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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**PRODUCTIVITY COMMISSION (REPEALS, TRANSITIONAL AND CONSEQUENTIAL
AMENDMENTS) BILL 1996**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer, the Hon Peter Costello, MP)



PRODUCTIVITY COMMISSION (REPEALS, TRANSITIONAL AND CONSEQUENTIAL AMENDMENTS) BILL 1996

OUTLINE

This Bill provides for consequential matters arising from the formation of the Productivity Commission as set out in the *Productivity Commission Act 1996*. The Bill repeals the *Industry Commission Act 1989* and the *Economic Planning Advisory Commission Act 1983* and makes transitional provisions relating to these Acts. Consequential amendments are made to; the *Biological Control Act 1984*; the *Bounty (Computers) Act 1984*; the *Bounty (Machine Tools and Robots) Act 1985*; and the *Development Allowance Authority Act 1992*.

Repeal and Transitional Provisions to the Industry Commission Act and the Economic Planning Advisory Commission Act

The repeal of the whole of the Industry Commission Act and the Economic Planning Advisory Commission (EPAC) Act gives effect to the decision to combine the Economic Planning Advisory Commission, the Industry Commission (IC) and the Bureau of Industry Economics (BIE) to form a new Productivity Commission (PC). The transitional arrangements relating to these Acts primarily recognise, for this purpose: the transfer of all of the staff (as at the commencement day of the Act) of EPAC and the IC to the PC; the monies previously appropriated to EPAC and the IC are taken to become monies of the PC; and any contract or agreement undertaken by EPAC or the IC will become the PC's. The transitional provisions relating to the Industry Commission Act also allow that: any inquiries begun by the IC; any protection of IC witnesses; and any confidential IC materials shall be adopted as those of the PC. The first annual report of the PC must include a report on the operations of EPAC and the IC, up until the formation of the PC, in that financial year.

Consequential Amendments of Other Acts

References in the *Biological Control Act 1984* and the *Development Allowance Authority Act 1992* to the Industry Commission and its predecessor, the Industries Assistance Commission are replaced by references to the Productivity Commission. Some sections of the *Bounty (Computers) Act 1984*, the *Bounty (Machine Tools and Robots) Act 1985*, and the *Biological Control Act 1984* have become redundant and have been repealed.

FINANCIAL IMPACT STATEMENT

The merger of the three advisory bodies - the Industry Commission, Economic Planning Advisory Commission and the Bureau of Industry Economics - shall allow for increased efficiency and reduced overlap in the economic inquiry work of the Government. Therefore, the formation of a new Productivity Commission is expected to result in Budget cost savings of \$5 million in 1997-98, \$6.15 million in both 1998-99 and 1999-2000, and \$5 million each year thereafter.

ABBREVIATIONS

The following Abbreviations are used in this Explanatory Memorandum:

IC Industry Commission.

IC Act Industry Commission Act 1989.

BIE Bureau of Industry Economics.

EPAC Economic Planning Advisory Commission.

EPAC Act Economic Planning Advisory Commission 1983.

PC Productivity Commission.

‘Act’ *The Productivity Commission (Repeals, Transitional And Consequential Amendments) Act 1996* unless otherwise specified.

NOTES ON CLAUSES

Clause 1 - Short Title

1. This clause provides for the Act to be cited as the *Productivity Commission (Repeals, Transitional and Consequential Amendments) Act 1996*.

Clause 2 - Commencement

2. This Act commences on the day on which it receives Royal Assent.

Clause 3 - Schedule(s)

3. This clause allows for the amendments and repeals as set out in Schedule 1 and 2 of this Act.

SCHEDULE 1-REPEAL OF ACTS

Economic Planning Advisory Commission Act 1983

Clause 1 - The whole of the Act

1. This clause repeals the whole of the *Economic Planning Advisory Commission Act 1983*.

Industry Commission Act 1989

Clause 2 - The whole of the Act

2. This clause repeals the whole of the *Industry Commission Act 1989*.

SCHEDULE 2-TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS

Part 1 - Transitional provisions relating to the Economic Planning Advisory Commission Act 1983 and Industry Commission Act 1989

Clause 1 - Definitions

1. This clause defines certain terms used in the Act.

Clause 2 - Inquiries by IC

2. This clause provides that any inquiry or report begun under the IC may be completed under the PC. Furthermore, if the IC had completed an inquiry but not begun the report the PC may complete that report.

Clause 3 - Staff

3. This clause provides for the transfer of all staff from EPAC and the IC to the PC.

Clause 4 - Contracts

4. This clause states that in any contract, arrangement or agreement or any other instrument including a reference to the IC or EPAC shall now be taken as a reference to the PC. This clause does not apply to matters that occurred before the commencement day of this Act.

Clause 5 - Appropriations

5. This clause provides that money that has been appropriated for either EPAC or the IC is taken to be appropriated for the PC. This clause does not apply to monies spent before the commencement day of this Act.

Clause 6 - Annual report

6. The first annual report of the PC shall include a report on the operations of the IC and EPAC during the financial year to which the report relates.

Clause 7 - Protection of witnesses

7. This clause continues the protection given to witnesses of the IC as if the person had appeared before a PC hearing.

Clause 8 - Records

8. The records of the IC shall become those of the PC. This includes treating IC confidential material as PC confidential material, unless the PC determines, with the consent of the person who supplied the material, that confidentiality no longer applies. Similarly, if a direction were given under the IC Act to restrict or prohibit the publication of evidence given before a hearing, this direction shall continue under the PC Act.

Clause 9 - Regulations

9. This clause provides that the Governor-General may make regulations in relation to transitional matters arising from the repeal of the EPAC Act and the IC Act and from the enactment of this Act and the PC Act.

Part 2 - Consequential amendment of other Acts

Biological Control Act 1984

Clause 1 - Section 11

1. This clause repeals section 11 of the *Biological Control Act 1984*.

Clause 2 - Paragraph 19(1)(f)

2. This clause repeals the existing paragraph and substitutes a paragraph that allows for the Minister who administers the *Productivity Commission Act 1996* to refer the recommendation to the PC for inquiry and report.

Clause 3 - Paragraph 56(1)(e)

3. This clause substitutes a reference to the 'Industries Assistance Commission' with a reference to the 'PC'.

Bounty (Computers) Act 1984

Clause 4 - Subsection 5(8)

4. This clause repeals subsection 5(8) of the *Bounty (Computers) Act 1984*.

Bounty (Machine Tools and Robots) Act 1985

Clause 5 - Section 9

5. This clause repeals section 9 of the *Bounty (Machine Tools and Robots) Act 1985*.

Development Allowance Authority Act 1992

Clause 6 - Paragraph 16(2)(a)

6. This clause omits the term 'Industry' and substitutes it with 'Productivity' to reflect the establishment of the PC.

