

# NORTHERN TERRITORY 1999 ANNUAL REPORT

# **ON THE**

IMPLEMENTATION OF NATIONAL COMPETITION POLICY

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# NORTHERN TERRITORY 1999 ANNUAL REPORT IMPLEMENTATION OF NATIONAL COMPETITION POLICY

#### INTRODUCTION

In April 1995 all State and Territory governments, with the Commonwealth, signed three inter-governmental agreements which together form the National Competition Policy:

- the Competition Principles Agreement;
- the Conduct Code Agreement; and
- the Agreement to Implement the National Competition Policy and Related Reforms.

Under clause 3 (10) and 5 (10) of the Competition Principles Agreement (CPA) all Parties are required to report annually on progress towards fulfilling the competitive neutrality and legislative review requirements of the Agreement.

In addition, the Northern Territory has agreed to provide details on progress in implementing a number of related reforms which have been drawn under the National Competition Policy umbrella and which are to be included in the assessment for the second tranche competition payments.

### PART 1: THE COMPETITION PRINCIPLES AGREEMENT REFORMS

#### 1.1 LEGISLATION REVIEW: CLAUSE 5 OF THE CPA

### **REFORM COMMITMENT**

Clause 5 of the CPA obliges governments to review and, where appropriate, reform all existing legislation which restricts competition by the year 2000.

### STATUS OF LEGISLATION REVIEW IMPLEMENTATION

The following tables describe progress made by agencies of the NT Government in reviewing legislation identified as containing provisions which may be anti-competitive.

# **Attorney-General's Department**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Building Societies Act and Regulations	<ul> <li>Registration of a Building Society (s.14(1))</li> <li>Registration of Building Societies (Reg 2)</li> <li>Licensing issues.</li> </ul>	Repeal the Act entirely to negate anti- competitive provisions.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	Yes	Repealed 27 May 1998. Building Societies are currently registered under the <i>Financial Institutions (NT) Code</i> as part of a national scheme of legislation.
Classification of Publications, Films and Computer Games Act	The Act is part of a national scheme which provides for the classification of films, videos, computer games and publications. It contains provisions which regulate the sale of such materials. Additionally, it contains a prohibition concerning the manufacture of 'X' style videos in the NT.	Departmental review.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	No	Draft report being finalised.
Commercial and Private Agents Licensing Act	<ul> <li>Commercial Agent's Licence (s.5(a))</li> <li>Process Server Licence (s.5©)</li> <li>Inquiry Agent's Licence (s.5(b))</li> <li>Private Bailiff Licence (s.5(d))</li> </ul>	Full public review.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	No	Report and Cabinet Submission with Attorney-General for approval.
Legal Practitioners Act	The Act provides for regulation of legal practitioners. It also contains various regulatory controls over the providers of indemnity insurance that may be provided to legal practitioners.	Public review. The review will also deal with the Legal Practitioners (Incorporation) Act, which imposes restrictions on who can own and control companies that provide legal services.		No	The review report is to be presented to the Attorney-General by 31 March 2000.  The review will take place concurrently with moves to develop a national legal services market.

# **Darwin Port Corporation**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Darwin Port Authority Act	Establishes the Darwin Port Authority. Prescribes functions and powers. Monopoly powers. Licensing arrangements and Fees  Issue of stevedoring licence. Charge for issue of renewal (Part II, s.17(p)(q)) Control of shipping movements in port. (Part III, s.29) Application for stevedoring licence (s.38) Cancellation or suspension of stevedoring licence by Minister (s.39) Exemption from local government charges (Part IV, s.45)	Stakeholder focused review.	To be finalised by 30 June 1998	No	The review consultant is finishing the report for submission to the Corporation by the end of January 2000.
Port By-Laws	Port management and control provisions. Prescribe changes for services Compulsory services and fees. Licensing issues. Compulsory pilotage for majority of vessels (Chapter V By-law 28) Fee for pilotage exemption certificates (By-law 36) Fee for renewal of pilotage exemption certificate (By-law 36 (c)) Fees for operating with exempt pilot (By-law 36 (f)) Pilotage Fees (By-law 52) Port dues (Navigation aids levy) (By-law 53)	Stakeholder focused review.	To be finalised by 30 June 1998	No	The review consultant is finishing the report for submission to the Corporation by the end of January 2000.

# **Department of Industries and Business**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Agent's Licensing Act	Real Estate Agent's Licence (s.11)     Agent's Representative Registration (s.12)     Conveyancing Agent's Licence	To be determined.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	No	Scheduled for review in first quarter of 2000. Background work commenced.
Auctioneer's Act	Auctioneer's Licence (s.4)     Auctioneer's Clerk Licence (s.8E)	Semi-public review.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	No	Draft final report being prepared.
Consumer Affairs and Fair Trading Act (NT Regulations) and Amendment Act 1996	Sundry fair play provisions re regulation of advertising, banning of potentially unsafe goods etc.  Travel Agent's Licence (Schedule 1)  Credit Providers Licence  Pawnbrokers and Second Hand Dealers Licence  Motor Vehicle Dealers Licence tow truck code	National reviews: travel agents provisions and credit providers provisions Remainder: to be determined.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	No	Travel Agents provisions – a draft Final Report has been prepared by the consultants (CIE). The draft report has been the subject of discussion between State and Territory officials, with requests for clarification of refinement being made of CIE.  Tow Truck provisions – Scheduled for review in the first quarter of 2000.  Motor Vehicle Dealers provisions – Scheduled for review in the first quarter 2000.
Dangerous Goods Act and regulations.	Sets requirements for the transport, storage and handling of dangerous goods. Business licences to manufacture, store, convey, sell, import or possess prescribed dangerous goods. (s.15-21)  Operators licences for:  drivers of dangerous goods vehicles (Reg 56) shotfirers (Reg 132) gas fitters (Reg 172) autogas fitters (Reg 202)	Legislation review subsumed into wider review process.	To be finalised by 30 Dec '96	Yes	Act to be repealed and replaced by new <i>Dangerous Goods Act.</i> New Act assented to 30 March 1998. Draft regulations are being prepared.

Department of Industries and Business cont...

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Electrical Workers and Contractors Act	Establishes Licensing Board  Electrical Worker Licence  Electrical Contractor Licence  Electrical Fitter Licence  Electrical Linesman Licence  Electrical Cable Joiner Licence  Refrigeration Mechanic Licence  Instrument Fitter Licence  Registration of Apprentices  Permits for Electrical Work (Part 3 various divisions)	To be determined.	To be finalised by 30 June 1997.	No	Scheduled for review in first quarter of 2000.
Gaming Control Act and Regulations.	Provides for regulation and control of gaming:  Trade Lotteries (s.39 and Regs) Approved Associations (s.38(2)) Foreign Lottery approval (s.40(2)) Casino Licence (s.16) Use and Possession of a Gaming Machine in a Club or Hotel (s.49 (1)(a)) Supply and Lease of a Gaming Machine (s.49(1)(b)) Assembly and Repair of a Gaming Machine (s.49(1)(c)) Novelty Gaming Machine (Regs, Various) Casino operatives licence (Part III Div 1, 2)	To be determined.	To be finalised by 30 June 1997.	No	Gaming Control (Community Gaming) Regulations to be completed before public consultation phase commences. Drafting instructions have been finalised and instructions issued. Draft Issues Paper being prepared.

### Department of Industries and Business cont...

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Gaming Machine Bill 1995	Provides for licensing of gaming machines in community venues - establishes limits and controls on numbers of machines and locations.	To be determined. Initiation of National Review of Gaming Industry noted.	To be finalised by 30 June '98	No	The Alder Report on the NT Gaming Machine Industry was released for public comment at the beginning of 1999. Awaiting Cabinet's decision on the recommendations made for reform of the community gaming machine regulation, prior to finalisation of NCP report on the new legislation that will flow from that decision.
Liquor Act	Provides for the regulation of the sale of alcohol.  Licence for the Sale of Liquor (s.24)  Special Licences (s.57)  Wholesalers of Liquor (s.113A)	Full independent public review.	To be finalised by 30 June 1998	No	Issues Paper completed and released.
Motor Vehicle Dealers Regulations	Motor Vehicles Dealers Licence Part X, Div 3, Sub Div A, s.132	To be determined.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	No	Scheduled for review in the first quarter 2000.
Pawnbrokers Act	Pawnbroker's Licence (s.18)	Legislation review subsumed into wider review process.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	Yes	Act repealed on 1 July 1998 and provisions included in Pawnbrokers and Second-hand Dealers provisions of the <i>Consumer Affairs and Fair Trading Act.</i> Those provisions are scheduled for NCP review in the first quarter of 2000.
Plumbers and Drainers Licensing Act	Advanced Tradesman's Licence (s.23) Journeyman Registration (s.22)	To be determined.	To be finalised by 30 June 1997.	No	Act transferred to this Department in March 1999. This Act is to scheduled for review mid 2000.

# Department of Industries and Business cont...

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Prices Regulation Act	Provides for the appointment of Controller of Prices who can declare maximum prices for services and goods prescribed by the Administrator.	To be determined.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	No	Draft issues Paper being prepared.
Prostitution Regulation Act	The Act obliges escort agents to be licensed and to comply with a wide range of conditions that may be imposed by the licensing authority. Additionally sex workers who provide sex services under agency agreements with escort agents must have an appropriate certificate from the Commissioner of Police. Brothels are illegal.	Departmental review.	Stage 1 by 30 June '97 Stage 2 by 30 June '98 Stage 3 by 30 June '99	No	Draft report being finalised.
Racing and Betting Act	Licensing issues  Sports Bookmakers Licence (s.70, 89) Racing Venue (s.37) Registration of Race Clubs (s.46) Registration of Trotting Clubs (s.53) Registration of Greyhounds (s.58) Totalisator Licence (s.111)	To be determined.	To be finalised by 30 June '98	No	Scheduled for review in the first quarter of 2000. Draft terms of reference prepared. Draft Issues Paper being prepared taking account of the Productivity Commission's Report on Australia's Gambling Industries, released in December 1999.
Racing and Betting Regulations	Regulates sports betting and bookmakers.  Bookmaker's Clerk Registration (Div.6) Bookmaker's Registration (s.102(2)(b)(ii))	To be determined.	To be finalised by 30 June '98	No	To be part of the review of the Racing and Betting Act. [ie Scheduled for review in the first quarter of 2000. Draft terms of reference prepared. Draft Issues Paper being prepared taking account of the Productivity Commission's Report on Australia's Gambling Industries, released in December 1999.]
Totalisator Administration and Betting Act	Grants sole rights to this form of betting.	To be determined.	To be finalised by 30 June 1998.	No	To be replaced by new Totalisator Licensing and Control Act, introduced in the October 1999 sittings. Treasury to undertake the NCP review of the new Act during 2000

### Department of Industries and Business cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Work Health Act and Work Health (Occupational Health and Safety) Regulations	Establishes Authority and sets requirements for occupational health and safety. Registration of the design of designated plant; pressure equipment, cranes and hoists, lifts, escalators and moving walks, amusement structures and scaffolding (Reg 93)  Licensing of operators: pressure equipment operation, crane and hoist operators, industrial truck operation, scaffolding, rigging and asbestos removal (Reg 15)  Workers compensation claims management	To be determined.  [Existing plant registration and operator licensing provisions were nationally considered and are to be retained.]	To be finalised by 30 June '98	No	This legislation has been earmarked for outsourcing to a consultant.

# Department of Lands, Planning and Environment

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Architects Act	Architect's Registration     Certifying Architects Registration     (Part 3)	Technically focussed public review.  National review.	To be finalised by 30 June 1997	No	Public review completed November 1999 but not referred to Cabinet for consideration. Commonwealth commissioned Productivity Commission to conduct national review scheduled for completion August 2000. DLPE review report provided to Productivity Commission in response to published Issues Paper November 1999.]
Building Act	Provides for the establishment of technical standards for buildings, the registration of practitioners and certifiers, the regulation of building matters (including the registration of building products) and granting of permits and establishes appeals processes.	Technically focused public review.	To be finalised by 30 June 1997.	No	Public consultation phase and consultant report complete October 1999. Review outcomes subject of draft Cabinet Submission circulated to agencies for comment November 1999. For Cabinet consideration first quarter 2000.
Licensed Surveyors Act	Surveyors licensing	Technically focused public review.	To be finalised by 30 June 1997.	No	Public consultation phase and consultant report complete October 1999. Review outcomes subject of draft Cabinet Submission circulated to agencies for comment November 1999. For Cabinet consideration first quarter 2000.
Ozone Protection Act; and regulations.	Environmental controls     Licence to Buy/Sell a Controlled     Substance (s.15)	Technically focussed public review. Review concluded that licences do not create barriers to entry and competition.	To be finalised by 30 June 1997	Yes	The review has been completed and endorsed by Cabinet. The Act has been repealed and the ozone protection provisions incorporated in the Waste Management and Pollution Control Act.

### Department of Lands, Planning and Environment cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Water Act	Provides for the investigation, use, control, protection, management and administration of water resources, and for related purposes.  Grant of Drilling Licence (s.49)  Underground Waste Disposal Licence. (s.63)  Wastage Discharge Licence (s.74)	Technically focussed public review.	Original date - To be finalised by 30 June 1997. [NCC formally advised of timing change]	No	Departmental review completed September 1999. Decision taken to subject the matter to public consultation. Selection process of consultant under way with completion of review and submission to Cabinet first half 2000.
Water Regulations	<ul> <li>Water Investigation Permit (s.5)</li> <li>Permit to Construct or Alter Water Works (s.6)</li> <li>Bore Construction Permit (s.7)</li> <li>Licence to Take/Use Surface Water (s.8)</li> <li>Licence to Take Ground Water (s.9)</li> </ul>	Technically focussed public review.	Original date – To be finalised by 30 June 1997. [NCC formally advised of timing change]	No	Departmental review completed September 1999. Decision taken to subject the matter to public consultation. Selection process of consultant under way with completion of review and submission to Cabinet first half 2000.

# **Department of Local Government**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Caravan Parks Act	Regulates caravan parks. Only applies to some parts of the Northern Territory. May create anti-competitive effects between controlled and uncontrolled areas.	Stakeholder focussed review.	To be finalised by December 1997.	No	Review suspended pending outcome of Departmental recommendation to repeal this Act.
Cemeteries Act and regulations	Provides for the establishment (s.6), maintenance and control of cemeteries. Approval for establishment of cemeteries by the Administrator. No clear guidelines on approvals – could be applied anti-competitively.	Stakeholder focussed review.	To be finalised by 30 June 1997.	No	Review to be reformatted and expanded to satisfy reporting requirements. Recommendations will include an amendment to the Act to enable crematoriums to be established outside public cemeteries.
Hawkers Act	Provides for the licensing of hawkers (s.4)	Stakeholder focussed review.	To be finalised by 30 June 1998.	No	Review suspended pending outcome of Departmental recommendation to repeal this Act. [The Department of Local Government considers there are probably sufficient safeguards in recent consumer and fair trading legislation to enable repeal of this Act.]
Housing Act	Establishes Housing Commission and provides for letting and sale of dwellings.	Stakeholder focussed review.	To be finalised in December 1998.	No	Review now to be reformatted and expanded to satisfy revised reporting requirements, including establishment of departmental steering committee.
Local Government Act regulations and By-Laws.	Provides for constitution of municipalities and community government areas, the election of self-governing authorities to control municipalities and community government areas and provides for a similarity of power and function between self-governing authorities.	Stakeholder focussed review.	To be finalised by 30 June 1997.	No	Review to be reformatted and expanded to satisfy reporting requirements. Review of Councils by-laws completed.
Places of Public Entertainment Act	Controls places of public entertainment  – Public Entertainment Licence (s.6)	Stakeholder focussed review.	To be finalised by 30 June 1998.	No	Review suspended pending outcome of Departmental recommendation to repeal this Act.

# **Department of Mines and Energy**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Mining Act	Creates a regime for the valid grant of mining tenure in the NT, together with ongoing regulation  • Miner's Right (s.9)  • Exploration Licence (Div 2, s.16)  • Exploration Retention Licence (s.38)  • Mineral Leases (Part VI)  • Mineral Claims (Part VII)  • Extractive Mineral Lease (Part VIII)  • Extractive Mineral Permit (Part VIII)	Proposed full independent public review. Anticipated commencement May 2000.	To be finalised by 30 June 1997.	No	Delayed due to amendments arising during 98/99 from the proposed NT alternative scheme for native Title. The Senate has still not approved the NT Alternative Scheme. Review to commence in May 2000 and be conducted by a consultant.
Mine Management Act	Regulation of Occupational Health and Safety in Mining.	The Government has agreed to repeal the current Act and for it to be replaced by a new Mine Management Act. The new legislation will incorporate appropriate provisions of the Uranium Mining (Environmental Control) Act, which is also to be repealed	To be finalised by 30 June 1997.	No	The Government has agreed to repeal the current Act and for it to be replaced by a new Mine Management Act, for introduction during the August 2000 sittings of the Legislative Assembly. The new Act will incorporate appropriate provisions of the UMEC Act, that is also to be repealed.
Oil Refinery Agreement Ratification Act	Provides legislative basis for arrangements between Government and Mereenie. Contains possible restrictions on third parties.	Departmental review. No impediments to competition identified.	To be finalised by 30 June 1998	No	Draft report of the review has been completed but the central agencies have requested further amendments so the review fully complies with the NCC principles. The revised report will be submitted to an independent review panel for further assessment.

# Department of Mines and Energy cont...

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Petroleum Act	Regulates exploration and recovery of petroleum in NT. Grants exclusive rights, technical and financial prescriptions. Possible Part IV concerns.	Full independent public review.  The Act contains anti-competitive provisions by imposing a system requiring petroleum miners to seek a permit/lease to explore and mine for petroleum. These provisions restrict the miners' ability to operate under terms and conditions determined by the operator. Retention of the provisions is justified on the basis of community benefit, as the regulation provides for the orderly exploitation of the Crown's resource, in the best interests of the community. The legislation also ensures that successful bidders for permits/leases act immediately on the rights granted to explore/mine, so the scheme is not used as a mechanism to lock away and reserve potential resources and deny competitors access to resources for exploitation.	To be finalised by 30 June 1998	No	Draft report of the review has been completed but the central agencies have requested further amendments so the review fully complies with the NCC principles. The revised report will be submitted to an independent review panel for further assessment.
Petroleum (Prospecting and Mining) Act	Regulates exploration and recovery of petroleum in NT. Grants exclusive rights, technical and financial prescriptions. Possible Part IV concerns	Act repealed and replaced by the Petroleum Act.	To be finalised by 30 June 1998	Yes	The legislation has been repealed and replaced by <i>Petroleum Act</i> .
Petroleum (Submerged Lands) Act	Regulates exploration and recovery of petroleum in NT territorial seas. Grants exclusive rights, technical and financial prescriptions.	Full independent public review. National review.	To be finalised by 30 June 1999.	No	National review commenced and intended for completion by June 2000 with each jurisdiction reporting to respective Cabinets by August 2000.

### Department of Mines and Energy cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Uranium Mining (Environment Control) Act	Controls uranium mining in the Alligator Rivers Region. Imposes restrictions, conditions, requirements that could discourage innovation, add to costs etc.	Commenced full public review but now suspended as the Act is to be repealed and replaced by a new Mine Management Act. The new Act will Incorporate appropriate provisions of the repealed UMEC Act.	To be finalised by 30 June 1998.	No	The review has been suspended following a decision by the Government to repeal the Uranium (Environmental Control) Act and the Mine Management Act. These Acts will be replaced with new legislation. It is anticipated that the new Act will be introduced during the August 2000 sittings of the Legislative Assembly.

### **NT Treasury**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Business Franchise Act	Licence to sell Tobacco or Petroleum Products (s.14)	Licensing and registration requirements are considered necessary features of revenue legislation. Licensing creates no barriers to entry, or additional rights for licensees or registered persons. The fees paid operate as a cost of doing business, and therefore do not restrict competition.	To be finalised by 30 June 1998	Yes	Recommendation endorsed by Cabinet in July 1998.  Operation of this Act is suspended on commencement of <i>Business Franchise Act (Suspension of Operation) Act.</i> Commencement subject to <i>Fuel Subsidy Act</i> (assented to December 1998).
Energy Resource Consumption Levy Act	Part 2: Energy Resource Consumption Levy. Requirement for any bulk consumer of levy oil to register under the Act (s.7)	The Act/Registration arrangement is an administrative procedure designed to facilitate the collection of the Energy Resource Consumption Levy only. It does not operate in any way to restrict competition.  No evidence of restriction on competition in the Act.	To be finalised by 30 June 1997	Yes	Recommendation endorsed by Cabinet in July 1998.
Financial Institutions Duty Act	<ul> <li>Registration as a Financial Institution for FID (s.12)</li> <li>Certification as a Short Term Dealer (s.14)</li> </ul>	Licensing and registration requirements are considered necessary features of revenue legislation. Licensing creates no barriers to entry, or additional rights for licensees or registered persons. The fees paid operate as a cost of doing business, and therefore do not restrict competition.  No evidence of restriction on	To be finalised by 30 June 1998	Yes	Recommendation endorsed by Cabinet in July 1998.

# NT Treasury cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Financial Management Act	<ul> <li>Part 5: Funds Management:</li> <li>Requirement to open the Northern Territory Government Account at a Bank (s.27) Treasurer's Direction Part 1, Section 2 further defines a Bank to include "any organisation providing financial services and includes banks, credit unions, building societies and similar organisations". The legal effect of the definition of a bank, as it applies to the Financial Management Act needs to be clarified.</li> <li>Requirements for determining suitable financial institutions and instruments for investing Government funds (s.29(2)). Requirement for deposits to be made with a financial institution with a suitable published credit rating would exclude financial institutions without a published credit rating.</li> </ul>	Anti-competitive effect of s.27 removed by the passage of the <i>Financial Institutions (Miscellaneous Amendments) Act 1997.*</i> S.29 of the Act constitutes a restriction on the investment of government funds (s.29 defines institutions/instruments that Territory funds can be invested in). This is arguably distorting the competitive conduct of firms in the financial sector. However, the benefits that accrue to both Government and the taxpayer, in terms of accountability, outweigh the relatively minor costs associated with the investment guidelines. This public benefit is ground for justification under clause 5(1) of the CPA.	To be finalised by 30 June 1997	Yes	Recommendation endorsed by Cabinet in July 1998.
Pay-Roll Tax Act	Pay-Roll Tax Register (s.12)	Licensing and registration requirements are considered necessary features of revenue legislation. Licensing creates no barriers to entry, or additional rights for licensees or registered persons. The fees paid operate as a cost of doing business, and therefore do not restrict competition.  No evidence of restriction on competition in the Act.	To be finalised by 30 June 1998	Yes	Recommendation endorsed by Cabinet in July 1998.

# NT Treasury cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review	Review	Position at 31 December 1999
			Scheduled	Obligation	
				Finalised	

Taxation	Registration as an Accommodation	Licensing and registration requirements	To be finalised	Yes	Recommendation endorsed by Cabinet
(Administration) Act	<ul> <li>House (s.80c)</li> <li>Registration as a Lender (Div 13, s.72)</li> <li>Registration of a Financial Institution</li> </ul>	are considered necessary features of revenue legislation. Licensing creates no barriers to entry, or additional rights for licensees or registered persons.	by 30 June 1998		in July 1998.
	for Electronic Debit Transaction Duty (s.29M)  Registration of Insurers (Div 6, s.40)	doing business, and therefore do not restrict competition.			
	<ul> <li>Registration of Life Insurers (Div 7, s.46)</li> </ul>	No evidence of restriction on competition in the Act.			

#### Parks and Wildlife Commission of the NT

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Territory Parks and Wildlife Conservation Act	Establishes parks and reserves and protects/conserves wildlife etc  Licence to conduct scientific research or investigation (s.111)  Permit to Trade in Live Vertebrate Wildlife (s.33)  Permit to Take a Live Protected Animal (s.29)  Importing/Exporting of Vertebrate Wildlife of the Northern Territory (s.34)	Appear to be no anti-competitive restrictions in this Act.	To be finalised by 30 June 1997	Yes	Review results considered by Cabinet in November 1998. Cabinet endorsed outcome of Review.

# Police, Fire and Emergency Services

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Firearms Act	<ul> <li>Armourer's Licence (s.20)</li> <li>Dealers Licence (s.17)</li> <li>Shooters Licence- Security Firms (s.28, 29)</li> <li>Shooting Gallery Licence (s.31)</li> </ul>	The current Act clearly contains restrictions on competition. However, given these reflect the national consensus on firearms ownership, the National Competition Council considers that these have already satisfied the net community benefit test in the Competition Principles Agreement.	To be finalised by December 1998 (Now not applicable)	Yes	Review will not be conducted.

# **Power and Water Authority**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Electricity Act	An Act to control the generation and safe use of electricity  Control over reselling of electricity - s.14(5) Part IV conflicts.  Sale, resale prohibited without licence - s.27 affects competition, restricts entry.  Prohibits certain uses of electricity - s.29 Part IV concerns.  Price fixing in relation to licensee - s.30 Part IV concerns and possibly reduces contestability.  Liability limitation (s.32) - possible competitive neutrality.  Act binds the Crown (s.38).  Regulation making powers (s.39).  Licensing elements:  Authorisation of electrical inspectors (s.19);  electrical equipment controls;  appointment of licensees; and  By-laws for regulating standards and electrical supply s.21- 26.	Departmental review subject to NCC endorsement (including NCC public exposure process) of the proposed regulatory framework plus public comment on the draft regulatory principles and draft determinations on regulated charges issued by the NT Utilities Commission.  In June 1999 Cabinet approved the transfer of electrical inspectors from the Power and Water Authority to the Department of Industries and Business. The required legislative amendments were introduced in the June 1999 sittings of the Legislative Assembly.	To be finalised by 30 June 1997	Yes	The review of this Act has been completed. The Electricity Act and Regulations have undergone extensive review in the course of developing policy for the introduction of electricity market contestability on 1 April 2000. The legislation consists of the following package recently introduced into the Legislative Assembly:  1. Electricity Reform Act 2. Power and Water Authority Act 3. Networks (Third party) Access Act 4. Utilities Commission Act. It is anticipated that this legislation will be passed in February 2000. This will fulfil the NCP legislative review requirements in respect of the electricity industry.

### Power and Water Authority cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Power and Water Authority Act	Establishes the Power and Water Authority and prescribes powers and responsibilities etc. Functions and powers of the Authority - gives control of provision and supply etc of electricity in the Territory. Exemption from rates - competitive neutrality issue. Price fixing regarding the Authority's agents - possible pt IV conflict. Regulation making powers - statutory power. Exemption from charges - competitive neutrality issue (s.14, 15, 19, 25(b) and 33)	There are consequential amendments as a result of the review of the Electricity Act and the Water Supply and Sewerage Act. (The review process followed for the two Acts has differed.) For the Electricity Act, the review process was through a Departmental Review subject to NCC endorsement (including NCC public exposure process) of the proposed regulatory framework plus public comment on the draft regulatory principles and draft determinations on regulated charges issued by the NT Utilities Commission. For the Water Supply and Sewerage Act, the review process was a stakeholder focussed public review.	To be finalised by 30 June 1997.	No	Amendments consequential to the review of the Electricity Act have recently been introduced into the Legislative Assembly. Further consequential amendments may be introduced following the recently commenced review of the Water Supply and Sewerage Act. A timetable has been set for the completion of this review:  1. Completion of review – late January 2000 2. Drafting of legislative amendments – February/March 2000 3. Introduction of legislation to Parliament – May 2000 4. Legislation passed by Parliament – June 2000 (August 2000 at the latest) This will fulfil the NCP legislation review requirements in respect of the water and wastewater industries. The NCC has been advised that the revised water and wastewater legislation will be enacted by July 2000. Consequential amendments to the Power and Water Authority Act will be introduced into the Legislative Assembly in June 2000 for passage in August 2000.

### Power and Water Authority cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Water Supply and Sewerage Act	Relates to the provision of sewerage and water services and associated matters.  Liability waivers (s.9) - statutory powers above pt IV.  Declaration of sewered, water supply and water supply extension areas. (s.12/s.13) - statutory powers above pt IV.  Power to assess consumption (s.32) - statutory powers above pt IV.  Price fixing within declared area (s.33) - pt IV concerns, reducing contestability.  Appointment of inspectors at large (s.42) - licensing issue.  Regulation of various matters (s.38, 53, 57, 58, 59, 62, 64, 66 and 68) - regulatory systems which may reduce contestability.  Regulation making powers (s 76).	In 1996, Water Resources was transferred to the Department of Lands, Planning and the Environment. This included functions such as water resource planning, plumbing regulatory functions and inspectors.	To be finalised by 30 June 1997.	No	PAWA is currently co-ordinating a review of the Act with a view to separating the regulatory and service functions. These changes are expected to complement those changes reflected in the revised electricity. Act. A timetable has been set for completion of the review:  1. Completion of review – late January 2000 2. Drafting of legislative amendments – February/March 2000 3. Introduction of legislation to Parliament – May 2000 4. Legislation passed by Parliament – June 2000 (August 2000 at the latest) This will fulfil the NCP legislation review requirements in respect of the water and wastewater industries. The NCC has been advised that the revised water and wastewater legislation will be enacted by July 2000. Revisions to the Water Supply and Sewerage Act will be introduced into the Legislative Assembly in June 2000 for passage in August 2000.

### **Department of Primary Industry and Fisheries**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Abattoirs and Slaughtering Act and Regulations	Establishes licensing regime and standards for premises etc  Slaughter of Buffalo (Reg 7)  Abattoir Licence (Reg 5)	Consultation with the meat industry undertaken to review proposals to incorporate the Act into the <i>Meat Industries Act</i> .  Resulting recommendation to repeal the Act with the commencement of the <i>Meat Industries Act</i> .	To be finalised by 30 June 1997	Yes	Repealed and replaced with <i>Meat Industries Act</i> which commenced 10 December 1997.
Agricultural and Veterinary Chemicals (NT) Act	To apply certain laws of the Commonwealth relating to agricultural and veterinary chemical products as laws of the Northern Territory	National Review.	Date not set	No	National Review completed. The recommendations were considered by an inter-governmental Signatories Working Group appointed by SCARM, and the draft response of that Working Group has been sent to COAG's Committee on Regulatory Reform.
Fisheries Act	Permits and special permits s.16, 17	Full independent public review. A national scoping paper was prepared in liaison with other jurisdictions at the beginning of 1998.	To be finalised by 30 June 1997	No	Due to some problems with the initial review, consultants will be commissioned to undertake a review of the Fisheries Act, Fisheries Regulations and Management Plans. Proposed date of completion of review – June 2000. Proposed date of Submission of review report to Cabinet - July 2000.

# **Department of Primary Industry and Fisheries cont.**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review	Review	Position at 31 December 1999
			Scheduled	Obligation Finalised	
Fisheries Regulations	Licensing and management of fisheries. Commercial Fishing Proposal Part 6: Div 2 Aquarium Licence Part 3: Div 12 Fish Traders Licence Various Aquaculture Licence re: Waste Disposal s.171(f) Licence to Process Fish s.59, 144 Permit to Import Fish or Aquatic Life s.26 Aquaculture Licence Part 10: Div 2 Commercial Fishing Licence Part 7: Div 1 Coastal Line Fishery Licence Part 8: Div 1; Coastal Net Fishery Licence Div 2; Bait Net Fishery Licence Div 3; Spanish Mackerel Fishery Licence Div 4; Shark Fishery Licence Div 5; Demersal Fishery Licence Div 8; Mollusc Fishery Licence Div 9; Pearl Oyster Fishery Licence Div 10; Fixed Trap Fishery Licence Div 11; Aquarium Fishing/Display Div 12 Fishery Licence; Trepang Fishery Licence Div 13; Development Licence Div 14 Fish Trader/Processor Part 9: Div 2; Fish Retailer Div 3; Fish Broker Div 4 Aquaculture Licence Part 10: Div 2; Pearl Oyster Culture Industry Licence Div 3 Aboriginal Coastal Licence Part 11: Div 2; Fishing Tour Operator Licence Div 4; Net Licence Div 5 Timor Reef Fishery Licence Part 8: Div 15; Finfish Trawl Fishery Licence Div 16; Jigging Fishery Licence Div 17	Full independent public review. A national scoping paper was prepared in liaison with other jurisdictions at the beginning of 1998.	To be finalised by 30 June 1997	No	Due to some problems with the initial review, consultants will be commissioned to undertake a review of the Fisheries Act, Fisheries Regulations and Management Plans. Proposed date of completion of review – June 2000. Proposed date of Submission of review report to Cabinet - July 2000.

# Department of Primary Industry and Fisheries cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Grain Marketing Act	Establishes Board	Dissolution of the Grain Marketing Board will remove unfair competitive advantage in Australian Industry. The dissolution of the Grain Marketing Board will allow market forces to prevail and encourage rationalisation of the Northern Territory grain industry.	To be finalised by 30 December 1996	Yes	Recommendation endorsed by Cabinet. Act repealed 5 February 1997. Dissolution of Grain Marketing Board.
Meat Industries Act 1997	Meat Industries Act commenced 10 December 1997. It implements national standards and reforms.	Departmental review. Review coincided with national food industry standards review.	Date not set	No	Review coincided with national food industry standards review. Results of review are progressing to Cabinet for approval. Cabinet Submissions are still being drafted to update Cabinet on progress. A proposed amendment to the Act to facilitate the production of meat for purposes other than for human consumption or for pet meat, has been addressed in the review.
Pet Meat Act	Licensing of slaughtering processing and storage of pet meat, standard of premises etc.  Slaughter for Pet Meat (s.14) Process of Pet Meat (s.18)	Consultation with the meat industry undertaken to review proposals to incorporate the Act into the <i>Meat Industries Act</i> .  Resulting recommendation to repeal the Act with the commencement of the <i>Meat Industries Act</i> .	To be finalised by 30 June 1997	Yes	Repealed with commencement of <i>Meat Industries Act</i> on 10 December 1997.
Stock (Artificial Breeding) Act and Regulations.	<ul> <li>Use of imported semen (Reg 6)</li> <li>Inseminator's Licence (Reg 17)</li> <li>Unlicensed semen (Reg 20)</li> <li>Semen collection/distribution (Reg7)</li> <li>Approved sires (s.5)</li> </ul>	Act could be seen as having anti- competitive provisions. Industry agrees with repeal of Act.	To be finalised by 30 June 1997	Yes	Act repealed by Stock (Artificial Breeding) Repeal Act 29 December 1998.
Veterinarians Act	Establishes registration board. Registration as a veterinarian (Part 3, Div 2, s.13)	Departmental review.	To be finalised by 30 June 1998.	No	Proposed date of completion of review  – end of 1999. Proposed date of submission of review report to Cabinet March 2000.

### **Territory Health Services**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Community Welfare Act	Provides for the protection and welfare of children etc. Licensing of Child Care Centres (Div 2)	Public review.	To be finalised by 30 December 1998.	No	The review is progressing and is expected to be completed by 30 April 2000.
Dental Act	Establishes Registration Board and registration requirements Registration as a:  Dental Hygienist  Dental Specialist  Dental therapist  Dentist (s.14 (a) to (d))	Public review.	To be finalised 30 December 1997.	No	The review is progressing and is expected to be completed by 30 April 2000.
Food Act	Provides standards for preparation and sale of food etc. Registration of a Food Vending Machine (s.13(6), 13(7))	National Review.	To be finalised 30 December 1997.	No	Subject to National review progress.
Health Practitioners and Allied Professionals Registration Act	Registration as a:      Aboriginal Health Worker (s.24)     Chiropractor (s.35)     Occupational Therapist (s.38)     Osteopath (s.39)     Physiotherapist (s.40)     Psychologist (s.41)	Public review.	To be finalised 30 December 1997.	No	The review is progressing and is expected to be completed by 30 April 2000.
Medical Act	Establishes Medical Registration Board.  Licence to be a Medical Practitioner (s.31)	Public review.	To be finalised 30 December 1997.	No	The review is progressing and is expected to be completed by 30 April 2000.
Medical Services Act	Provides rules for the conduct of medical services in public hospitals and nursing homes Entry conditions, pricing	Public review.	To be finalised 30 December 1997.	No	The review is progressing and is expected to be completed by 30 April 2000.

# Territory Health Services cont...

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation	Position at 31 December 1999
Mental Health Act	Provides for the care and treatment of the mentally ill.	General review undertaken (NCP Review was included in wider review of the Act). Resulting recommendation to repeal and replace with <i>Mental Health and Related Services Act</i> . The new Act will apply equally to private and government sectors, and take account of the need to meet national standards and accreditation requirements but will not restrict innovation or entry of goods and services provided standards are met.	To be finalised by 30 December 1996	Yes	Act repealed by the Mental Health and Related Services Act.
Nursing Act	Establishes Registration Board Registration as a:      General Nurse     Child Welfare Nurse     Psychiatric Nurse     Mental Deficiency Nurse Enrolment as a:     Enrolled Nurse     Mothercraft Nurse Application for Enrolment	Act repealed and replaced with the Nursing Act 1999.	To be finalised by 30 December 1996	Yes	Potentially anti-competitive registration provisions in Nursing Act 1999, to be considered in subsequent review.
Optometrists Act	Establishes Registration Board     Registration as an Optometrist     (s.29)	Public review.	To be finalised 30 December 1997.	No	The review is progressing and is expected to be completed by 30 April 2000.
Pharmacy Act	Establishes Registration Board Registration as a Pharmacist (s.19)	National Review.	Original date – To be finalised by 30 December 1996 [NCC formally advised of timing change to 30/6/99]	No	NT review deferred as this Act is part of a national review.

**Territory Health Services cont.** 

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Poisons and Dangerous Drugs Act	Sets out controls for manufacture, wholesale, retail sales. Principally licensing issues:  Possession of Medical Kit  Drugs (s.42)  Registration of a Pesticide(s.52A)  Pest Control Operator (s.55)  Registration as a Poisons Wholesaler (s.17)  Registration as a Poison's Retailer (s.23)  Possession of Poisons (Part 4, s.27)	National Review.	To be finalised by 30 June 1997.	No	Subject to National review progress
Private Hospitals and Nursing Homes Act	Provides for licensing of private hospitals and nursing homes.	Public review.	To be finalised by 30 December 1998.	No	The review is progressing and is expected to be completed by 30 April 2000.
Public Health (Barbers' Shops) Regulations	Registration of a Barbers Shop (s.5)	Public review.	To be finalised by 30 December 1998.	No	The review is progressing and is expected to be completed by 30 April 2000.
Public Health (Shops, Eating-Houses, Boarding Houses, Hotels and Hostels) Regulations	<ul> <li>Registration of a Boarding House (s.35, 36)</li> <li>Registration of an Eating House (s.12,13)</li> </ul>	Public review.	To be finalised by 30 December 1998.	No	The review is progressing and is expected to be completed by 30 April 2000.
Radiation (Safety Control) Act	Registration of Irradiating Apparatus (s.29)	National Review.	To be finalised by 30 December 1998.	No	Subject to national review progress.
Radiographers Act	Establishes Registration Board     Registration as a Radiographer (s.11)	Public review.	To be finalised 30 December 1997.	No	The review is progressing and is expected to be completed by 30 April 2000.

**Territory Insurance Office** 

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Motor Accidents (Compensation) Act	Establishes a no-fault compensation scheme, prescribes rates of benefit, abolishes certain common law rights. A key issue in terms of NCP is TIO's role as sole administrator of the Motor Accidents (Compensation) Scheme (MACA).	Stakeholder focussed independent review.	To be finalised by 30 June 1997.	No	Legal advice obtained by Treasury has highlighted significant differences between MACA and a third party insurance scheme. These differences support the case for continuation of the existing government monopoly. The National Competition Council intended to commission a national review of legislation governing compensation schemes, to be conducted by the Productivity Commission, in response to problems with reviews in other jurisdictions. However COAG Senior Officials met in November 1999 and agreed that such a review would not be conducted. TIO and Treasury now need to initiate an independent review of the Act in the context of NCP guidelines.

# **Territory Insurance Office cont.**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Territory Insurance Office Act	Establishes Territory Insurance Office to carry out certain insurance and related business and provide financial, business and other services. Confers monopoly on motor vehicle accident insurance, acts as the insurer of Territory assets and liabilities. Ministerial discretion on extent of financial activity (s.30) Government guarantee.	Stakeholder focussed independent review.	To be finalised by 30 June 1997.	No	An internal review of the legislation to identify those sections, which may be viewed as restricting competition in terms of National Competition Policy (NCP), was undertaken. Treasury also obtained legal advice on the extent to which certain sections of the legislation might contravene NCP and any significant issues, which require more detailed review. The issues to be addressed have been narrowed down to:  TIO's role as insurer in respect of the assets and prospective liabilities of the Territory and statutory corporations - section 5(a); TIO's role as administrator of any motor accident compensation scheme established by or under an Act – section 5(c); and the existence of the NT Government guarantee -section 30.  Legal advice received indicates that sections 5(a) and 5(c) are redundant and can be removed from the Act. TIO and Treasury will now address these sections now that national review of legislation governing compensation by the Productivity Commission will not be conducted. In relation to the NT Government Guarantee (section 30), Treasury commissioned a consultant to value the guarantee in order to enable an explicit fee to be charged to TIO for its existence.

### **Trade Development Zone Authority**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Trade Development Zone Act	Licence to Operate in the Trade Development Zone (s.21,28)	Stakeholder focussed public review.	To be finalised by 30 June 1997.	No	TDZA undertook a desktop review and subsequently decided to engage an independent consultant to complete a stakeholder focussed public review. The Consultant will be appointed by mid April 2000 with the review to be completed by end June 2000 with full report completed by mid July 2000

# **Department of Transport and Works**

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Commercial Passenger (Road ) Transport Act	Tourist Vehicle Licence (s 52) Accreditation of commercial passenger operator (Part 3) Taxi Licensing (Part 4):	Full independent public review.	To be finalised by 30 June 1998.	No	The draft report of the review is expected to be finalised in January 2000. Submission to Cabinet is expected by March 2000.
Marine Act and regulations.  Marine (Pilotage) Regulations  Marine (Hire-and-Drive Vessel) Regulations  Marine (Examinations and Certificates) Regulations	Licensing of certain commercial operations (part V)     Certificate of Survey (s.79(a))     Permit for operation of Hire-and Drive Vessel (s.4)     Certificate of Competency (Coxswain) (Schedule 3)     Certificate of Competency (masterclass - all) (Reg 9)	Stakeholder focussed review.	To be finalised by 30 June 1997	No	Review completed. The Department has received the consultant's report and the recommendations are being considered. The results are being progressed for Cabinet perusal.

### Department of Transport and Works cont.

Name of Legislation	Description of Legislation/restriction	Description/Comment on review	Review Scheduled	Review Obligation Finalised	Position at 31 December 1999
Motor Vehicles Act	<ul> <li>Motor omnibus licence (s.10(2))</li> <li>Pastoral Vehicle Permit (s.137B)</li> <li>Driving Instructor's Licence (25B)</li> <li>Commercial passenger vehicle licence</li> </ul>	Internal review considered sufficient because of the nature of the Act and because the Department has extensive formal and informal consultation processes in place for the Act.	To be finalised by 30 June 1997.	No	The review of the Motor Vehicles Act, except for Part V and section 137B, has been completed. Cabinet endorsed the review report and:  • agreed that while certain elements of the Act are anti-competitive, the results of a public benefit test show that the restrictions are in the public interest; and  • noted that a separate review is being undertaken of Part V and Section 137B (which deal with motor accident compensation).

### 1.2 COMPETITIVE NEUTRALITY: CLAUSE 3 OF THE CPA

### **REFORM COMMITMENT**

Clause 3 of the CPA obliges governments to introduce competitive neutrality principles, where appropriate, for significant government business activities. Clause 7 of the CPA extends the obligation to apply competitive neutrality policy and principles to significant local government business activities.

### STATUS OF REFORM IMPLEMENTATION

In accordance with its 1<sup>st</sup> tranche commitments, the Northern Territory Government published its Statement on Competitive Neutrality in Budget Paper No. 5, 1996-97.

Implementation of competitive neutrality in the Northern Territory has principally been delivered through the commercialisation of Government Business Divisions (GBDs).

The list of GBDs operating in the Territory as at 31 March 2000 was:

- 1. Power and Water Authority
- 2. Darwin Port Corporation (formally Darwin Port Authority)
- 3. NT TAB
- 4. Darwin Bus Service
- 5. Territory Housing Business Services (formerly NT Housing)
- 6. Government Printing Office
- 7. NT Fleet
- 8. NT Construction Agency
- 9. Information Technology Management Services
- 10. Territory Wildlife Parks (including Territory Wildlife Park and Alice Springs Desert Park)
- 11. Territory Discoveries

On 30 June 1999, the former International Project Management Unit (IPMU) ceased operations. Some non-commercial functions previously carried out by IPMU are now undertaken by the Department of Asian Relations and Trade.

In addition, the above list includes a new GBD, Territory Discoveries, which was established on 1 July 1999. Territory Discoveries is the Northern Territory Tourist Commission's tourism wholesaling operation, aimed at increasing tourism activity in the Territory. The Government established Territory Discoveries as a GBD because the wholesale operations are regarded as a significant business activity that is in competition with private sector providers.

The Territory Insurance Office (TIO) is a Territory Government owned statutory corporation supplying insurance and financial services. While not a GBD, the TIO is corporatised and is subject to the Territory Government's policy statement on competitive neutrality.

### **GBD REFORM**

Reform of the Territory's GBDs has been undertaken in two stages.

Stage 1 was completed by 1 July 1997. It included the identification and classification of significant business activities as GBDs, and the application of competitive neutrality and commercial principles to GBDs. In summary, GBDs are required to:

- pay tax equivalents under the Northern Territory Tax Equivalents Regime;
- pay the cost of all resources used in service provision;
- pay debt costs including debt guarantee fees to the Northern Territory Treasury Corporation;
- identify and cost Community Service Obligations (CSOs); and
- ensure prices charged fully reflect costs.

Stage 2 of the reform process has been undertaken over the past eighteen months. In the lead-up to the 1999-00 Budget, the Territory Government endorsed a range of changes to the GBD policy framework. These focused on three key areas:

- CSOs:
- · capital structures and dividends; and
- performance monitoring.

The Territory Government's CSO policy has been tightened and made more transparent to ensure that the Government is getting value for money and that GBDs are compensated for the CSOs they are directed to provide. To a large extent, the revised policy statement reiterates previous Government policy and practice in relation to CSOs. However, it includes improvements to the measurement of the cost of CSOs, the approval process, the purchaser-provider framework and accountability mechanisms for the delivery of CSOs.

Under the Government's formal dividend policy statement for GBDs, a commercial approach is adopted to the determination of dividends. Ordinary dividends are now based on a benchmark of 50 per cent of after-tax profit, but with scope for a higher or lower figure depending on factors such as the liquidity and capital requirements of the GBD. There is also provision for the payment of special dividends in certain circumstances. Appropriate capital (debt-equity) structures for GBDs are being considered during 1999-00.

In addition, the Government has made significant changes to its performance monitoring regime for GBDs. A key element of the revised regime is an annual GBD performance report prepared by Treasury. The report includes a time series of relevant economic, financial and non-financial performance indicators, and analysis and interpretation of the indicators. The indicators reported include several measures that are more market-based (including economic rate of return and shareholder value added).

COMPLAINTS HANDLING AND IMPLEMENTATION OF RECOMMENDATION OF COMPLAINTS MECHANISMS

The Northern Territory Treasury currently handles all complaints regarding breaches of the Territory's competitive neutrality policy. As at 31 December 1999, Treasury had received one formal complaint.

As reported in the Territory's 1998 Annual Report, on 22 March 1999 the Australian Council of Tour Wholesalers submitted a complaint against the business operations of the Northern Territory Tourist Commission (NTTC). As noted in the previous section, to address competitive neutrality issues, the Government established Territory Discoveries as a GBD. Outstanding issues related to the establishment of Territory Discoveries are being addressed during the 2000-01 Budget process.

### 1.3 STRUCTURAL REFORM: CLAUSE 4 OF THE CPA

### **REFORM COMMITMENT**

Clause 4 of the CPA requires that where competition is to be introduced into a sector traditionally supplied by a public monopoly, each party must remove from the public monopoly any responsibilities for industry regulation. If the monopoly is to be privatised or competition to be introduced, a review must be undertaken into the appropriate structural form and commercial objectives for the organisation in the new environment.

### **COMPETITION PRINCIPLES AGREEMENT 1995**

- 4. (1) Each Party is free to determine its own agenda for the reform of public monopolies.
  - (2) Before a Party introduces competition to a sector traditionally supplied by a public monopoly, it will remove from the public monopoly any responsibilities for industry regulation. The Party will re-locate industry regulation functions so as to prevent the former monopolist enjoying a regulatory advantage over its (existing and potential) rivals.
  - (3) Before a Party introduces competition to a market traditionally supplied by a public monopoly, and before a Party privatises a public monopoly, it will undertake a review into:
    - (a) the appropriate commercial objectives for the public monopoly;
    - (b) the merits of separating any natural monopoly elements from potentially competitive elements of the public monopoly;
    - (c) the merits of separating potentially competitive elements of the public monopoly;
    - (d) the most effective means of separating regulatory functions from commercial functions of the public monopoly;
    - (e) the most effective means of implementing the competitive neutrality principles set out in this Agreement;
    - (f) the merits of any community service obligations undertaken by the public monopoly and the best means of funding and delivering any mandated community service obligations;
    - (g) the price and service regulations to be applied to the industry; and
    - (h) the appropriate financial relationships between the owner of the public monopoly and the public monopoly, including the rate of return targets, dividends and capital structure.

### STATUS OF REFORM IMPLEMENTATION

Clause 4 of the Competition Principles Agreement, structural reform, is relevant to the Power and Water Authority (PAWA). PAWA is a public monopoly established by the *Power and Water Authority Act* to provide electricity, water and sewerage services in the Northern Territory. PAWA is also a Government Business Division (GBD) and is therefore subject to the Northern Territory's competitive neutrality regime.

As reported in its 1998 Annual Report, the Territory Government undertook a comprehensive review of PAWA in 1998. The review covered all aspects of PAWA including: its future direction; structure; operations; governance arrangements; the separation of regulatory and commercial functions; and development of appropriate regulatory arrangements.

As part of the review, consultants Merrill Lynch and Fay, Richwhite (MLFR) were contracted to identify and evaluate potential options for improving PAWA's performance. In October 1998, MLFR reported that the Government would best achieve its objectives by privatising PAWA, involving sale of some assets and management outsourcing of other functions. However, MLFR also identified significant improvements that could be achieved under continuing Government ownership.

MLFR considered that the most effective competition model for PAWA was a regulated core business with a competitive periphery. The competitive periphery was considered to involve the establishment of arrangements to provide competing electricity generators with access to customers and competitive tendering for inputs and significant system augmentation.

Given the small size of the Territory market, MLFR found no compelling commercial or economic argument for PAWA to relinquish its ability to benefit from economies of scale or scope. In particular, MLFR considered there was merit in PAWA's electricity, water and sewerage networks and retailing businesses remaining integrated. The consultants also found that it would be inappropriate to disaggregate PAWA along geographical lines.

In response to the review, the Government announced a range of reforms in December 1998. These have been proceeding during 1999-00:

- The Government decided to give PAWA the opportunity to achieve significant
  efficiency improvements under government ownership. PAWA is pursuing efficiency
  improvements and revenue measures with a view to achieving a financial
  improvement amounting to \$30 million per annum to be achieved in full over a three
  year timeframe.
- Electricity tariffs for commercial customers are progressively being made cost reflective over a three year period. The reductions commenced in April 1999.
- During 1999, PAWA's business was reorganised along product lines. This was a
  prelude to 'ring-fencing' of its monopoly activities from its competitive activities,
  requiring PAWA to have separate accounting and information systems, precluding
  cross-subsidisation between these activities and ensuring that sensitive information
  obtained by one part of the business is not inappropriately shared with other parts of
  the business.
- PAWA's management advisory board structure is being given greater commercial focus by establishing it as an executive board.
- The Government has amended the *Power and Water Authority Act* to remove all policy and regulatory responsibilities from the list of PAWA's functions. These have been progressively transferred to other government agencies.

Changes have been implemented to progressively open the electricity market to competition from 1 April 2000. The changes include introduction of an access regime to enable third parties to access PAWA's electricity networks and the establishment of an independent economic regulator. The changes are summarised in later sections on Prices Oversight and Electricity.

### 1.4 PRICES OVERSIGHT: CLAUSE 2 OF THE CPA

### **REFORM COMMITMENT**

Clause 2 of the CPA requires State and Territory Governments to consider establishing independent sources of price oversight advice of State and Territory Government Business Enterprises where these do not already exist.

### STATUS OF REFORM IMPLEMENTATION

The Territory Government has established an independent economic regulator, the Utilities Commission. The Commission, which commenced operations in March 2000, is responsible for regulating monopoly elements of designated industries in the Territory.

While it is a key element of the reforms to the electricity supply industry, the Commission has been established under its own Act to enable it to be given responsibility for other monopoly-type industries the Government may consider appropriate to be regulated in the future. A possible extension of the Commission's coverage is currently being considered as part of a review of the *Water Supply and Sewerage Act*.

The key functions of the Utilities Commission are to:

- regulate prices charged by Government monopoly businesses and regulated industries;
- perform licensing functions;
- · develop and enforce standards of service;
- administer rules relating to the conduct or operations of a regulated industry; and
- handle complaints made by contestable customers or suppliers.

The Commission is also required to advise the Government on significant issues related to regulated industries.

In carrying out its functions, the Utilities Commission is obliged to have regard to the need to:

- promote competitive and fair market conduct;
- prevent misuse of monopoly or market power;
- facilitate entry into relevant markets;
- promote economic efficiency;
- ensure consumers benefit from competition and efficiency;
- facilitate maintenance of the financial viability of the industry; and
- ensure an appropriate rate of return on public sector assets.

To keep costs to a minimum, the Utilities Commission has been established as a separate unit administratively attached to Treasury. However, the Commission's independence from the Government is protected by its legislation which provides that:

- the Commission is not subject to Ministerial direction in the performance of its functions;
   and
- the Utilities Commissioner is appointed for a fixed term, and is only subject to dismissal before the end of that term on account of misconduct or incapacity.

The Utilities Commission has the power to enforce its decisions. However, to ensure the Commission is accountable, certain of its decisions can be reviewed at the request of an affected party and, if necessary, can be appealed to the Supreme Court.

### PART 2: THE CONDUCT CODE OBLIGATIONS

### REFORM COMMITMENT

Under the Conduct Code Agreement, the Commonwealth, States and Territories have reporting obligations to the Australian Competition and Consumer Commission (ACCC) relating to legislation reliant on section 51 (1) of the *Trade Practices Act 1974*. The reporting obligations are:

- to notify the ACCC of legislation that relies on section 51 (1) within 30 days of the legislation being enacted or made (clause 2 (1)); and
- to have notified the ACCC by 20 July 1998 of legislation relying on the version of section 51 (1) in force at 11 April 1995 that will continue pursuant to the current section 51 (1) (clause 2 (3)).

### STATUS OF REFORM IMPLEMENTATION

Commitment under clause 2 (1):

The Northern Territory advised the ACCC in accordance with clause 2(1).

Commitment under clause 2 (3):

This is an ongoing requirement and the Northern Territory is not aware of any legislation to be reported under clause 2(3).

### PART 3: THE INFRASTRUCTURE REFORMS ELECTRICITY, GAS, WATER AND ROAD TRANSPORT

The Agreement to Implement the National Competition Policy and Related Reforms specifies that satisfactory progress against reform outcomes agreed by COAG and Heads of Governments for the electricity, gas, water and road transport industries be a condition for continuing receipt of NCP payments.

### 3.1 ELECTRICITY

### **REFORM COMMITMENT**

Under the Agreement to Implement the National Competition Policy and Related Reforms, the second tranche obligation is for 'relevant jurisdictions' (New South Wales, Victoria, South Australia and the ACT) to complete the transition to a 'fully competitive national electricity market' by 1 July 1999. Queensland is committed to participating in the national market interconnection with New South Wales in 2000-01.

### STATUS OF REFORM IMPLEMENTATION

As the Northern Territory is not part of the National Electricity Market, there are no formal electricity reform obligations on the Territory.

However, the Territory has in any event undertaken significant reform of its electricity supply industry arrangements over the past eighteen months.

The earlier sections on Structural Reform and Prices Oversight provided an update on specific issues related to PAWA and the new Utilities Commission. The following provides a brief update on key aspects of the electricity reforms in the Territory.

Following completion of the strategic review of PAWA in late 1998, the Government established an interdepartmental committee chaired by NT Treasury. The committee was required to develop arrangements: to permit competition in the Territory's electricity market; to apply economic regulation to the electricity industry; and to transfer regulatory and policy functions from PAWA.

On 16 September 1999, the Government announced that competition in the supply of electricity in the Territory would commence on 1 April 2000. PAWA no longer has a monopoly on supplying electricity from that date. Details of the new arrangements were announced in the October 1999 Legislative Assembly sittings. The necessary legislation was introduced in November 1999 and passed by Parliament in early March 2000.

Under the arrangements, new suppliers are able to use PAWA's networks to deliver electricity to customers. Choice of supplier commenced on 1 April 2000 for large volume customers using over 4 GWh a year. Contestability will be progressively extended to other customers (down to 750 MWh) by 1 April 2002. In terms of electricity sales, around 45% of the market will be opened up to competition over the next two years.

At this stage, the Government has not made any firm decision on extending contestability below 750 MWh, pending bedding down of the new arrangements in the Territory and the experience of other States in extending competition to smaller customers. For the time being, non-contestable customers will continue to be supplied by PAWA and the Government will continue to control the prices that PAWA can charge such customers.

The use of PAWA's networks is governed by a formal Electricity Networks (Third Party Access) Code and related legislation. To provide certainty for new suppliers and for PAWA, the Government applied to the National Competition Council in December 1999 for certification of the Access Code as an effective regime under Part IIIA of the Trade Practices Act. The application is currently being considered.

As noted under Prices Oversight, the Government has established an independent economic regulator, the Utilities Commission. For the electricity industry, the Utilities Commission licenses suppliers, administers the Access Code, and regulates network prices and service standards.

Electricity industry regulatory and policy functions previously performed by PAWA have been transferred to relevant government agencies. For example, licensing functions have been transferred to the Utilities Commission and electrical inspection and safety functions to the Department of Industries and Business. In addition, certain powers previously granted only to PAWA have been extended to other electricity operators to enable them to operate effectively.

More detailed information on the reforms and copies of the relevant legislation and Access Code have been provided to the Council as part of the process of seeking certification of the regime. This and other information is publicly available on the Territory Government's Internet site.

### 3.2 GAS

### REFORM COMMITMENT

The full implementation of free and fair trading in gas between and within the States including the phasing out of transitional arrangements in accordance with the schedule to be agreed between the parties.

As reported in its 1998 Annual Report, the Territory has introduced the national framework for third party access to natural gas pipelines. This occurred through the *Gas Pipelines Access (Northern Territory) Act*, which was passed in April 1998 and commenced on 2 September 1998. In addition, consequential amendments were made to the *Energy Pipelines Act* and *Petroleum (Submerged Lands) Act* during 1998-99.

The Territory has prepared an application to the National Competition Council seeking certification of its Third Party Access Regime as effective under the Trade Practices Act. However, the application has not as yet been submitted to the Council pending resolution of the impact on the Access Regime of the High Court's decision affecting "cross vesting". A consolidated set of amendments is being developed, so that each jurisdiction's enabling legislation and the National Code can be amended in a consistent manner. Once the appropriate amendments are agreed to by all jurisdictions, the Territory intends to amend its legislation and application for certification, before formally submitting its application to the Council.

Due to the unavoidable delays in submitting the application to the Council, the Australian Competition and Consumer Commission (ACCC) has not commenced its role in the Territory as the regulator for local gas distribution pipelines. It is anticipated that this will occur later this year, once the Territory's Access Regime has been certified.

### 3.3 WATER

#### REFORM COMMITMENT

The Agreement to Implement the National Competition Policy and Related Reforms sets out the framework of water reform. By June 1999, jurisdictions must have implemented the requirements specified in the strategic framework for the efficient and sustainable reform of the Australian water industry and the future processes as endorsed at the February 1994 COAG meeting and embodied in the Report of the Expert Group on Asset Valuation Methods and Cost Recovery Definitions, February 1995.

### STATUS OF REFORM IMPLEMENTATION

The specific obligations arising from the NCP agreements on water reform have been the subject of considerable discussion between the Council and all governments, principally through the SCARM Water Reform Taskforce. The agreed commitments for the June 1999 assessment, together with the outcomes which the Council will look for to determine that obligations have been met, are outlined in the following tables.

### NORTHERN TERRITORY POSITION

### 3 In relation to pricing:-

- (a) In general:-
- (i) The adoption of pricing regimes based on the principles of consumption-based pricing, full-cost recovery and desirably the removal of cross-subsidies which are not consistent with efficient and effective service, use and provision. Where cross-subsidies continue to exist, they must be made transparent.
- Consumption based pricing has been implemented. Remaining crosssubsidies were published in PAWA's 1998/99 Annual Report.
- (ii) That where service deliverers are required to provide water services to classes of customer at less than full cost, the cost of this be fully disclosed and ideally be paid to the service deliverer as a community service obligation.
- Community service obligations payments were published in PAWA's 1998/99 Annual Report.

### (b) Urban water services:-

- (i) The adoption by no later than 1998 of charging arrangements for water services comprising an access or connection component together with an additional component or components to reflect usage where this is cost-effective.
- Two-part tariffs have been implemented.
- (ii) That in order to assist jurisdictions to adopt the aforementioned pricing arrangements, an expert group, on which all jurisdictions are to be represented, report to COAG at its first meeting in 1995 on asset valuation methods and cost-recovery methods and cost-recovery definitions, and
- Implemented the Northern Territory contributed to the report of the expert group.
- (iii) that supplying organisations, where they are publicly owned, aiming to earn a real rate of return on the written-down replacement cost of their assets, commensurate with the equity arrangements of their public ownership.
- PAWA's assets were revalued in 1999.
   Consultants were retained to assist in assessing future price pathways to achieve positive rates of return on the written-down replacement cost of assets.

### NORTHERN TERRITORY POSITION

### 3 In relation to pricing:-

- (c) Metropolitan bulk-water suppliers :-
- To charge on a volumetric basis to recover all costs and earn a positive real rate of return on the written-down replacement cost of their assets.
- PAWA has implemented general ledger ring fencing that provides determination of internal volumetric charges and has reported these to NCC.

- (d) Rural water supply:-
- (i) That where charges do not currently fully cover the costs of supplying water to users, agree that charges and costs be progressively reviewed so that no later than 2001 they comply with the principles of fullcost recovery with any subsidies made transparent consistent with 3(a)(ii) above.
- There are no publicly owned irrigation systems in the Northern Territory.
- (ii) To achieve positive real rates of return on the written-down replacement costs of assets in rural water supply by 2001, wherever practicable.
- (iii) That future investment in new schemes or extensions to existing schemes be undertaken only after appraisal indicates it is economically viable and ecologically sustainable.
- (iv) Where trading in water could occur across State borders, that pricing and asset valuation arrangements be consistent.
- (v) Where it is not currently the case, to the setting aside of funds for future asset refurbishment and/or upgrading of government-supplied water infrastructure, and
- (vi) In the case of the Murray-Darling Basin Commission, to the Murray-Darling Basin Ministerial Council putting in place arrangements so that out of charges for water funds for the future maintenance, refurbishment and/or upgrading of the headworks and other structures under the Commission's control be provided.
- 3 In relation to pricing:-

 There are no publicly owned irrigation systems in the Northern Territory.

Not applicable to the Northern Territory.

### NORTHERN TERRITORY POSITION

### (e) Groundwater

That management arrangements relating to groundwater be considered by ARMCANZ by early 1995 and advice from such consideration be provided to individual jurisdictions and the report provided to COAG.

 Implemented. Active input to and participation in SCARM/ARMCANZ reporting and deliberative outcomes is an on-going basic function of the Government's water resource management agencies.

## 4 In relation to water allocations or entitlements:-

(a) The State government members of the Council would implement comprehensive systems of water allocations or entitlements backed by separation of water property rights from land title and clear specification of entitlements in terms of ownership, volume, reliability, transferability and, if appropriate, quality.

- Water allocation systems are being progressively formalised at relevant regional levels. Allocations are made to 'Beneficial Use' sectors based on the categories that apply to the National Water Quality Management Strategy (NWQMS).
- A Review of the Ti Tree Basin allocation plan has been drafted in consultation with the Ti Tree Water Advisory Committee. The review should be completed in May 2000.
- Review of the greater Darwin regional plan should also be finished in 2000.
- A strategic framework for an integrated approach to Natural Resource Management, including a water resource allocation, is being developed for the Katherine region.
- Entitlements are provided in the form of licences under the Water Act to take surface water or groundwater.
- Surface water extraction is licensed as are all bore extractions exceeding 15 L/sec. All bores in declared groundwater management areas are also licensed.

### 4 In relation to water allocations or entitlements:-

### NORTHERN TERRITORY POSITION

(a) Cont.

- Surface water and groundwater extraction licences are issued with regard to assessed sustainable yields.
- Amendments to the Water Act have been drafted, interalia, to allow trading of licences. The changes are expected to be introduced into the March 2000 sittings of the Legislative Assembly.
- (b) Where they have not already done so, States would give priority to formally determining allocations or entitlements to water, including allocations to the environment as a legitimate user of water.
- Appropriate amendments to the Water Act have been drafted. The Bill is expected to be introduced into the March 2000 sittings of the Legislative Assembly.
- As previously reported, administrative and consultative processes involved with water allocations have been successfully trialled in the Northern Territory.
- Trials have identified issues that need to be resolved in the Darwin and Katherine areas, before water allocations are formally declared.
- (c) In allocating water to the environment, member governments would have regard to the work undertaken by ARMCANZ and ANZECC in this area.
- Implemented the Northern Territory was heavily involved in the ARMCANZ/ANZECC work. The national principles for providing water for aquatic ecosystems are being implemented through water allocation plans.
- Research to refine scientific methods to determine environmental water requirements is continuing.

- 4 In relation to water allocations or entitlements:-
- **(d)** That the environmental requirements,
- The Northern Territory signed contracts

wherever possible, will be determined on the best scientific information available and have regard to the inter-temporal and interspatial water needs required to maintain the health and viability of river systems and groundwater basins. In cases where river systems have been over-allocated, or are deemed to be stressed, arrangements will be instituted and substantial progress made by 1998 to provide a better balance in water resource use including appropriate allocations to the environment in order to enhance/restore the health of river systems.

### NORTHERN TERRITORY POSITION

with Environment Australia in December 1999 for significant funding under the Environmental Flows Initiative (EFI). Projects will commence in the first half of 2000.

- Approved scientific studies should proceed early in 2000 for the Daly basin. A project in conjunction with the University of New England, that will increase scientific knowledge and options for change to sustain environmental flow in the rural area of Darwin is also under consideration.
- It should be noted that there are no overallocated or stressed river or ground water systems in the Northern Territory. This is a significant difference between local water resources and those of southeastern Australia.
- On-going priorities for improvement of scientific methodologies to determine water allocations will be targeted at the few areas where development pressure in a 5-10 year timeframe is considered most likely.
- (e) In undertaking this work, jurisdictions would consider establishing environmental contingency allocations which provide for a review of the allocations 5 years after they have been determined.
- Implemented 20% of assessed water resources in the Ti Tree Basin remain reserved as an environmental contingency.
- Water allocation plans (greater Darwin and Katherine area) that are to be prepared next year will incorporate environmental contingency allocations.

- 4 In relation to water allocations or entitlements:-
- **(f)** Where significant future irrigation activity or dam construction is contemplated,
- Water allocated to the Ord Stage 2 irrigation scheme will originate from

# appropriate assessments would be undertaken to, inter alia, allow natural resource managers to satisfy themselves that the environmental requirements of the river systems would be adequately met before any harvesting of the water resource occurs.

### NORTHERN TERRITORY POSITION

Western Australia. As such, this presents no water allocation issues for the Northern Territory.

- As previously reported, a new dam proposed to supplement the Darwin water supply may be required in 2025.
- Appropriate assessment and incorporation of environmental water requirements are part of the ongoing regional water allocation planning process.
- Augmentation of the Darwin urban water supply through extension of the water catchment is planned for 2008. This will require at least a Public Environmental Review, or more likely a full Environmental Impact Statement which would address environmental water requirements specifically.

## 5 In relation to trading in water allocations or entitlements:-

- (a) That water be used to maximise its contribution to national income and welfare, within the social, physical and ecological constraints of catchments.
- Water resource strategies in the Northern Territory are entirely consistent with the principles of ecologically sustainable agriculture/development and therefore cognisant of the social and physical constraints of natural resources.
- (b) Where it is not already the case, trading arrangements in water allocations or entitlements be instituted once the entitlement arrangements have been settled. This should occur no later than 1998.
- Water 'allocations' are made by statutory declaration of integrated regional water resource management plans, and consequently cannot be 'traded'.
- Trading in licenced water entitlements will be introduced, following amendment of the Water Act expected to be promulgated in the year 2000.
- 5 In relation to trading in water allocations or entitlements:-
- (b) Cont.

 Markets in the Northern Territory for trading in water licences are very limited, because of small scale, privately owned

### NORTHERN TERRITORY POSITION

and operated irrigation developments. These generally draw on groundwater resources and are all licensed within sustainable yield limits.

- From a resource management perspective, trading in water allocations is not appropriate in the Northern Territory, because there are no over-allocated systems.
- (c) Where cross-border trading is possible, that the trading arrangements be consistent and facilitate cross-border sales where this is socially, physically and ecologically sustainable.
- (d) That individual jurisdictions would develop, where they do not already exist, the necessary institutional arrangements, from a natural resource management perspective, to facilitate trade in water, with the proviso that in the Murray-Darling Basin the MDBC be satisfied as to the sustainability of proposed trading transactions.
- The only 'cross-border' development in the Northern Territory is the Ord Stage 2.
   This will be a privately operated irrigation scheme.
- Work in progress with a private consortium including the Western Australian Government will ensure that all arrangements are consistent with the strategic framework for water reform.
- Water resource management is controlled under the provisions of the Water Act. The Department of Lands, Planning & Environment administers this allembracing statute.
- Effective water resource management will be enhanced by amendment of the Water Act, that already makes provision for the Minister to establish 'Water Control Districts' for any purpose.
- Amendments have been drafted to allow for Water Control Districts to be declared for the explicit purpose of water resource management, involving allocation plans that will provide for:
- 5 In relation to trading in water allocations or entitlements:-

### NORTHERN TERRITORY POSITION

(d) Cont.

- water to be allocated through regional water allocation plans (within scientifically assessed sustainable yields), to beneficial uses comprising: public water supply; environment; agriculture; aquaculture; cultural; manufacturing industry; and riparian use;
- total volume of riparian use and extraction licences issued to be less than the suballocations for each beneficial use sector;
- extraction licences to be tradable but only within the Water Control District;
- full cost recovery to be made for water resource regulation, monitoring and remediation through: charges on licence holders; in-kind contribution from licence holders; and transparent government subsidy.
- Amendments to the Water Act should be introduced into the March sittings of the Legislative Assembly in 2000.

### 6 In relation to institutional reform:-

- (a) That where they have not already done so, governments would develop administrative arrangements and decision-making processes to ensure an integrated approach to natural resource management.
- Implemented Refer to the previous (December 1998) report
- Institutionalised reform has included amalgamation of the Government's water and land resource management functions into a single administrative unit of the Lands, Planning and Environment agency almost 2 years ago.
- This vigorously promotes an integrated approach to sustainable natural resource development.

### 6 In relation to institutional reform:-

### NORTHERN TERRITORY POSITION

(a) Cont.

- A further organisational mechanism has been adopted to achieve integration between land and water resource use and management functions of Government and the extensive user-support programs of the primary industry agency and the resource conservation and biodiversity programs of the Parks & Wildlife Commission. This is achieved through regular meetings of the high level (Chief Executive Officer) Land Resources and Environment Sub-Committee of the Government's Co-ordination Committee.
- Stakeholder consultation and industry/community-based resource management advisory committees are another feature of the approach to integrated catchment management in the Northern Territory.
- (b) To the adoption, where this is not already practised, of an integrated catchment approach to water resource management and set in place arrangements to consult with the representatives of local government and the wider community in individual catchments.
- Implemented Refer to the comment at 6(a) above.
- An Integrated Catchment Management Plan (ICMP) for the diversely resource rich Mary River catchment and Ti Tree Regional Water Resource Management Strategy are best practice approaches.
- The Mary River ICMP is currently being reviewed by a Catchment Advisory Committee appointed under the Water Act. The revised ICMP is due to be submitted to the Minister for Lands, Planning and Environment in the first half of 2000.

- 6 In relation to institutional reform:-
- (c) To the principle that, as far as possible, the
- Since 1997, the Power & Water Authority

### NORTHERN TERRITORY POSITION

roles of water resource management, standard setting and regulatory enforcement and service provision be separated institutionally. is the sole service provider and the Department of Lands, Planning & Environment is the resource manager and regulator. Ministerial separation is in place between the agencies and this institutional reform will remain into the foreseeable future.

- External consultants were retained in December 1999 to review the Water Supply and Sewerage Act including the issue of separation of any remaining regulatory functions currently performed by the Power and Water Authority.
- (d) That this occur, where appropriate, as soon as practicable, but certainly no later than 1998.
- Implemented Refer to comment at 6(c) above.
- (e) The need for water services to be delivered as efficiently as possible and that ARMCANZ, in conjunction with the Steering Committee on National Performance Monitoring of Government Trading Enterprises, further develop its comparisons of inter-agency performance, with service providers seeking to achieve international best practice.
- Power & Water Authority uses WSAA Facts as a performance measure for Darwin-based metropolitan services.

- (f) That the arrangements in respect of service delivery organisations in metropolitan areas in particular should have a commercial focus, and whether achieved by contractingout, corporatised entities or privatised bodies this be a matter for each jurisdiction to determine in the light of its own circumstances.
- This benchmarking study was extended in 1999 to include Alice Springs services relative to other non-major urban service providers.
- The Power and Water Authority Act requires the Authority to act in a commercial manner. The Act was amended in 1999 to provide a Board of Directors to direct the Authority's operations.
- Approximately 30% of the Authority's water and sewerage operational costs are out-sourced. All capital works are also out-sourced.

### 6 In relation to institutional reform:-

- (g) To the principle that constituents be given a greater degree of responsibility in the management of irrigation areas, for
- Not applicable to the Northern Territory as there are no government funded or operated irrigation areas and none are

### NORTHERN TERRITORY POSITION

example, through operational responsibility being devolved to local bodies, subject to appropriate regulatory frameworks being established. likely in the foreseeable future.

 Private investment is expected to continue as the sole funding source for any irrigation developments.

## 7 In relation to consultation and public education:-

- (a) To the principle of public consultation by government agencies and service deliverers where change and/or new initiatives are contemplated involving water resources.
- Implemented Principal consultative strategy is embodied in establishment of community and stakeholder statutory organisations such as the Mary River Catchment Advisory Committee, Ti Tree Water Advisory Committee and similar committee in urban Darwin and Alice Springs.
- (b) That where public consultation processes are not already in train in relation to recommendations (3)(b), (3)(d), (4) and (5) in particular, such processes will be embarked upon.
- Implemented refer to comment at 7(a) above.
- (c) That jurisdictions individually and jointly develop public education programs in relation to water use and the need for, and benefits from, reform.
- The Government has been active in setting curricula in relation to water issues for primary and junior secondary students. Further impetus to resource conservation education programs will be achieved through transfer of human and financial resources to the Department of Lands, Planning and Environment as part of the 2000/2001 budget strategy.
- (d) That responsible water agencies work with education authorities to develop a more extensive range of resource materials on water resources for use in schools.
- Implemented Significant focus has been and will continue to be directed, to National Water Week activities across the Northern Territory.

## 7 In relation to consultation and public education:-

- (e) That water agencies should develop, individually and jointly, public education programs illustrating the cause and effect
- Implemented Again, the Government's resource management and service provision agencies regularly mount

## olationship botwoon infrastructure

relationship between infrastructure performance, standards of service and related costs, with a view to promoting levels of service that represent the best value for money to the community.

### NORTHERN TERRITORY POSITION

displays and distribute information regarding efficient water use. An extensive network of community organisations is also used to achieve information and educational objectives in relation to resource consumption and sustainable management practices.

### 8 In relation to the environment:-

- (a) That ARMCANZ, ANZECC and the Ministerial Council for Planning, Housing & Local Government examine the management and ramifications of making greater use of wastewater in urban areas and strategies for handling stormwater, including its use, and report to the first Council of Australian Government meeting in 1995 on progress.
- The Northern Territory is an active participant in all ARMCANZ and ANZECC activities and initiatives.
- This includes input to NWQMS Guidelines on Disposal of Wastewater and other CSIRO sponsored work on the urban water cycle and stormwater management.
- (b) To support ARMCANZ and ANZECC in their development of the National Water Quality Management Strategy, through the adoption of a package of market-based and regulatory measures including the establishment of appropriate water quality monitoring and catchment management policies and community consultation and awareness.
- Beneficial Use Declarations Program continues under the Water Act in accordance with the National Water Quality Management Strategy. Extensive community involvement is integrally part of this process.
- Waste discharge licensing, and monitoring programs and development of catchment management strategies are adequately catered for under existing Northern Territory legislation.
- (c) To support consideration being given to establishment of landcare practices that protect areas of river which have high environmental value or are sensitive for other reasons.
- The activities and influence of 'Landcare' and 'Waterwatch' groups continue to expand in the Northern Territory. These groups are associated in many cases with resolution of river-based environmental issues.

### 8 In relation to the environment:-

- (d) To request ARMCANZ and ANZECC, in their development of the National Water Quality Management Strategy, to undertake an early review of current approaches to town wastewater and sewage disposal to
- Not applicable to the Northern Territory. Local water resource agencies do though actively participate in promulgation of National Water Quality Management Strategy Guidelines.

### NORTHERN TERRITORY POSITION

sensitive environments, noting that action is underway to reduce accessions to water courses from key centres on the Darling River system.

- 9 In relation to water and related research, member governments would:-
- (a) Give higher priority to the research necessary to progress implementation of the strategic framework, including consistent methodologies for determining environmental flow requirements.
- Implemented A proposed research program has been rationalised in close consultation with Environment Australia.
- Five (5) projects in the Daly River basin will commence in early 2000, for a 2 year period.
- Refer also to comment at 4(c) and (d) above in relation to research initiatives.
- (b) To greater coordination and liaison between research agencies to more effectively utilise the expertise of bodies such as LWRDC, MDBC and other State and Commonwealth organisations.
- Implemented Effective links continue with local research agencies such as the Environmental Research Institute of the Supervising Scientist (ERISS) and the Cooperative Research Centre for Tropical Savannahs.

### 3.4 ROAD TRANSPORT

### REFORM COMMITMENT

COAG on the recommendation of ATC agreed to a framework for the assessment of jurisdiction performance in implementing road reform. COAG also agreed to 19 road transport reforms as being available for implementation and assessment. The Northern Territory is either exempt from or has implemented all of the agreed reforms with the exception of the core national demerit points scheme component of the National Driver Licensing reform. The NT does not have a demerit points scheme.

### STATUS OF REFORM IMPLEMENTATION

The following tables describe Northern Territory progress in the implementation of road transport reform.

No	Reforms	National	Reform Criteria	Progress at 31 December 1999
		Target		

### First Tranche Assessment

1	Uniform Registration Charges	-	Jurisdictions have in place and are applying legislation consistent with the national model.	National charges applied following commencement of the Northern Territory (NT) <i>Road Transport Charges Act</i> 1 July 1996.
				NT implemented reform.

### Second Tranche Assessment

1	Dangerous Goods	March 99	Jurisdictions have in place and are applying legislation consistent with the national model.  • Adoption of the Australian Dangerous Goods Code and adoption of regulatory framework.  • Licensing  • Enforcement mechanisms	NT adopted Australian Dangerous Goods Code (ADG6) by notice in <i>Northern Territory Gazette</i> on 30 September 1998. <i>NT Dangerous Goods Act</i> passed and NT Dangerous Goods Regulations amendment to be drafted by June 2000.  NT implemented reform.
2	National Heavy Vehicle Registration Scheme	Dec 99	Jurisdictions have in place and are applying legislation consistent with the national model.  Key element is introduction of nationally uniform procedures for registering Heavy Vehicles.	NT Motor Vehicles Amendment Act commenced 9 Feb 1999.  NT implemented reform.

No	Reforms	National Target	Reform Criteria	Progress at 31 December 1999			
3	Driver Licensing	Dec 99	Jurisdictions have in place and are applying legislation consistent with the national model.  Key elements include:  uniform practices for the issue, renewal of driver licences; introduce uniform practices for the mutual recognition of licences and offences;  introduce uniform driver licence classes;  introduce nationally agreed medical guidelines for light and heavy vehicle drivers;  internal and external review of decisions made by the licensing authority;  uniform exemptions to allow international and interstate visitors to drive on their overseas and interstate licences;  introduce core demerit points.	Northern Territory <i>Motor Vehicles Amendment Act</i> commenced 9 Feb 1999.  NT implemented reform.  Note: The NT is yet to introduce a national demerit points scheme. The Government will assess the introduction of the scheme at a later time (refer Eighth Assembly, First Session, 6 October 1998, Parliamentary Record No 10: 2nd reading speech by Hon B Coulter on amendments to <i>Motor Vehicle Act</i> ).  The administrative guidelines for management, use and release of vehicle registration and driver licensing information and formalisation of an internal review process implemented 15 November 1999.			
4	Vehicle Operations	June 99	Jurisdictions have in place and are applying legislation consistent with the national model. Key elements include:  • Mass & Loading Regulations;  • Oversize/Overmass (OSOM);  • Restricted Access Vehicles Regulations (RAV).	Amendments to Road Transport Reform (Mass and Loading) Regulations – Approved by Ministerial Council for Road Transport on 12 Sept 1996. NT commenced NRTC regulation requirements on 16 August 1995 via Northern Territory Motor Vehicles Act (gazettals) and amendments to the NT Motor Vehicles (Standards) Regulations for the permit fees.  Oversize & Overmass Vehicles and Restricted Access Vehicles Regulations – progressive implementation via existing discretionary powers under Motor Vehicles Act. Oversize and Overmass Permit Guidelines published in August 1998.			
				NT implemented reform.			

No	Reforms	National Target	Reform Criteria	Progress at 31 December 1999
5	Heavy Vehicle Standards	-	Jurisdictions have in place and are applying legislation consistent with the national model.  Dimensions Ratings Mutual Recognition	NT is applying via variations by gazettal using discretionary powers under Northern Territory <i>Motor Vehicles Act. Motor Vehicles (Standards) Regulations</i> amendments gazetted on 5 May 1993. Will be formalised as part of combined Heavy and Light Vehicles Standards.
				NT implemented reform.
6	Truck Driving Hrs	-	Jurisdictions have in place and are applying legislation consistent with the national model.  Introduce standard driving hours;  Introduce Transitional Fatigue Management Scheme;  Introduce national driver log book  [All drivers of trucks over 12 tonnes gross, except those operating in NT and WA will need to comply with new laws]	Ministerial Council for Road Transport (MCRT) has agreed the driving hours regulations do not apply to operations solely within WA or the NT.  The Northern Territory adopted a Fatigue Management Code of Practice, under the Northern Territory Work Health Act, by notice in the Northern Territory Gazette on 30 September 1998.  National Road Transport Commission supported the Northern Territory approach to fatigue management in a press release on 1 October 1998.
				NT implemented reform.
7	Bus Driving Hrs	-	Jurisdictions have in place and are applying legislation consistent with the national model.  Introduce standard driving hours;  Introduce two-up driving hours;  Apply to buses with a seating capacity of more than 12 people.	MCRT has agreed the driving hours regulations do not apply to operations solely within WA or the NT.  The Northern Territory adopted a Fatigue Management Code of Practice, under the Northern Territory Work Health Act, by notice in the Northern Territory Gazette on 30 September 1998.  National Road Transport Commission supported the Northern Territory approach to fatigue management in a press release on 1 October 1998.
				NT implemented reform.

NT implemented reform.

NT accepting other jurisdictions' clearance of defective vehicles and also clearing vehicles on behalf of other jurisdictions since 1990.

National Road Transport Reforms

No	Reforms	National Target	Reform Criteria	Progress at 31 December 1999
8	Common Mass and Loading Rules	-	Jurisdictions have in place and are applying legislation consistent with the national model. Key reforms include:  National rules for mass limits;  Axle mass spacing schedule up to 42.5 tonne GVM; Tri-Tri B-Doubles.	NT commenced NRTC regulation requirements on 16 August 1995 via gazettal of variations using discretionary powers under Northern Territory <i>Motor Vehicles Act.</i> NT <i>Motor Vehicles (Standards) Regulations</i> change gazetted 16 August 1995.  NT implemented reform.
9	One Driver/One Licence	July 99	Jurisdictions have in place and are applying legislation consistent with the national model. Key reforms include:  Introduce National Driver Licence Checking System; Introduce Multiple Licence Advice Tracking System (MLATS); Introduce Demerit Points Exchange Scheme (DPX); National driver licence classes.	NT implemented by changes to policies and procedures and MOVERS computer system via existing <i>Motor Vehicles Act</i> :  National Driver Licence Checking System – November 1996  Multiple Licence Advice Tracking System (MLATS) – snapshots 1996, 1997 and 1998  Demerit Points Exchange Scheme (DPX) – 17 August 1993.  National driver licence classes – 1 July 1997
10	Improved Network Access	Mar 99	Jurisdictions have in place and are applying legislation consistent with the national model. Key reforms include:  Increasing access and simplifying process through use of route gazettal along lines of RAV Regulations.	NT implemented reform  Road Train Routes in Northern Territory updated August 1998. In place by agreement with Industry. No legislation required.  NT implemented reform.
11	Common Pre-Registration Standards	-	Jurisdictions have in place and are applying legislation consistent with the national model. Key reforms include:  Mutual recognition of interstate vehicles;  Adoption of National Heavy Vehicle Standards.	NT requirements consistent with national standards.  NT implemented reform.  Consolidation of standards is currently being finalised in consultation with industry.
12	Common Roadworthiness Standards	-	Jurisdictions have in place and are applying legislation consistent with the national model.	NT standards consistent with national standards.

Adopt roadworthiness standards & guidelines; Mutual recognition of defect clearance.

Key reforms include:

No	Reforms	National	Reform Criteria	Progress at 31 December 1999
		Target		

13	Enhanced Safe Carriage and	July 99	Jurisdictions have in place and are applying legislation	National Load Restraint Guide adopted in the NT Traffic
	Restraint of Loads		consistent with the national model.	Regulations (129) as in force 1 August 1995.
			Key reforms include:	
			Adopt regulations and usage of Load Restraint Guide	NT implemented reform.
14	Adoption of National Bus Driving Hrs	-	Adopt new regulations for buses including two-up driving hours.	MCRT has agreed the driving hours regulations not apply to operations solely within WA or the NT.
				The Northern Territory adopted a Fatigue Management Code of Practice, under the <i>Northern Territory Work Health Act</i> , by notice in the <i>Northern Territory Gazette</i> on 30 September 1998.
				NT implemented reform.
15	Interstate Conversions of Drivers Licence	July 99	Jurisdictions have in place and are applying legislation consistent with the national model. Key reforms include:  Introduce reciprocal conversion arrangements for licence holders who move interstate (no testing; no licence fee)	Implemented in NT using discretionary powers under existing NT <i>Motor Vehicles Act</i> . Policy and procedures in place and commenced on 1 July 1997.  NT allows credits of unexpired portion of interstate driver's licences.  NT implemented reform.
16	Alternative Compliance	-	Agreement to support development of alternative compliance regimes.	Alternative compliance package was endorsed in Australian Transport Council (ATC) 8 <sup>th</sup> meeting, 14 November 1997. See ATC8/19.
				NT supports and has applied these principles in NT Mass Management Scheme on 12 Nov 1996 and NT Maintenance Management Scheme for buses on 4 Oct 1995. National Mass Management Scheme also available in NT.
17	Short Term Registration	-	Only for National Heavy Vehicle Registration Scheme. Key reforms include: Availability of 3 and 6 month registration.	Policies and procedures in place and commenced on 1 July 1996.
				NT implemented reform.

NT implemented reform.

### National Road Transport Reforms

No	Reforms	National Target	Reform Criteria	Progress at 31 December 1999
18	Driver Offences/Licence Status	-	Jurisdictions have in place and are applying legislation consistent with the national model. Key reforms include:  To the extent consistent with Commonwealth Privacy Principles to check licence class of the person, its status and number of demerit points.	Information (with driver's consent) available on application. Form and procedure for easier application being developed.  NT implemented reform.  Note: The administrative guidelines for management, use and release of vehicle registration and driver licensing information implemented 15 November 1999.
19	NEVDIS	-	MOU between Austroads and each jurisdiction     Service Access Agreement between ISSC     NEVDIS Service Access Agreement between Austroads and each jurisdiction     Inter-jurisdictional MOU     Complete initial phase of NEVDIS	Service Access Agreement between IBM Gobal Services Australia and the Territory signed on 2 Aug 1996. NEVDIS Service Access Agreement between Austroads and Territory signed on 15 October 1998. Inter-jurisdictional MOU 14 October 1998. NEVDIS on line in the NT for driver licences on 5 November 1998.