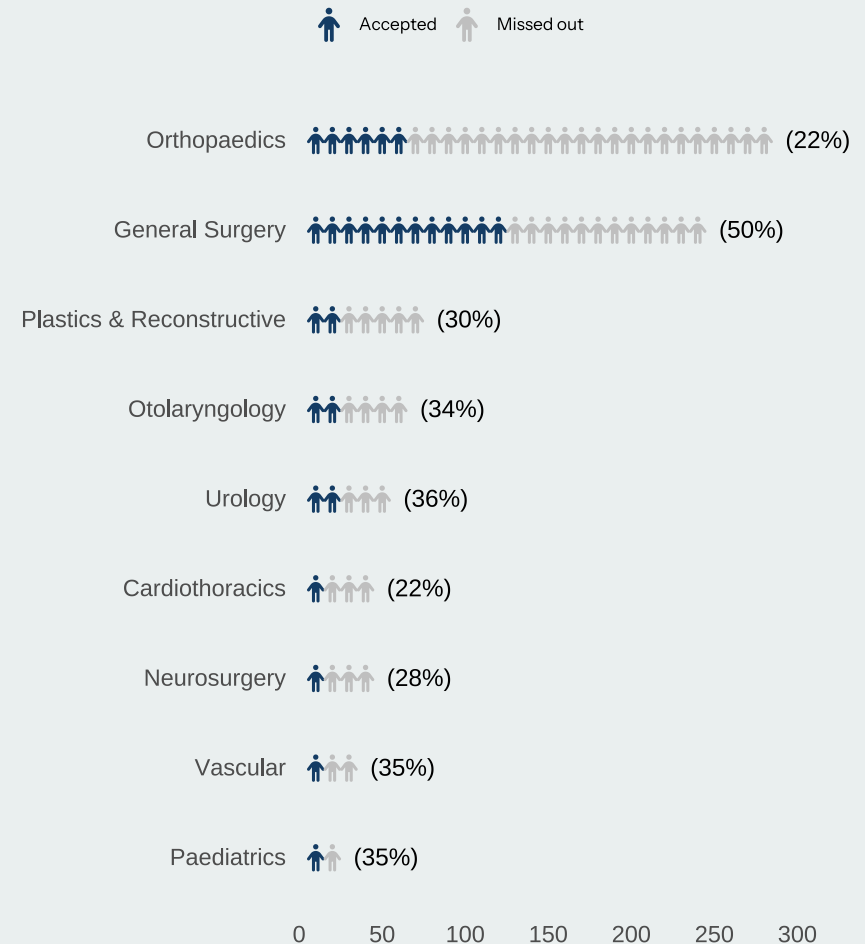
⁸⁶ Colleges are accountable to the Australian Medical Council (AMC), an independent regulatory body that sets the ‘standards for assessment and accreditation of specialist medical programs’ (AMC, 2023).

⁸⁷ AMC (2025).

⁸⁸ RACS (2024).

Figure 20: Acceptance rates for most surgical sub-specialties are very low

Australia and New Zealand (2024), one icon represents 10 applicants rounded to the nearest 10



Source: RACS (2024)

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In some specialties, there is little or no gap. In Queensland in 2024, 96 of 110 were accepted into psychiatry training, 90 of 95 were accepted into emergency medicine training, and 40 of 40 were accepted into intensive care training.⁸⁹ In these areas of key public hospital demand, hospitals often look to take on registrars as a way to deliver more services with the funding they are given, because employing a registrar-in-training is cheaper than employing a fully-trained specialist.

A variation on this is for the hospital to hire ‘unaccredited registrars’, who often do similar work under similar pay and conditions to registrars-in-training, but without being credited for their learning.⁹⁰ Unaccredited registrars — with typically no recognised training under their belts in the sub-specialty in which they are practising — are supervised by consultants who may nonetheless be unable to supervise additional registrars-in-training because of accreditation rules set by the relevant college.

Specialist medical colleges also determine entry to their profession by specialist international medical graduates (SIMGs), who must be assessed by the relevant college as suitable before being allowed to practise in Australia. The ‘Independent Review of Health Practitioner Regulatory Settings’ by Robyn Kruk AM found that it can take up to two years and \$45,000 to be assessed and approved.⁹¹

⁸⁹ Queensland Health (2025c); Queensland Health (2025a); Queensland Health (2025b).

⁹⁰ While the training path outlined above is long, it can be much, much longer for some junior doctors who spend years (sometimes a decade or more) working as unaccredited registrars, hoping to be accepted into their desired specialist training program.

⁹¹ Kruk AO (2023).

In response to the Kruk review, a new ‘Expedited Specialist pathway’ has recently been introduced for SIMGs from New Zealand, the UK and Ireland seeking assessment in general practice, anaesthesia, psychiatry, obstetrics and gynaecology.⁹² Instead of the relevant college undertaking the assessment, it is overseen by the Medical Board of Australia (comprised of practitioner and non-practitioner community members appointed by the Council of Australian Health Ministers).⁹³

In its first 11 months, 343 SIMGs were registered through the pathway — mostly from the UK, and mostly GPs.⁹⁴ Those successfully assessed are granted specialist registration, and complete six months of supervised practice⁹⁵.

Unnecessarily high barriers to doctors entering specialist training, or to SIMGs being approved to practise in Australia, lead to higher costs and longer waiting times for Australian patients. In a recent study of the price and accessibility of specialist care in Australia, the Grattan Institute found that the average out-of-pocket cost to see a specialist has grown by 73 per cent since 2010 on top of inflation, and that ‘extreme [specialist] fees reflect an uncompetitive market’.⁹⁶ They also found that across the largest capital cities, there are 50 specialties where waiting times for a free appointment at a public clinic extend

⁹² Not all specialist-country combinations are covered. For example, for New Zealand the pathway only applies to general practice as most college fellowships cover Australia and New Zealand e.g. RANZCP.

⁹³ Each specialist medical qualification must be assessed by the Australian Medical Council (AMC), and approved by the Medical Board, ‘as substantially equivalent or based on similar competencies to an approved qualification’ (Medical Board & AHPRA, 2025a).

⁹⁴ Medical Board & AHPRA (2025b).

⁹⁵ Medical Board & AHPRA (2025b).

⁹⁶ Breardon et al. (2025).

longer than a year.⁹⁷ While insufficient supply of specialists can be a key driver of long wait times in public clinics, long wait times may also be driven by other factors such as hospital funding.

There is no silver bullet to address the range of issues discussed above. However, part of the solution is clear: the power to determine whether an individual can train for a particular medical specialty, or whether an SIMG can practise in Australia, should rest not with a member-elected body, but with an institution making decisions in the public interest.

As an immediate priority, the Commonwealth Government should review the role of the specialist medical colleges in determining entry to those professions, identify the most egregious and detrimental gatekeeping by certain specialist medical colleges, and transfer the relevant powers — such as the power to accredit training positions — to a public-interest institution such as the Medical Board of Australia. The Expedited Specialist pathway for assessing SIMGs is one way to do this, with further expansion already on the cards — diagnostic radiology, general medicine and general paediatrics are the next priority (sub-)specialties to be considered, with more specialties to be ‘progressively added, prioritised by Australia’s health ministers’.⁹⁸

None of this is to argue for a lowering of standards at the cost of patient safety. But a public interest institution with input from the profession is better placed than a member-elected body to set the rules to the benefit of all Australians.

⁹⁷ Breadon et al. (2025).

⁹⁸ Medical Board & AHPRA (2025b).

Bar associations restrict the flow of barristers in some states

Across Australia, being ‘admitted’ to practise as a lawyer by the state Supreme Court typically requires: completion of an approved law degree; completion of a practical legal training course (with the option in some jurisdictions to instead complete a 12-month period of supervised, on-the-job legal training); and satisfying a ‘fit and proper person’ test. Admission is made on recommendation by a board,⁹⁹ typically made up of a mix of senior judges, lawyers and appointments of the government (or attorney-general). This is a high standard, but it is generally considered that the rules are set and applied in the public interest.

The requirements to practise as a *barrister*¹⁰⁰ vary between jurisdictions. In some jurisdictions, such as South Australia and the Northern Territory, anyone admitted as a lawyer is also able to practise as a barrister, with no additional requirements. Joining the ‘bar association’ is optional.

In most jurisdictions, however, practising as a barrister involves meeting additional requirements. These requirements are strictest in New South Wales, Victoria, Queensland and the ACT, where rules determining who can practise as a ‘barrister’ are controlled by that state or territory’s bar association, which is itself controlled by its member barristers.

⁹⁹ Such as the Victorian Legal Admissions Board, or in NSW the Legal Profession Admission Board.

¹⁰⁰ Barristers are lawyers who provide specialist services as advocates before Courts and Tribunals.

In each of these jurisdictions, an admitted lawyer is not able to practise as a barrister until they have completed:¹⁰¹

- The state Bar Exam
- The state Bar Practice Course¹⁰²
- A 12-month or so supervised ‘reading period’ under the tutelage of a senior barrister.

The Bar Practice Courses are regularly oversubscribed, effectively capping entry into this career. For some time, the NSW and Victorian courses have each been run twice a year, with fixed caps of 54 places and 48 places respectively, so that no more than 204 people become barristers in NSW, Victoria and the ACT combined in any given year.¹⁰³ Following a review, the Victorian Bar recently increased its cap to 60 places per course.¹⁰⁴

There is a financial barrier, too, as the courses run for 4-6 weeks full-time (requiring time off work), and can cost up to \$7,700.^{105 106}

The state Bar Exams each have multiple papers, with 65-75% required on each paper to pass. A survey in Victoria found that 90% of candidates took

¹⁰¹ Once admitted as a barrister, they are typically required to make further undertakings, including practising exclusively as a barrister.

¹⁰² Called the Bar Reader’s Course in Victoria.

¹⁰³ NSW Bar Association (2025a), Justinian (2025), Victorian Bar (2024). To practise as a barrister in the ACT, you must pass the NSW Bar Exam and complete the NSW Bar Practice Course.

¹⁰⁴ The Victorian Bar also changed the exam structure and introduced a shorter Bar Practice Course, although the supervised ‘reading period’ was increased in length to compensate (Wootton, 2024).

¹⁰⁵ Victorian Bar (2025)

¹⁰⁶ NSW Bar Association (2025a), Bar Association of Queensland (2025b).

time off work, and more than 90% studied for several months, with successful candidates apparently dedicating at least 20 hours a week over 15 weeks to study.¹⁰⁷ The Victorian Bar Exam is reported to have a fail rate of 60-70%.¹⁰⁸

The Justinian interviewed former Victorian Bar Council President Róisín Annesley KC, and described the thinking behind the introduction of the Victorian exam in 2011:

Before the introduction of the exam ... Those who missed out [on the Bar Practice Course] would be placed on a waiting list, and the course began to fill up years in advance. Concerned by the overflow, and for other unrelated reasons, in 2009 the Bar Council commissioned a review of the course, which resulted in a separate report recommending the introduction of an exam. By adding a barrier to entry, and increasing the number of readers to 48 per course, the bar hoped to get rid of the waiting list.^a

“It’s not really achieving what we want it to achieve” said Annesley in 2022.¹⁰⁹

The Victorian Bar has put elsewhere that the Bar Exam ‘has enabled the course to be taught against the background of an assumed base level of knowledge’, and has ‘served to ensure the competence of those coming to the Bar’,¹¹⁰ although only half of barristers currently practising in Victoria have sat and passed the Bar Exam,¹¹¹ along with probably a similar percentage in

¹⁰⁷ Wootton (2024).

¹⁰⁸ Justinian (2022); Wootton (2024).

^a Justinian (2022).

¹⁰⁹ Justinian (2022).

¹¹⁰ Victorian Bar (2013).

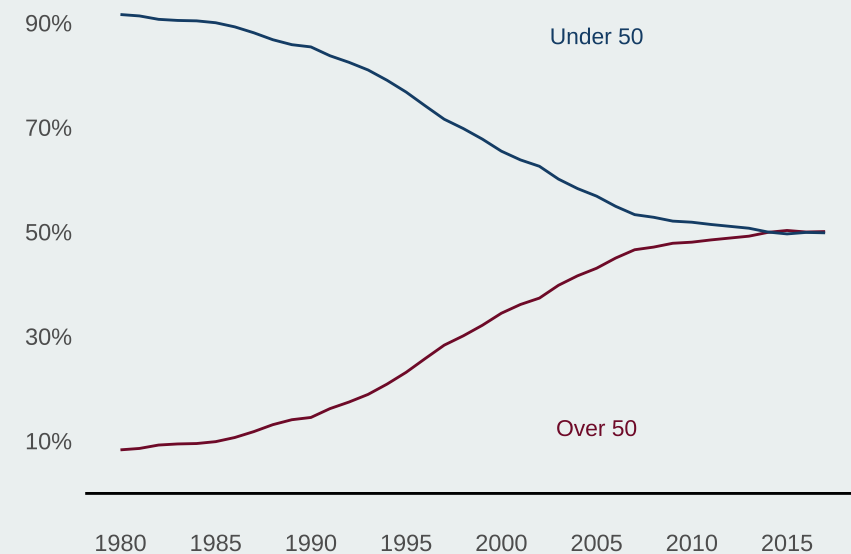
¹¹¹ Policy Institute estimates around 47.5% based on (Nous Group, 2018).

Queensland (where the Bar Exam was in the same year), and approximately 100% of barristers in South Australia, Western Australia, Tasmania and the Northern Territory (where no Bar Exam is required).

Gatekeeping over many decades by the Victorian Bar Association that has limited the number of younger lawyers that can become barristers,¹¹² is at least partly responsible for the dramatic ageing of the profession in that state.¹¹³ In 1980, more than 90% of Victorian barristers were under 50; by 2017, only half were (Figure 21).¹¹⁴ Surprisingly, the introduction of the Victorian Bar Exam in 2011 appears to have slowed this ageing,¹¹⁵ perhaps because it has meant that the limited number of places in the Bar Practice Course are more likely to be occupied by those who have the time to study, such as judge's associates,¹¹⁶ at the expense of those who don't, such as older lawyers with child-rearing responsibilities.

Figure 21: No country for young lawyers: the dramatic ageing of the Victorian bar

Percentage of Victorian barristers who are under/over 50 (1980–2017)



Source: Nous Group (2018)

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¹¹² Trade Practices Commission (1994).

¹¹³ An ageing population, and later retirement, are also likely to have contributed.

¹¹⁴ Nous Group (2018).

¹¹⁵ Nous Group (2018).

¹¹⁶ Justinian (2022).

Across Australia, ‘rights of audience’ give all qualified lawyers the right to appear in court.¹¹⁷ In NSW, Victoria, Queensland and the ACT, it is not uncommon for lawyers who are not barristers (‘solicitors’¹¹⁸) to act as advocates in relation to minor matters in lower courts. However, they cannot use the term ‘barrister’, and they are likely to be excluded from, for example, joining barristers’ chambers in NSW or a barristers’ list in Victoria — the main avenues through which barristers, and especially new barristers, receive work. It is an unwritten rule, rarely broken, that only barristers should appear as counsel in higher courts or for more serious matters. And the highest (and most lucrative) mark for lawyers appearing as counsel in court (that of Senior Counsel or King’s Counsel) is in NSW, Queensland and the ACT reserved exclusively for members of the Bar.¹¹⁹

In summary, while joining the bar is technically voluntary, the benefits from being part of the ‘club’ (and disadvantages from being outside it) appear to make joining the bar a practical necessity to join the profession in these four jurisdictions. The effect of this is to reduce the number of barristers or counsel able to provide representation in serious matters, to reduce competition, to drive up prices, and reduce access to skilled and competent legal representation.

Various explanations are put forward to justify the necessity of the higher

¹¹⁷ Legal Services Regulatory Authority (2020).

¹¹⁸ In some other Australian jurisdictions such as South Australia and the Northern Territory, lawyers can practise as both solicitors and barristers.

¹¹⁹ Bar Association of Queensland (2025a), ACT Bar Association (2020) and NSW Bar Association (2025b).

standard for barristers, including to ensure the competence and advocacy skills of the barrister corps. But high standards already exist for admission as a lawyer, and these are deemed suitable for barristers too in some Australian jurisdictions.

The Trade Practices Commission reviewed the legal profession in 1994, and while some of its recommendations were adopted, others remain relevant today, including that:¹²⁰

Licensing arrangements for lawyers which require separate practising certificates for barristers and for solicitors should be eliminated in the jurisdictions where they are maintained as, supported by certain conduct rules, they tend to create a functional division between the work of barristers and solicitors which restricts competition between them.

Fairer entry to the profession is possible. States and territories should remove the distinction between solicitors and barristers (with current admission as a lawyer counting for both), or, if separate and higher standards are deemed necessary for barristers, then these should be determined by an institution focused on the public interest and not an incumbent-controlled professional body. Membership of the bar association should be optional.

¹²⁰ Trade Practices Commission (1994).

8 The time for action is now

Australia is afflicted with low productivity, and competition is the best, most certain and longest-lasting cure. In its last term, the Commonwealth Government led the States and Territories in laying the foundations for a revitalised NCP. Since the Government's 2025 re-election, it has laid out the case and its own ambition to lead a much-needed program of reform to boost Australia's economic performance.

Building a bold, on-going, pro-competition agenda, with stronger and more enduring Commonwealth-funded incentives towards opening up both private and public markets would boost productivity, build economic resilience in the face of global uncertainty, and strengthen budget sustainability.

As a medium-sized open economy, Australia needs to be able to continue to compete for ideas, innovation, creativity and capital if we are to offer young Australians the prosperity that has benefited the generations before them.

Now is the time for action. The big bang reforms that characterised the 1990s have been done. What is needed now is sustained commitment to undertake many mid-sized reforms. What needs to happen is mostly known, although further policy thinking is certainly warranted.

We intend to contribute to this work ourselves, by continuing to add to the policy offerings already laid out. This is the first in a short series of pro-competition outputs from Policy Institute Australia. Reports released in coming months will focus on particular sectors of the economy, and look at

ways to enhance competition and improve Australia's economic performance through concrete policy recommendations. In our view, there could be no better way to introduce Policy Institute Australia, and its commitment to a stronger, smarter and more prosperous Australia.

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Acronyms

AAA: Australian Automobile Association

ABS: Australian Bureau of Statistics

ACCC: Australian Competition and Consumer Commission

AGL: AGL Energy Limited (formerly Australian Gas Light Company)

ALDI: Albrecht Discount (ALDI) supermarket chain

AMC: Australian Medical Council

ANZSIC: Australian and New Zealand Standard Industrial Classification

APRA: Australian Prudential Regulation Authority

ASIC: Australian Securities and Investments Commission

ASX: Australian Securities Exchange

ATO: Australian Taxation Office

BHP: Broken Hill Proprietary Company (BHP Group)

BLADE: Business Longitudinal Analysis Data Environment

CBA: Commonwealth Bank of Australia

CPI: Consumer Price Index

CR: Concentration Ratio (share held by the top four firms)

CSL: Commonwealth Serum Laboratories Limited

GDP: Gross Domestic Product

GOS: Gross Operating Surplus

HBF: Hospital Benefit Fund of Western Australia

HCF: Hospitals Contribution Fund of Australia

HHI: Herfindahl–Hirschman Index

IAG: Insurance Australia Group

KC: King's Counsel

NAB: National Australia Bank

NCC: National Competition Council

NCP: National Competition Policy

NEM: National Electricity Market

OECD: Organisation for Economic Co-operation and Development

QBE: QBE Insurance Group

RACS: Royal Australasian College of Surgeons

RBA: Reserve Bank of Australia

RANZCP: The Royal Australian and New Zealand College of Psychiatrists

SIMG: Specialist International Medical Graduate

TPG: TPG Telecom (Total Peripherals Group)

WPI: Wage Price Index

9 Appendix

Table 2: Summary of trends and effects on competition in Australia

Topic	Metric / Indicator	Magnitude	Direction of Competition	Timeframe	Source	Methods / Notes
Industry Concentration	Average share of top four firms	41% → 43%	↓	2001-02 to 2019-20	Leigh (2022)	4-digit ANZSIC; excludes finance and non-market sectors
Industry Concentration	Avg Herfindahl-Hirschman Index	0.111 → 0.120	↓	2001-02 to 2019-20	Leigh (2022)	HHI on firm sales by industry
Firm Dynamism	Firm entry rate	Startup rate trending down	↓	2005-06 to 2019-20	Andrews et al. (2023)	Share of employing firms that are new each year
Firm Dynamism	Firm exit rate	Exit rate trending down	↓	2005-06 to 2019-20	Andrews et al. (2023)	Share of firms that close each year
Firm Dynamism	Displacement of top firms	Four year persistence 61% → 69%	↓	2006 to 2018 (4-year window)	Andrews et al. (2023)	Share of top four that remain top four after four years
Markups	Average firm markup	Index 1.00 → 1.06	↓	2003-04 to 2016-17	Leigh (2022)	Estimated from firm-level tax data
Profit Share	Gross operating surplus share of GDP	30% → 35%	↓	1999-00 to 2014-15	ABS National Accounts	Labour share down over the 2000s to 2010s
Job Mobility	Job mobility rate	11.7% → 7.7%	↓	2000 to 2025	ABS Labour Mobility	Annual share of workers changing employer
Wages vs Productivity	Real wages vs productivity	Productivity growth 20% higher than real wages	↓	1994-95 to 2022-23	Productivity Commission (2024a)	GDP per hour vs Wage Price Index deflated by CPI
Stock Market Dynamism	Number of listed companies	2200 → 2000	↓	2010 to 2025	Shepherd (2025)	Net decline due to fewer IPOs and delistings
Stock Market Dynamism	Turnover in top five companies	Four entrants in 25 years	↓	2000 to 2025	PIA analysis of Bloomberg terminal	Top companies defined by market capitalisation

Table 3: Proposed National Competition Policy reforms modelled by the Productivity Commission (2024b)

Theme	Code	Short name	Long name and description	GDP impact (\$m)
Dynamic business environment	B1	Overseas standards	Lower barriers to the adoption of trusted overseas standards. Adopting an expedited or default approach to recognising trusted overseas standards and processes where they fulfill an equivalent regulatory purpose (e.g., provide protection to consumers) to existing and future references to Australian standards in regulation.	<i>n/a</i>
Dynamic business environment	B2	Commercial planning and zoning	Liberalise and standardise commercial zoning rules and review planning requirements to ensure they do not distort competition. Adopt a liberalised, pro-competition and nationally consistent approach to commercial planning and zoning regulations.	<i>n/a</i>
Dynamic business environment	B3	Public procurement	Improve contestability and value for money in public procurement. Governments develop a nationally consistent best practice procurement framework.	\$34
Dynamic business environment	B4	Phoenixing	Efforts to prevent phoenixing in the building sector. Improve information-sharing between regulators and the collection of statistical data on phoenixing activities to facilitate a better response.	<i>n/a</i>
Dynamic business environment	B5	E-conveyancing	Reform e-conveyancing market. State and territory government reforms to the e-conveyancing market to implement competition through interoperability.	<i>n/a</i>
Dynamic business environment	B6	Marine freight industry	Lower competition barriers in the marine freight industry. Lowering competition barriers in the marine freight industry.	<i>n/a</i>
Dynamic business environment	B7	Distribution networks	Improve domestic distribution networks. Address barriers that restrict distribution networks, including regulatory barriers on specific imported products that are safe and useful for Australian markets.	\$3,435 to \$6,780

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Theme	Code	Short name	Long name and description	GDP impact \$m
Dynamic business environment	B8	Efficient user charging	Implement forward-looking efficient user charging approaches. Develop prospective benchmark user charging guidelines that can be adopted nationally.	<i>n/a</i>
Dynamic business environment	B9	Modern methods of construction	Lower barriers to modern methods of construction. Lower barriers to the growth in nascent innovative construction businesses including increased automation, modular or prefabricated off-site housing, 3D printing housing, and transportable housing.	\$2,858 to \$5,730
Net zero	NZ1	Right to repair	Remove barriers to the right to repair. Address barriers to third-party repair of consumer products. Primarily this would enable independent repairers and consumers access to the necessary parts, information and equipment needed to repair products, including access to embedded software in products.	\$408
Net zero	NZ2	Overseas standards	Streamline the adoption of trusted overseas standards to enable an efficient net zero transformation. Streamline the adoption of trusted overseas standards that support the net zero transformation.	<i>n/a</i>
Net zero	NZ3	Heavy EVs	Lower barriers to the adoption of electric vehicle trucks and buses that meet trusted overseas standards. Ensure Australian Design Rules for heavy vehicles align with trusted overseas standards where they are at least as safe as Australian standards, and can be updated without undue delay; and ensure road use regulation supports adoption of updated rules on Australian roads (which could include heavier and wider EV trucks).	\$748
Net zero	NZ4	EV charging	Support competition in EV charging infrastructure rollout. Adopt consistent policy settings in the national rollout of EV charging that promote efficiency and address potential competition risks.	<i>n/a</i>
Net zero	NZ5	EV imports	Lower barriers to the uptake of imported EVs. Remove barriers that prevent independent EV imports and ensure these vehicles can be used on Australian roads.	\$1,095

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Theme	Code	Short name	Long name and description	GDP impact \$m
Labour mobility	L1	Restraint of trade clauses	Limit the unreasonable use of restraint of trade clauses. Adopt a nationally consistent approach to limiting the unreasonable use of restraint of trade clauses in employment agreements to improve job mobility.	\$2,569 to \$5,137
Labour mobility	L2	Occupational licensing	Streamline occupational licensing and registration requirements. Remove unnecessary licensing and registration requirements and streamline remaining requirements to ensure they are justified by consumer safety risks. Reform the structure and governance of national professional bodies that make occupational registration and licensing decisions to address conflicts of interest.	\$5,155 to \$10,332
Human services	H1	Matching	Assist health and care service users to find the best service providers. Facilitate the availability and accessibility of service information to better match service users to providers across the health, care and support sectors.	n/a
Human services	H2	Labour mobility	Improve labour mobility in health care. Remove unnecessary barriers to labour mobility in the health, care and support services, including barriers to workers performing their full scope of practice.	\$600 to \$1,205
Human services	H3	Access arrangements	Reform market access arrangements for service providers. Reform market access arrangements, including commissioning and other approaches, for human services to improve market functioning and better address thin markets.	\$1,789 to \$3,228
Human services	H4	Medicine pricing	Reduce the cost of medicine. Reduce the wholesale cost of medicines by adjusting pricing strategies and addressing anti-competitive agreements.	\$2
Human services	H5	Telehealth	Remove barriers to telehealth. Remove unnecessary barriers to consumer access to telehealth and other digital health services.	\$793

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Theme	Code	Short name	Long name and description	GDP impact \$m
Data and digital	D1	Consumer switching	Reduce search and switching costs for consumers. Address the major frictions and impediments that deter consumers shopping around and switching to competitively priced or more suitable products.	<i>n/a</i>
Data and digital	D2	Data sharing	Optimise data availability and sharing to improve competition. Remove technical, legal or resourcing barriers to aid public access to non-sensitive publicly funded data of significant public value (for example publicly funded research data, and to support acquisition and sharing of private data where privacy and consumer protection impacts are managed.	\$1,642
Data and digital	D3	Emerging technology	Address regulatory barriers to the development and growth of emerging technologies. Remove regulatory barriers that hinder the uptake of emerging technology in commercial activities, including robotics, artificial intelligence, aeronautics, and biotechnology.	\$711
Data and digital	D4	Banking	Remove barriers to competition in banking. Remove regulatory barriers to competition in the banking sector that advantage large incumbents and lead to poor consumer outcomes, including barriers that hinder customer movement or place a high burden on new or smaller players.	\$3,532 to \$6,574
Data and digital	D5	Payment systems	Increase access by non-Authorised Deposit-taking Institutions to payment systems. Increase direct access for non-ADI payment product providers to Australian payment systems to clear and settle payments.	\$172 to \$445