

**National Policy Implementation in Queensland:
the Politics of National Competition Policy
in the 1990s.**

**Thesis re-submitted by
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Abstract

This is a thesis that focuses on the implementation of a national policy platform – the National Competition Policy – by the Queensland Government. NCP involved difficult government decisions, and the policy often became regarded – and often wrongly - as epitomising a broad range of unpalatable and controversial socio-economic changes. In this context, this thesis proposes an analysis of how implementation succeeded, almost against the odds. The overall argument is that a broad-ranging, national policy, derived from a collaborative forum of Australian heads of government, and overseen by a new intergovernmental watchdog, *can* be implemented successfully in a State, even during politically volatile times.

The agreement on NCP was without peer or precedent. It encompassed a wide array of reform initiatives spanning a ten-year implementation horizon. It also required the coordination of all tiers of Australian government to meet agreed milestones set in the original agreement. The creation of an independent implementation watchdog in the form of the National Competition Council (NCC) was a key component of the institutional arrangements that accompanied the reform effort.

NCP implementation coincided with a period of significant political volatility in Queensland, which led to leaders of major political parties adopting inaccurate rhetorical positions on NCP in public forums. As a result, the NCC and the Queensland government were brought into conflict on a regular basis. The analysis provided in this thesis shows that NCP had important structural features that served to buffer implementation from populist political attack. These features included: a symbolic union between the leaders of Australian governments, achieved through the signing of formal NCP documentation; the creation of an independent oversight body in the NCC, designed to monitor implementation and to insure against goal displacement; and the establishment of a financial incentive package tied to the achievement of key milestones.

This thesis also shows that a key failing of the NCP agreement was the lack of ongoing engagement with the heads of Australian governments, acting as a collective, as the implementation process moved forward. This flaw isolated the NCC from political support and, as a consequence, left it - and NCP generally - without a visible source of political leadership. Ironically, this arrangement assisted Queensland to implement NCP as successive governments were able to distance themselves from the policy by blaming the reform effort on the NCC.

The persistent parochialism of Queensland politics presents important implications for the implementation of national policies, not only NCP. If they are to be successfully implemented, policies must withstand the likely political barrage they will receive in political environments such as that which existed in Queensland in the mid to late 1990s. The key is to design mechanisms that will buffer, and in fact enable, the politics to be played out, while at the same time give shelter to the implementation effort.

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Abbreviations

ACCC	Australian Competition and Consumer Commission
ADIC	Australian Dairy Industry Council
ALGA	Australian Local Government Association
ALP	Australian Labor Party
BIE	Bureau of Industry Economics
CBRC	Cabinet Budget Review Committee
CCA	Conduct Code Agreement
CCAQ	City-Country Alliance Queensland
COAG	Council of Australian Governments
CPA	Competition Principles Agreement
DLGP	Department of Local Government and Planning
DNR	Department of Natural Resources
EPAC	Economic Planning Advisory Council
GBE	Government Business Enterprise
GDP	Gross Domestic Product
GSP	Gross State Product
IC	Industry Commission
LDG	Legislation Drafting Group
LGAQ	Local Government Association of Queensland
MRG	Microeconomic Reform Group
NCC	National Competition Council
NCP	National Competition Policy
NSW	New South Wales
ONP	One Nation Party
PBT	Public Benefit Test

PC	Productivity Commission
PSMC	Public Sector Management Commission
QCA	Queensland Competition Authority
QCOA	Queensland Commission of Audit
QDO	Queensland Dairy Organisation
Qld	Queensland
SPC	Special Premiers' Conference
SPSFQ	State Public Sector Federation, Queensland
TPA	Trade Practices Act
VFI	Vertical Fiscal Imbalance