

INQUIRY INTO MICROECONOMIC REFORM IN WESTERN AUSTRALIA

TERMS OF REFERENCE

I, TROY RAYMOND BUSWELL, in my capacity as Treasurer and pursuant to section 38(1)(a) of the *Economic Regulation Authority Act 2003* request that the Economic Regulation Authority (ERA) undertake an inquiry every four years into the microeconomic reform priorities for Western Australia.

The objective of the inquiry is to develop the most advantageous package of microeconomic reform measures that the Western Australian Government could implement to improve the efficiency and performance of the Western Australian economy.

The inquiry should identify areas of reform that have the potential to achieve the following outcomes:

- improved productivity and flexibility of the Western Australian economy;
- increased choice for consumers and business that leads to net economic benefits to Western Australia;
- increased opportunities for Western Australian businesses to effectively compete for national/international market share; and
- the removal or streamlining of unnecessary regulation.

In developing its recommendations, the ERA must give consideration, but not be limited, to the following:

- assess the current level of efficiency of Western Australia's economy, including by comparison with other relevant national and international economies;
- identify those areas in the economy where reform could enhance their contribution to the overall Western Australian economy;
- identify options for improving economic efficiency of the key areas identified above;
- prioritise key areas of reform based upon the potential impact on overall economic efficiency and future growth; and
- recommend a small number of specific key reforms or sectors that require further investigation by the ERA and policy development by the Government.

For the first inquiry, the ERA will publish an issues paper as soon as possible after receiving these terms of reference. During the course of the inquiry, the ERA will publish a draft report and then provide a final report to the Treasurer by 30 June 2014.

For subsequent inquiries, the ERA will publish an issues paper not later than nine months prior to the election of a new State Government, publish a draft report not later than three months after the election, and provide a final report to the Treasurer as soon as practicable thereafter.

Hon Troy Buswell MLA
TREASURER