

# Queensland Government

## Fourth Annual Report to the National Competition Council

Queensland Government  
April 2000

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## INTRODUCTION

*Queensland's Fourth Annual Report to the National Competition Council* is made pursuant to the reporting requirement in the Competition Principles Agreement.

The report is made in respect of Queensland's further progress in implementing national competition policy (NCP) reform in the period between 31 December 1998 and 31 December 1999. The report records the progress of Queensland's State Government and Local Governments in pursuing NCP reform in respect of that period.

The report details Queensland's progress in reviewing legislation, implementing competitive neutrality and reforming public sector monopolies pursuant to the Competition Principles Agreement. The report also details Queensland's compliance with the Conduct Code Agreement and Queensland's progress in pursuing infrastructure reform in the electricity, gas and water industries, and in road transport.

## PART 1

### THE COMPETITION PRINCIPLES AGREEMENT

#### 1.0 LEGISLATION REVIEW

##### 1.1 Queensland's legislation review process

The legislation review activities undertaken in Queensland comply with Clause 5 of the *Competition Principles Agreement* (CPA). In particular, reviews are characterised by objective, independent and transparent processes. Furthermore, the incumbent government has stated it is committed to a legislation review process that is based on a rigorous assessment of the costs and benefits of options for reform. Each review is tailored to the particular review situation depending on the significance of the issues under consideration. In this respect, a Public Benefit Test Plan is developed for each review – in addition to Terms of Reference – that outlines the scope, scale, structure and timing of each review exercise. For the more significant reviews, issues papers are prepared as the basis of community consultation and draft review reports are also made publicly available.

The “gatekeeping” arrangements endorsed by the Queensland Government early in 1997 continue to be applied to proposals for new and amending legislation to ensure these proposals comply with CPA Clause 5(5) requirements.

##### 1.2 Revised PBT Guidelines

The Queensland Government endorsed a revised set of PBT Guidelines for legislation review in May 1999. These guidelines were subsequently made available to the public. The document builds on the original guidelines that have guided reviews since 1996/97. While the procedures and methodology are retained, the revised guidelines give greater emphasis to certain critical factors.

The revised guidelines aim to ensure that reviews focus on a thorough and meaningful analysis of the benefits and costs of alternative options, that takes full account of employment, regional development, social, consumer and environmental effects. As a

consequence, the review process places greater emphasis on consultation with affected groups and on identifying potential employment and social impacts in regional and rural communities. Where reforms are proposed, the review process will also give consideration to whether a transitional approach is required to assist industries, businesses, professions and communities to make adjustments.

### 1.3 Progress report

A listing of the status of all scheduled reviews of Queensland legislation that restricts competition is provided in Attachment 1. The legislation review program currently comprises 132 reviews. Seven pieces of legislation previously set down for examination will not be reviewed. The reasons for those decisions are outlined below and details for all seven pieces of legislation are contained in the attached schedule.

As at the end of February 2000, the overall status of the review program is as follows:

- 43% (ie 57 reviews) completed;
- 37% (48) underway;
- 11% (15) being scoped; and
- 9% (12) pending.

The timing of various reviews has been amended and, as a result, more reviews will be undertaken in 2000 than was originally planned. However, Queensland is confident it will complete its legislation review program by the end of 2000. Some government agencies have advised that certain legislative changes to give effect to competition reforms may not be in place by that time. This is due to various factors, including the complexity and magnitude of changes brought about by fundamental redrafting of certain legislation and the heavy legislative program.

#### 1.3.1 Reviews completed

There have been numerous reviews completed in the past 12 months or so. The following is a list of notable legislation reviewed and a brief summary of review outcomes.

- Farm Produce Marketing Act – legislative provisions allowed to sunset on 30 June 1999 and will be replaced by a non-statutory scheme.
- Forestry Act – compulsory funding of the Timber Research and Development Advisory Council has been removed following Government's decision on various agricultural levy arrangements, while exemption from the Trade Practices Act for the non-competitive sawlog allocation system has been extended for 10 years (see schedule attached for further details).
- Fruit Marketing Organisation Act and Primary Producers' Organisation and Marketing Act – all statutory marketing provisions and the statutory levy funding arrangements for five producer representative bodies in these two Acts were repealed in December 1999. (In respect of the levies, following legal advice in respect of non-NCP matters, these compulsory funding arrangements were terminated and each statutory producer body (sugar cane, fishing, dairy, pork, and fruit and vegetables) was required to incorporate in one of several forms.)
- Health and Medical Practitioner Registration Acts – although this wide-ranging review was completed in 1998, the Health Practitioners (Professional Standards) Act

1999 and the Health Practitioner Registration Boards (Administration) Act 1999 were passed in November 1999.

- Local Government Laws – this was a major exercise of reviewing anti-competitive local laws and local law policies across 125 local governments in Queensland.
- Motor Accident Insurance Act – fundamental compulsory third party insurance scheme aspects (eg licensing insurers) have been retained, specific entry barriers (eg minimum market share) removed and government setting of premium replaced by a pro-competitive arrangement which involves setting of a range within which each licensed insurer lodges a premium for government approval.
- Nature Conservation Act – existing provisions have been retained without change.
- Transport Operations (Marine Safety) Act – marine pilot licensing by government has been retained and each port authority given the power to determine service delivery arrangements (replacing statutory designated provider provisions) and pilotage fees (replacing statutory price controls) within its port.
- Tow-Trucks Act – industry regulation has been retained and consumer protection measures have been strengthened;
- Wine Act – a single “producer” licence system is being replaced with a two-tier licensing system that will cover both producers and merchants, while blending restrictions will be removed thereby relying on Commonwealth standards.
- Liquor Act – “specialist provider” model retained for sale of packaged take-away liquor. Liberalisation of arrangements for sale of liquor in restaurants and clubs.

### 1.3.2 Reviews nearing completion or awaiting Cabinet consideration

Numerous reviews are either at the draft report stage or have been completed but have yet to be considered by Cabinet. These include reviews of the Fisheries Act, Dental Act, Land Act, Optometrists Act, Professional Engineers Act, South Bank Corporation Act and Veterinary Surgeons Act.

### 1.3.3 Reviews in progress

Significant reviews underway include Agents and Motor Dealers’ Bill replacing Auctioneers and Agents Act, Gas and Petroleum legislation, general review of Legal Profession, Nursing Act, Transport Operations (Passenger Transport) Act (including taxis), consideration of competition and broader COAG requirements in developing new legislation regulating Water industry, and Workcover Act.

Several national reviews are proceeding. These include legislation dealing with Agricultural and Veterinary Chemicals, Architects, Drugs and Poisons, Food, Pharmacy, Trade Measurement, Travel Agents and Uniform Consumer Credit Code.

In addition, the Standing Committee of Attorneys-General has developed a draft uniform Trustee Companies Bill. It is proposed to release the Bill and an NCP issues paper for consideration by industry and the general public.

### 1.3.4 Reviews pending

Included amongst the reviews yet to begin are the Building Act, Private Employment Agencies Act, Queensland Building Services Authority Act and legislation dealing with Universities.

It is proposed to conduct reviews of the Fair Trading Act and Sale of Goods Act towards the end of the legislation review program.

### 1.3.5 Legislation not for review

In the past 12 months, decisions have been taken not to carry out formal review of the Corrective Services legislation. New legislation is being drafted which in effect is likely to remove any anti-competitive provisions that were deemed inherent in the existing legislation. The legislation is being developed with due regard to competition policy.

The Queensland Government and the NCC have been discussing the matter of reviewing Trading Hours legislation. These discussions are continuing. They centre on the proposition that the legislation need not be reviewed as it gives the power to the Queensland Industrial Relations Commission to make "independent" determinations on applications for extended trading hours in Queensland. In this respect, it should be noted that the Commission in February 2000 decided to allow "non-exempt" (ie the large retail) hardware stores to operate on Sundays and public holidays. These stores were previously prohibited from trading on these days.

Legislation relating to censorship, as joint or cooperative Commonwealth-State regulatory arrangements, was identified for possible review, although this was not specifically scheduled in Queensland's Legislation Review Timetable. The legislation in question is the Classification of Computer Games and Images (Interim) Act 1995, the Classification of Films Act 1991 and the Classification of Publications Act 1991. The need to review this type of legislation was the subject of discussions between the Commonwealth and the NCC. Neither party has any objection to censorship legislation not being reviewed under NCP because of the clear social rationale for the legislation. Queensland supports this view and will not be reviewing its censorship legislation.

### 1.3.6 Additional matters of relevance concerning scheduled reviews

Queensland's extensive review of the Dairy Industry Act 1993 was completed in 1998. The review recommended extension of farm-gate regulation in the form of regulated price of market (fresh drinking) milk paid to farmers and associated supply management arrangements until 31 December 2003, with further review to occur prior to 1 January 2003 to determine extent of government involvement in the dairy industry.

During 1999, an industry deregulation adjustment package was proposed for Australia's dairy farmers. Jurisdictions accepted (in early March 2000) the Commonwealth Government's dairy industry adjustment package that will result in deregulation of the industry. The Queensland Cabinet has endorsed this action and the preparation of legislation to give effect to removal of market milk controls (ie farm-gate price regulation and supply management arrangements).

While deregulating other grains, statutory marketing arrangements were retained until 30 June 2002 for the export of barley following a review of the Grain Industry (Restructuring) Act 1993. Retention was conditional on a further review occurring

sooner, should Japan Food Authority policy on importing barley change or if the status of interstate statutory marketing arrangements alter. Following the recommendation to remove the Australian Barley Board's statutory monopoly provided under Victorian and South Australian legislation, Queensland has begun a further examination of its legislative arrangements for the export of barley.

Various scheduled reviews of gaming-related legislation were put on-hold until completion of the Productivity Commission's inquiry into gambling in Australia. That inquiry is now complete. The Queensland Government established its own Review of Gaming in Queensland. That review has developed a Green Paper that, amongst other things, addresses the adverse social aspects of gambling, an issue featuring prominently in the Commission's report. The Queensland Cabinet will consider the outcome of the Green Paper process on completion of that exercise.

### **1.3.7 Status of joint or cooperative Commonwealth-State regulatory arrangements**

The Queensland Legislation Review Timetable issued in July 1996 lists – albeit separately from the review schedule – various pieces of joint or cooperative Commonwealth-State regulatory arrangements. Attachment 2 provides the status of each of these regulatory arrangements.

## **1.4 Gatekeeping arrangements**

Since the 1999 NCP Annual Report, numerous pieces of legislation have been passed that may restrict competition. Attachment 3 lists this legislation and whether public benefit justification has been provided in support of the legislative restrictions on competition.

## **2.0 COMPETITIVE NEUTRALITY**

### **2.1 Status of competitive neutrality policy implementation**

The following information is supplied on specific competitive neutrality reviews which have either been completed since Queensland's third annual report to the National Competition Council or which are currently under way.

#### **2.1.1 Public Trust Office**

The Public Trust Office (PTO) was listed as a candidate significant business activity in the Queensland Government's NCP Competitive Neutrality Policy Statement. As such, a Steering Committee was established in 1999 to undertake the review. The Steering Committee was comprised of representatives from Queensland Treasury, the Department of the Premier and Cabinet, Department of Justice and Attorney General, and the Public Trust Office.

Consultation was undertaken with consumers and clients of the PTO, the public, PTO employees, the relevant union, management of the PTO, and current and potential competitors.

The PBT was completed in December 1999. The results are expected to be considered by the Government in April, together with the PTO's corporate plan.

As a result of the PBT, the PTO is currently addressing commercial issues such as a fairer and simpler fee structure, best industry practice in terms of productivity and commercial enhancements, and at the same time ensuring that CSO funding is transparent.

#### **2.1.2 Brisbane Market Authority**

A review of the Brisbane Market Authority (BMA) was completed in May 1998. The main issues considered during the review were:

- the BMA's sole legal right to operate a wholesale fruit and vegetable in Brisbane (termed 'exclusivity');
- the competitive advantage enjoyed by the BMA over potential private sector competitors due to non-payment of income tax (or dividends or tax equivalents) and Council rates; and
- the extent of organisational reform desirable at the BMA.

In October 1998, the Government decided to corporatise the BMA and terminate the exclusivity arrangements. The exclusivity arrangements were set aside as from 1 September 1999 and the Brisbane Market Corporation Limited was registered as a company government owned corporation on 13 December 1999.

#### **2.1.3 Totalisator Administration Board (TAB)**

Queensland has conducted a comprehensive process of structural reform of the TAB and its relationship with the Queensland racing industry. The process has reformed the commercial structure of the TAB, the structure and level of wagering taxation, and the regulatory regime.

Privatisation of the TAB occurred in November 1999 pursuant to the *TAB Queensland Limited Privatisation Act 1999*.

A legislative package which commenced on 1 July 1999 comprising the *Wagering Act 1998* and the *Racing Legislation Amendment Act 1998* was a key component of the reform process implemented. It transferred the regulatory function from the TAB to the Queensland Office of Gaming Regulation, consistent with the NCP Agreements and the State's corporatisation policy.

#### **2.1.4 TAFE**

The full fee for service activities and competitive tendering processes within TAFE are candidate significant business activities (SBAs).

The second stage of the public benefit test has now commenced with an independent Steering Committee conducting the process. An independent consultant was appointed to conduct the public benefit test and is expected to present a final report in mid April 2000. Commencement of the second stage of the public benefit test was deferred because of significant changes in the training market and the implementation of a number of reforms relating to the commercial and operating framework of TAFE.

#### **2.1.5 WorkCover Queensland**

The terms of reference and public benefit test plan have been drafted for the NCP legislative review of the *WorkCover Queensland Act 1996*. It is expected that the terms of reference and public benefit test plan for the review will be submitted to Cabinet for approval shortly. Following this, an independent consultant will be appointed to undertake the public benefit assessment.

An interdepartmental committee will conduct the review and finalise the public benefit test report. It is expected that the interdepartmental committee will make recommendations and finalise the review in June 2000.

#### **2.1.6 Prison Industries**

Prison Industries' business activities fall into six main categories: laundry; timber and joinery; textile and clothing; metal fabrication; agriculture/dairy; and basic assembly and packaging. The role of Prison Industries is essentially focused on constructive use of prisoners' time and assisting in their rehabilitation through relevant work experience, training and responsibility. Further, Prison Industries reduce the cost to Government of operating correctional centres through a program of self sufficiency. In this regard, Prison Industries produce uniforms and bakery products, manage their own kitchens, and provide furniture and fitouts for new cells in expanded and new prison systems.

The projected scope and materiality of Prison Industries' activities are currently not significant in terms of the indicative threshold test in the 1996 Queensland Government policy statement on competitive neutrality. The geographic spread of the activities also means that all the activities are not concentrated in the one area/region. The social benefits of providing 'rehabilitation' as opposed to 'punishment' are such that they justify Prison Industries' activities. Supervision and other expenses borne by Prison Industries and not by the private sector make the application of full cost pricing to its activities inappropriate at this stage.

### 2.1.7 Gaming machines

The Office of Gaming Regulation's rental of gaming machines was listed as a candidate significant business activity in the Queensland Government's July 1996 Competitive Neutrality Policy Statement.

The Queensland Government no longer purchases gaming machines for renting to gaming machine sites and has been in the process of selling existing gaming machines to sites since July 1997. Of the 31,000 gaming machines currently operating in Queensland, there are only 56 machines still owned by the Government. It is expected that these remaining machines will be sold by 31 July 2000.

### 2.1.8 Superannuation

The Government Superannuation Office is being restructured as part of the Queensland Government's ongoing review of its superannuation arrangements. This process, including any associated competitive neutrality issues, will be completed in 2000.

### 2.1.9 Queensland Health Services

The provision of health services including pathology in public hospitals, central pharmacy services and hotel services were listed for review as candidate significant business activities in the Queensland Government's 1996 *Competitive Neutrality Policy Statement*.

A review concluded that the introduction of competitive neutrality reforms was not warranted at this stage given the internal service provision nature of these activities. However, reforms may be necessary should the Queensland Government decide to introduce contestability to the provision of these services.

### 2.1.10 Housing Finance Business Unit

#### State Housing Act 1945

A competitive neutrality public benefit test is being undertaken to review the *State Housing Act 1945* for anti-competitive restrictions. The review will address the following restrictions:

- Section 19, which exempts the Queensland Housing Commission (QHC) from local government rates; and
- Section 32(3), which exempts the QHC from, stamp duty.

Given the limited scope of legislative provisions which potentially restrict competition and lack of competition in the public housing market, the review is being undertaken independently of the Department of Housing by the Department of Public Works. Consultation will be undertaken with relevant Government Departments, the Local Government Association, and key industry stakeholders (eg the Real Estate Institute of Queensland; Property Council of Australia; Tenants' Union; Queensland Shelter). The review is due to be completed by April 2000.

## **Housing products and services**

A competitive neutrality public benefit test is being undertaken for the products and services provided by the Queensland Department of Housing. A desktop analysis was deemed to be appropriate, given the niche market nature of the activities and the absence of significant competitive neutrality issues. The public benefit test is due to be completed by April 2000.

### **2.1.11 Queensland Abattoir Corporation**

In 1998, the Queensland Government decided to divest ownership of the Queensland Abattoir Corporation (QAC) with the planned closure of QAC at 30 November 2000.

Negotiations are proceeding with respect to a number of contracts for the sale of QAC assets.

Upon finalisation of this sale process, the Queensland Government will no longer have ownership of any meat processing business.

### **2.1.12 Queensland Sugar Corporation (QSC) and Bulk Sugar Terminals**

New state legislation was passed by Parliament in November 1999, which was the culmination of four years of detailed consultation with all sections of the sugar industry. It is based on the recommendations of the Sugar Industry Review Working Party, which handed down its report in 1996. The Working Party included the key organisations of Canegrowers, Australian Sugar Milling Council and Australian Canefarmers' Association.

*Sugar Industry Act 1999* retains the single desk marketing arrangements and gives more control for local areas. Some of the QSC's current production regulation activities will be devolved to the local level. It also allows the QSC to focus solely on marketing the State's 4.5 million tonne raw sugar production. The Act streamlines the regulatory structures of the industry and provides incentives for improvements in cane and sugar quality.

Amending legislation is currently being prepared, for introduction in the first half of 2000, with respect to the incorporation of QSC as an industry owned marketing company (with retention of vesting powers), the transfer of ownership of bulk sugar terminals to industry, and a legislative provision to allow Cane Protection and Productivity Boards (CPPB) the option of becoming non statutory corporate bodies. CPPBs are technical service providers to the growers in the local mill area, with provision of disease free cane for planting being of prime importance.

### **2.1.13 South East Queensland Water Board (SEQWB)**

The incorporation model for the South East Queensland Water Board (SEQWB) has progressed satisfactorily over the past year and has now been completed.

On 20 September 1999, a Sale of Business Agreement was entered into between SEQWB and the South East Queensland Water Corporation Ltd (SEQWCo) for the commercial transfer of SEQWB's assets and undertakings to SEQWCo. SEQWCo is

jointly owned by the State and twelve local governments in the south east Queensland region.

SEQWCo will operate the current business of SEQWB as a public company incorporated under *Corporations Law* but without the legislative and statutory restrictions currently faced by SEQWB. The most notable of these is the removal of current restrictions on the geographic, customer and functional base of the Board's activities.

Instead, SEQWCo will operate as unfettered enterprise with a strict commercial mandate. As with all enterprises in the Queensland water industry, SEQWCo will be subject to the requirements of the water industry regulatory framework currently being finalised. This regulatory framework ensures the protection of environmental, health and safety and other necessary regulatory mechanisms and promotes the introduction and maintenance of a competitive water industry. SEQWCo will also be subject to the economic regulatory framework administered by the Queensland Competition Authority, as it will be made subject to the new prices oversight regime being developed to apply to private sector water suppliers.

#### **2.1.14 Townsville Thuringowa Water Supply Board**

The Townsville Thuringowa Water Supply Board (TTWSB) is a bulk water supplier for two councils and a small number of industrial customers. In 1999, the Queensland Government decided to implement commercialisation arrangements for the Board.

During the process of negotiating the implementation of competitive neutrality reforms to the TTWSB, the Townsville City Council and Thuringowa City Council approached the Queensland Government with a proposal to convert the TTWSB to a local government body. The conversion of the TTWSB from a State entity to a local government body is intended to more closely align the decision making of the Board with the community it serves.

The Queensland Government intends to amend the *Local Government Act 1993* to create a new local government body similar to a joint local government body. The key feature at variance with a joint local government body is the provision for the component councils to appoint a chairperson who is not an elected representative of either of the component councils. The presence of an independent chairperson is intended to complement the regional focus of the water supply activities.

Commercialisation arrangements will be implemented to the new entity in accordance with the commercialisation provisions of the *Local Government Act 1993*. The new entity will also be required to adopt full cost pricing in accordance with the provisions of the *Local Government Finance Standards 1994*.

Price paths for the commercialised entity have been completed and commercialisation should be fully implemented from 1 July 2000.

#### **2.1.15 Gladstone Area Water Board**

Gladstone Area Water Board (GAWB) supplies bulk water to industrial customers and two local governments in the Gladstone Region. In 1999, the Queensland Government decided to implement commercialisation arrangements for the Board, and decided that the commercialised Board would remain a State statutory authority.

Commercialisation and governance arrangements for the GAWB will be implemented consistent with the provisions of the new Water (Statutory Authorities) Bill, which will be enacted in the second quarter of 2000. The GAWB will commence operations as a commercialised entity on 1 July 2000.

The GAWB is currently completing a financial model to implement price paths consistent with commercialisation principles.

#### **2.1.16 Mount Isa Water Board**

The Mount Isa Water Board (MIWB) is the smallest of the urban water boards, and supplies water mainly to Mount Isa Mines Ltd and the Mount Isa City Council. In 1999, the Queensland Government decided to implement commercialisation arrangements for the Board. It is intended that the commercialised MIWB remain a State statutory authority pending consideration of a possible transfer of the assets and functions of the MIWB to the Mount Isa City Council.

A price path for the MIWB has been developed consistent with commercialisation principles. Commercialisation arrangements will be implemented from 1 July 2000.

### **2.2 Complaints handling and implementation of recommendations of the Queensland Competition Authority (QCA)**

The QCA did not receive any formal complaints during 1999.

The Coachtrans competitive neutrality complaint, which the QCA investigated in 1998, is the subject of separate correspondence between the Queensland Government and the NCC.

### **3.0 STRUCTURAL REFORM**

#### **3.1 Queensland Abattoir Corporation**

For details of divestment of the Queensland Abattoir Corporation, see 2.1.11 above.

#### **3.2 Queensland Sugar Corporation**

For details of structural reform of the Queensland Sugar Corporation, see 2.1.12 above.

#### **3.3 Brisbane Market Authority**

For details of structural reform of the Brisbane Market Authority, see 2.1.2 above.

#### **3.4 Totalisator Administration Board**

For details of structural reform of the Totalisator Administration Board, see 2.1.3 above.

#### **3.5 South East Queensland Water Board**

For details of structural reform of the South East Queensland Water Board, see 2.1.13 above.

## 4.0 PRICES OVERSIGHT

The Queensland Competition Authority (QCA) is responsible for administering the Queensland monopoly prices oversight regime.

The regime currently applies to government business activities, which are monopolies or near monopolies, and which the Premier and the Treasurer declare to be Government Monopoly Business Activities (GMBAs).

The QCA published criteria for identifying GMBAs in December 1997. The Queensland Government has commenced the process of assessing major government businesses against the criteria. The Queensland Government engaged a consultant to assess the Cairns and Mackay port authorities; and directed the QCA to assess all other government port authorities (ie. Port of Brisbane, Gladstone, Townsville, Bundaberg, Rockhampton, and the ports of the Ports Corporation of Queensland).

The Government has now received the assessment reports for all the port authorities. Based on the findings of the reports, the Premier and the Treasurer will consider the appropriate course of action in respect of each authority after consultation with the authorities.

The next category of government businesses to be assessed will be the major water businesses, including State Water Projects and the three major urban water boards (ie. Gladstone Area Water Board, Townsville-Thuringowa Water Supply Board<sup>1</sup> and Mt Isa Water Board). The South East Queensland Water Board has been converted into a jointly owned State/Local government company and will be considered a private water supplier under the proposed prices oversight regime for private water suppliers. The Brisbane Market Corporation will also be considered for declaration.

It is proposed to amend the QCA Act in the first half of 2000 to introduce a prices oversight regime for private sector water suppliers.

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<sup>1</sup> The Townsville-Thuringowa Water Supply Board may be converted to a joint local government water board. Accordingly, it may be considered in the context of the proposed prices oversight regime for local government.

## 5.0 LOCAL GOVERNMENT

### 5.1 Introduction

#### 5.1.1 Approach to Local Government NCP Implementation

As outlined in previous reports to the NCC, the Government's strategy for applying NCP reforms to Queensland local government has focussed on the largest business activities through the application of competitive neutrality reforms to the significant business activities (SBAs) of the 18 largest local governments.

However, there has also been significant adoption of competitive neutrality reforms in relation to the smaller business activities of the largest 18 and other local governments, primarily as a result of the financial incentives available to local governments which implement such reforms under the Federal Government's \$150 million Financial Incentive package.

Incentives have also been provided to encourage other important elements of the NCP reforms which relate to all local governments, such as the review of anti-competitive provisions in local laws (see sections 5.3.2 and 5.3.3).

#### 5.1.2 The Legislative Framework

In its last report to the NCC, the Government indicated that the only outstanding elements of an otherwise comprehensive legislative framework related to the need for amendments to:

- the *Local Government Act 1993* to provide for the establishment of Local Government Owned Corporations (LGOs) under the *Corporations Law* (currently, the legislation only allows for statutory LGOs). A draft legislative proposal was circulated for public comment in December 1998, with a view to presenting the Bill to Parliament in 1999. However, changes to the legislative timetable have meant that the Bill is now scheduled for the second half of 2000. The deferral of a national income tax equivalents regime until mid 2001 means that this delay in amending the *Local Government Act* is unlikely to have a material effect on the timing of decisions by local governments on corporatisation (even though the Act already provides for statutory LGOs); and
- the *Queensland Competition Authority Act 1997* to provide for State-based third party access and prices oversight regimes to apply to Queensland local government infrastructure and monopoly businesses. These amendments will be presented to Parliament in the first half of 2000.

#### 5.1.3 Training Initiatives

As outlined in previous reports, the Government has undertaken an extensive training program for local government. The Government has worked closely with the Local Government Association of Queensland (LGAQ) to provide appropriate training and resource material to enable councils to make informed NCP implementation decisions. The Government is currently working to reinvigorate the information campaign for councils in conjunction with the LGAQ and further encourage councils to participate in the reform process.

Since the last report, a need was identified for further assistance for local governments, particularly for those local governments reforming their smaller business activities through the adoption of the Code of Competitive Conduct. As a result, the Government, in consultation with the LGAQ, Queensland Competition Authority (QCA) and local governments, is preparing a practical guide to competitive neutrality pricing. The areas to be covered by the guide were identified in a number of well attended training sessions in late 1999 (nearly 150 local government representatives attended sessions at 6 locations throughout Queensland). Further training sessions will be offered in the first half of 2000.

The Government has established an ongoing program of two day annual training sessions to assist local governments in making new local laws. The program's main focus is on ensuring that local government adheres to sound fundamental legislative principles. However, the training also includes the need to identify any potentially anti-competitive provisions and review whether their inclusion is in the public interest. The training program focuses on the use of non-regulatory options to achieve desired outcomes and minimising the impact on competition. These training sessions were also well attended in 1999 (over 200 local government officers and councillors attended at 14 locations).

In early 1999, the Government released an interactive CD-Rom as an in-house refresher course for referees taking part in the competitive neutrality complaints process. It also provides a testing facility to allow council managers to assess the knowledge level of prospective referees. A new round of training for councils and referees is planned for late 2000.

## **5.2 Competitive Neutrality**

### **5.2.1 Overall Approach**

As outlined in Queensland's 1996 local government NCP application statement, the *Local Government Act 1993* provides for local governments which operate with significant business activities<sup>2</sup> to conduct Public Benefit Assessments (PBAs) to assess the net public benefit of applying one of three identified competitive neutrality reforms - namely, corporatisation, commercialisation or full cost pricing.

Also in accordance with the 1996 application statement, local government are required by the Act to identify those of their smaller business activities (above a nominated threshold) that compete directly with the private sector – these are commonly referred to as Type 3 business activities. So far, 187 Type 3 activities have been identified. In addition to identifying Type 3 activities, the Act requires that local governments make a decision annually on whether to apply the Code of Competitive Conduct, and report on this decision in their annual reports.

As with SBAs, funding has been allocated under the Financial Incentive Package to encourage reform of Type 3 and other smaller business activities, with payment to be dependent on satisfactory implementation of reforms. To date, 45 local governments have implemented or committed themselves to reforming one or more of their business activities.

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<sup>2</sup> Type 1 and 2 business activities

The task of assessing whether local governments have achieved a satisfactory level of reform has been delegated by the State Government to the QCA. The QCA has been given the responsibility for undertaking an independent and objective annual assessment of local government performance in implementing all NCP reforms and recommending payments from the Financial Incentive Package based on that assessment.

## 5.2.2 Reform Progress

### Type 1 and 2 Business Activities

Of the 27 Type 1 and Type 2 business activities identified to date, 25 have been subject to commercialisation (15 businesses) or full cost pricing (10 businesses). In the case of the two new SBAs, the local governments have resolved to implement full cost pricing. In all four instances where local governments have elected to treat smaller activities as SBAs, the local governments have commercialised the activities. Details are provided in Attachment 4.

As previously reported, councils continue to be deterred from corporatising larger business activities by the uncertainty over the tax status of LGOCs and other, mainly governance related, issues.

### Type 3 Business Activities

Reform of Type 3 business activities is continuing with 100 such business activities (up from 60 at the time of the last report) implementing, in most instances, the Code of Competitive Conduct. The largest 18 councils have made most of the progress in this regard with 89 of their Type 3 business activities adopting the Code of Competitive Conduct. Details are provided in Attachment 4.

### Other Business Activities

In addition to operating Type 3 business activities, many local governments also operate other small business activities which do not qualify as Type 3 businesses because they do not compete directly with the private sector. Although the potential reform of these other business activities was not foreshadowed in the 1996 application statement, to date, local governments have implemented or committed themselves to the reform of 68 such business activities. Councils outside the largest 18 are undertaking most of the reform of these other business activities. Details are provided in Attachment 4.

## 5.3 Legislation Review

### 5.3.1 Review of Redundant Provisions

As outlined in previous reports to the NCC, the review of potentially anti-competitive provisions in local laws has coincided with a review of redundant provisions (following the introduction of the *Local Government Act 1993*), and the removal of local law controls relating to land use and development control and their incorporation into planning schemes (following the introduction of the *Integrated Planning Act 1997*).

The results of the review of redundant provisions and the changes arising from the introduction of the *Integrated Planning Act* are summarised in the following table:

Number of Local Laws in 1994 when the Local Government Act commenced – requiring review of all local laws for redundant provisions	5191
Number of local laws with processes relating to development which were moved into Planning Schemes	208
Number of local laws which expired at 30/6/99	698
Number of local laws repealed as redundant	3751
Number of new and replacement local laws based on model local laws promulgated by the Government	2307
Total local laws in place as at February 2000	2841

There was a significant degree of overlap between the reviews of redundant and planning provisions and the review of anti-competitive provisions. As a result, the above table and that below summarising the outcome of the review of anti-competitive provisions need to be read separately.

### 5.3.2 Review of Anti-competitive Provisions in Existing Local Laws and Local Law Policies

Under the *Local Government Act 1993*, local governments were required to review their existing local laws and local law policies to identify “possible anti-competitive provisions” by 31 December 1997. By 1 July 1999, local governments were required to have:

- conducted Public Interests Tests (PITs) on the identified provisions;
- prepared a PIT report on each of their possible anti-competitive provisions;
- resolved whether or not to implement the recommendations of the PIT; and
- implemented the appropriate action.

Local governments identified approximately 3,300 potentially anti-competitive provisions in 1922 local laws. The result of the review process is summarised as follows:

Number of local laws and local law policies identified as including potentially anti-competitive provisions	1922
Number of local laws and local law policies initially identified as containing anti-competitive provisions but subsequently found not to be anti-competitive when PIT completed (eg local laws on public libraries, council meetings, etc)	119
Number of local laws identified as including potentially anti-competitive provisions which lapsed or were repealed: <ul style="list-style-type: none"> <li>– 38 where no review carried out – lapsed at 30/6/99 under provisions for review of redundant provisions.</li> <li>– 14 where review not completed at 30/6/99 or no information provided by council – assumed to have lapsed at 30/6/99</li> <li>– 16 deleted (a total of 19 local laws had anti-competitive provisions deleted; for 16, all were deleted; for 3, some were deleted and some retained).</li> </ul>	68
125 local laws were repealed and replaced with 111 new local laws containing some anti-competitive provisions but with a lesser impact on competition	14
Number of local laws where the review recommended deletion of provisions and replacement by town planning controls (with these local laws retained on an interim basis until new planning scheme was completed under IPA timetable)	6
Total local laws with anti-competitive provisions remaining	1715

Of the 1715 local laws with anti-competitive provisions retained in the public interest:

- 673 local laws dealt with matters of moderate impact on competition such as provisions relating to entertainment venues, pet shops, catteries and kennels, advertising, caravan parks, camping grounds and rental accommodation, or itinerant vending; and
- 1042 local laws dealt with matters of low to negligible impact on competition, such as parks and reserves, nuisance and pest control, cemeteries, saleyards, domestic water carriers, extractive industries, jetties, commercial use of roads, meetings, libraries, and council administration.

In general, these provisions involve the establishment of permit regimes with local governments having the discretion to grant permits and to impose conditions on such permits. In practice, councils do not generally use their discretionary power to limit the number of participants in the market. In most cases, a permit is granted as a matter of course and a range of fairly generic conditions are applied which relate to health, safety and amenity issues.

### 5.3.3 Review of proposed new Local Laws and Local Law Policies

When local governments are proposing to make new local laws and local law policies, they are required to identify and carry out a PIT for any possible anti-competitive provisions before making the law or policy. By the end of 1999, possible anti-competitive provisions had been identified in 624 proposed new local laws. These were generally of a similar nature to those discussed under section X.3.1. For some laws or

policies, the review process has been completed and the laws or policies have been made, while others are still at the stage of conducting the PIT and carrying out public consultation.

## **5.4 Competitive Neutrality Complaint Process**

### **5.4.1 Framework for Complaint Processes**

The amendment to the *Local Government Act* in December 1997 that created the framework for the complaint and accreditation processes for local government business activities to which competitive neutrality reforms are applied, was modelled on the processes applying at the State Government level, including the role of the QCA. In essence, once a competitive neutrality reform has been applied to any local government business activity, the local government must establish a process to deal with complaints about breaches of competitive neutrality. Details of the processes required were outlined in Queensland's 1998 annual report to the NCC.

### **5.4.2 Establishment of Competitive Neutrality Complaint Processes**

Of the 199 businesses subjected or committed to competitive neutrality reform to date (see Attachment 4 for details):

- 27 local government business activities are subject to a complaints process that includes the QCA as the referee;
- 158 local government business activities are subject to in-house complaint processes (in some instances particular elements of the process are yet to be clarified); and
- 14 businesses have not provided evidence to the QCA of a valid complaints process.

### **5.4.3 Complaints Lodged**

The QCA has been advised by councils of 2 complaints, both relating to building services. One complaint was dealt with at the preliminary stage and did not proceed to a formal complaint. The other involved a generic complaint to the ACCC which was addressed by the council undertaking to limit its level of involvement in the private certification market.

## **5.5 COAG Water Reforms**

Local Governments in Queensland are required to comply with clauses 3(a) and (b) of the 1994 COAG Water Resource Policy. Implementation of COAG water reforms by local Governments is outlined in Section 9.

## **5.6 Prices Oversight**

As outlined in Queensland's previous reports, it is proposed that the State Government's regimes for prices oversight of government monopoly business activities will be extended to apply to local government SBAs that meet the relevant monopoly criteria.

The proposed prices oversight regime will be administered by the QCA which performs a similar function in relation to State Government monopoly businesses. As with State Government monopolies, the QCA will not have the power to set prices, but will make recommendations to the owner council in relation to possible changes to any pricing practices the QCA finds are inappropriate. At this stage, it is expected that following completion of consultation with stakeholders, a Bill to give effect to the proposed arrangements will be presented to Parliament around May 2000.

## **5.7 Third Party Access**

The State-based third party access regime currently applies to local government owned infrastructure. Amendments to the *Queensland Competition Authority Act 1997* are also proposed for May 2000 to clarify the process for declaration of affected services, including requirements for prior consultation with the local government owners of infrastructure, and to confirm the treatment of local government infrastructure as 'private infrastructure' for the purposes of the Act.

## **5.8 Local Government NCP Financial Incentive Package**

### **5.8.1 Framework for NCP Financial Incentive Package**

Under the Financial Incentive Package local governments are potentially eligible to receive \$150 million (in 1994-95 prices) over the 5 year period commencing 1 July 1997 in consideration for voluntary introduction of NCP reforms.

As outlined in previous reports, the Financial Incentive Package is divided into three pools, and the distribution of funds across the pools shows the emphasis in the Package on rewarding outcomes as follows: \$1 million to provide training and assistance to local governments; \$7.5 million to assist local governments with undertaking NCP-related public benefit reviews; and \$141.5 million to local governments implementing NCP reforms.

All but a small part of the training and review allocations have been distributed to councils. The remaining review funds will be directed to encouraging review of two part tariffs by smaller councils.

### **5.8.2 Role of the QCA**

As indicated previously, the QCA is the body responsible for recommendations to the Queensland Government on payments to councils from the implementation pool. The QCA produces a report in November of each year (commenced in 1998) covering progress up to 31 July in that year, that contains recommendations on the share of each local government's allocation to be paid in that year.

A total of \$32.4 million was paid in recognition of reforms implemented up to 31 July 1998, including \$5.9M million in preliminary payments to the largest 17 councils and \$26.5 million across all councils in line with the QCA's November 1998 report recommendations.

The QCA's latest report on reform progress to 31 July 1999 is still under consideration by the Government.

## 5.9 Conclusion

Significant progress is being made in the application of NCP-related reforms to local governments in Queensland in line with the State's 1996 NCP application statement. Changes to the *Local Government Act 1993* and the *Queensland Competition Authority Act 1997* are scheduled for 2000 to complete the legislative framework governing the various reforms. The Government is continuing to work with the LGAQ in a cooperative manner to assist and encourage councils in the implementation of the various reforms.

Local governments have commenced or made a binding commitment to the competitive neutrality reform of around 200 business activities, including all 31 significant business activities, 100 of the 187 "Type 3" business activities and 68 other smaller business activities. With a few exceptions, councils have established valid competitive neutrality complaints mechanisms for these activities as required under the *Local Government Act*. To date, there have only been two informal complaints.

Of the around 5200 local laws in place prior to the various reviews, local governments identified 1922 local laws as at 31 December 1997 with potentially anti-competitive provisions, which are generally minor in nature and related to meeting health, safety and amenity outcomes. All such provisions were subjected to public interest tests before the nominated deadline of 1 July 1999. Of the 1922 local laws with such provisions, councils have decided, following review, that the retention of potentially anti-competitive provisions is warranted in the public interest in 1715 cases as the best way of ensuring the desired regulatory outcome. The combination of the various reviews has meant that Queensland local government now has a suite of modern legislation based, in large part, on model local laws promulgated by the Government.

## PART 2

### CONDUCT CODE AGREEMENT

#### 6.0 COMPLIANCE

During the period under review, the Queensland Parliament passed two pieces of legislation which contained specific authorisations for certain conduct for the purposes of Part IV of the *Trade Practices Act 1974* and the *Queensland Competition Code*.

The legislation concerned was the *Sugar Industry Act 1999* and the *Primary Industries Legislation Amendment Bill 1999*, which amended a number of pieces of legislation including the *Chicken Meat Industry Committee Act 1976*.

A National Competition Policy review of the sugar industry was completed in 1996. The review determined that the benefits to the community of the conduct which is the subject of the authorisations under the *Sugar Industry Act 1999* outweigh the costs of the conduct.

A National Competition Policy review of the *Chicken Meat Industry Committee Act 1976* was completed in 1998. The review determined that the benefits to the community of the conduct which is the subject of the authorisations under the *Chicken Meat Industry Committee Act 1976* outweigh the costs of the conduct.

The Australian Competition and Consumer Commission was advised of the passage of this legislation in accordance with clause 2(1) of the Conduct Code Agreement.

## **PART 3**

# **AGREEMENT TO IMPLEMENT THE NATIONAL COMPETITION POLICY AND RELATED REFORMS**

## **INFRASTRUCTURE REFORM**

### **7.0 ELECTRICITY**

#### **7.1 Overview**

Queensland electricity reforms were covered in Queensland's first and second annual report to the NCC.

A number of significant electricity reforms were delivered in 1999/2000, including:

- the completion of industry restructuring to achieve good corporate governance and long term sustainability, primarily in the case of Government Owned Corporations;
- the successful implementation of the third stage of retail competition (for customers using greater than 0.2GWh per year in July 1999; and
- the continuing operation of Queensland as a separate region in the National Market with interconnection with New South Wales scheduled for late 2000.

In February 1999, the Queensland Government announced several changes to the structure of the electricity industry. The Government has since implemented these announced changes with the completion of the following milestones:

- Arrangements are in place to facilitate the wind-up of the engineering corporation, AUSTA Energy, and transfer staff to the three government owned generation corporations, the Department of Mines and Energy and other electricity corporations. A regulation to effect the formal transfer of some staff commenced on 19 November 1999.
- An Electricity Monitoring Unit was established within the Department of Mines and Energy to address the Government's concerns about maintenance.
- A Consumer Protection Office has been established within the Department of Mines and Energy to provide customers with a process to have complaints investigated and/or mediated by a third party if they are not satisfied with the response from their electricity retailer. In addition, arrangements are proposed whereby a matter can be referred to an independent energy arbitrator who will have the authority to determine the matter if the mediation does not reach an outcome.
- On 30 June 1999, all six regional distributors were amalgamated into a single corporation, Ergon Energy, with Ergon Retail as a subsidiary.
- Seven Regional electricity councils have been established, and members appointed. The Councils will provide a voice for regional Queensland on how the system

performs and operates. As part of their role, the groups will monitor power outages, gauge the effectiveness of the industry in their regions and help to identify community issues and solutions.

Work is continuing on feasibility planning for the final tranche of contestability (Tranche 4 in January 2001), development of standard customer contracts, retailer of last resort, and a number of other on-going economic, administrative and technical issues.

While Queensland is participating in the competitive national market, the Government is also committed to maintaining electricity tariff support to ensure that the State's high cost areas are not disadvantaged as the electricity market becomes contestable. The Queensland Government will apply a public benefit test to the proposed introduction of competition in the supply of electricity to domestic and small business consumers, to ensure that the introduction of contestability will result in net benefits to these consumers. These initiatives will address the major issues in the Queensland electricity industry and provide for the long-term growth of the industry and the community.

Queensland's performance against specific reform commitments is the following:

## **7.2 Interconnection with NSW**

The Queensland Government has made a commitment to fast track the completion of the interconnection. The original completion date for the interconnector was October 2001. Powerlink and Transgrid are presently jointly pursuing an accelerated program targeting October 2000 for completion of construction work. Commissioning of the first circuit is scheduled for December 2000. The second and final circuit is scheduled for commissioning in early 2001. Construction on the transmission line is well underway.

Queensland is currently a participant in the NEM in advance of the interconnection. The national Electricity Code is applied to market operations in Queensland and the NEM systems are fully operational.

## **7.3 Structural Separation of Generation and Transmission**

No change.

## **7.4 Ringfencing Retail and Wires in the Distribution Sector**

Company separation exists between the distribution and retail sectors.

With the Government's announcement of the restructure of the Queensland electricity industry in 1999, 6 regional distributors were amalgamated into a single corporation adopting the Ergon name, with Ergon Retail as a subsidiary. Regional Electricity Councils were formed across the State to provide direct community input to their distribution corporations.

This restructure of the distribution corporations simplifies the governance arrangements and allows the State's regional electricity sector to be able to conduct business more effectively. The new structure has reduced the number of reporting lines to shareholding Ministers, allowing a more coordinated approach to regional development of the distribution sector, and provide a more workable arrangement for the ownership and business development of the retailing corporation.

## 8.0 GAS

### 8.1 Overview

The Natural Gas Pipeline Access Agreement was signed by all jurisdictions on 7 November 1997. This Agreement committed Queensland to enacting legislation to apply to the *Gas Pipelines Access Law* by the end of June 1998. The *Gas Pipelines Access Law* makes the obligations placed on pipeline operators and users by the Code legally binding.

Under the Agreement, South Australia was made the lead legislator for the *Gas Pipelines Access Law*. The South Australian legislation was enacted in December 1997. The *Gas pipelines Access Law* comprises Schedule 1 to the South Australian Act, and the national Third Party Access Code for Natural Gas Pipeline Systems (the Code) which is set out in Schedule 2 to the South Australian Act.

Progress on specific Agreement provisions is outlined below.

### 8.2 Removal of all remaining legislative and regulatory barriers to free trade across jurisdictions

As a further part of Queensland's compliance with the national competition policy reforms including issues raised in the Upstream Implementation Working group (UIWG), the Government is undertaking a review of the *Petroleum Act 1923* and the *Gas Act 1965*. The review will allow the updating of the legislation to ensure that, as far as practicable, it is consistent with the UIWG recommendations.

The UIWG report, in particular, identified the efficient, transparent and contestable-system of allocating exploration permits and managing prospective acreage as one of the keys to increasing upstream competition. Proposed changes to the Petroleum and Gas Acts are consistent with these recommendations particularly in regard to supporting transparency of the process and the award of acreage on an open and competitive basis.

The UIWG developed a national approach to third party access to upstream facilities. The proposed changes to the Petroleum and Gas Acts provide for a level of flexibility that should enable the incorporation of any such national approach if considered appropriate. For example, the proposed legislation will provide for a regulation to be made extending the scope of the third party access provisions to upstream facilities.

Queensland is well advanced with its review, and a discussion paper on the review was released for public comment. Submissions and comment on the discussion paper closed on 1 April 1999 and significant progress has been made towards a final government policy position for the proposed new legislation.

### 8.3 Uniform national framework for third-party access to all gas transmission pipelines

See below.

## 8.4 Principles for free and fair trade in gas embodied in legislation

On 7 November 1997, Queensland signed the Natural Gas Pipelines Access Agreement, committing the State to enacting legislation to apply to the national *Gas Pipelines Access Law*. The legislation makes the obligations placed on pipeline operators and users by the National Gas Access Code (the 'Code'), legally binding.

The Gas Pipelines Access (Qld) Bill was introduced into Parliament on 21 April 1998. It was passed on 13 May and assented to on 18 May. The commencement of the legislation will occur in the very near future.

The legislation, when commenced, will:

- apply the *Gas Pipelines Access Law* in Queensland;
- provide for derogations from the *Gas Pipelines Access Law* for certain Queensland pipelines;
- provide transitional arrangements before the full application of the *Gas Pipelines Access Law* in Queensland; and
- establish the Queensland Gas Appeals tribunal.

The derogations aim to protect existing pipeline tariffs and other access conditions, which were established in accordance with the access regime under the Queensland *Petroleum Act 1923*, generally prior to the development of the *Gas Pipelines Access Law*. These derogations effectively deem the existing tariff arrangements as the reference tariffs under the Code. The Code specifically recognises the existing rights of operators and changes to current access principles may seriously jeopardise the commercial position of operators and have implications for Queensland's "sovereign risk" profile.

Queensland's obligation includes a timetable for the introduction of contestability in the retail gas market, in accordance with the provisions of the national gas access agreement. Queensland's recently amended timetable provides for the commencement of contestability from 1 December 2000 for customers who consume greater than 100 terajoules per annum, with contestability for all remaining customers presently intended to commence from 1 September 2001.

Queensland's gas access regime was submitted to the NCC for certification as an effective regime in September 1998. The Government maintains the position that derogations from the National Code form an integral part of the legislation.

## 8.5 Adoption of AS2885

Jurisdictions agreed to adopt AS2885 to achieve uniform national pipeline construction standards by the end of 1994 or earlier.

## **8.6 Open ended exclusive franchises**

The COAG noted that the open-ended franchises are inconsistent with the principles of open access. As such, no new open ended exclusive franchises have been approved in Queensland. Approvals to develop new distribution franchises have been granted on the understanding that they will be subject to full open access provisions upon the introduction of the national gas access regime.

The Queensland Government has adopted a contestability regime whereby it is presently intended that those large customers which consume greater than 100 Terajoules per annum will gain access to competitive supply in December 2000 with all remaining customers gaining access to competitive supply in September 2001. It should be noted that 75% of tradeable gas volume in Queensland is already contestable.

## **8.7 Ringfencing distribution and transmission**

Jurisdictions agreed that where publicly-owned transmission and distribution activities are at present vertically integrated, they be separated, and legislation introduced to 'ring-fence' transmission and distribution activities in the private sector by 1 July 1996.

There are no publicly-owned transmission and distribution services in Queensland that are vertically integrated. Currently, in Queensland there are four main transmission pipelines and two main natural gas distributors which are privately owned other than the distribution business of Allgas. Major gas industry participants are aware that transmission and distribution assets will need to conform with the ring-fencing provisions of the national access code.

## 9.0 WATER – COAG WATER REFORMS

Information regarding the structure and operation of the Queensland water industry was included in the 1999 Annual Report to the NCC.

1999 has been a landmark year for water reform in Queensland. During the year, the Queensland Government:

- released draft policy papers to underpin a fundamentally new water legislative framework in Queensland;
- released the *Water (Allocation and Management) Bill* which includes provisions to regulate overland flows in Queensland;
- finalised the Fitzroy Water Allocation and Management Plan (WAMP), the first of its kind in Queensland;
- implemented a pilot for transferable water entitlements in the Mareeba-Dimbulah Irrigation Area;
- implemented the first phase of five year price paths for rural water prices; and
- created the South East Queensland Water Company (SEQWCo) as a joint State-local government owned company, to take over the operations of the South East Queensland Water Board (SEQWB).

Further, the Type 1 and Type 2 local governments water and sewerage businesses completed their first financial year operating under full cost pricing and commercialisation arrangements. In addition, 79 of the 91 local governments that have nominated to implement COAG Water Reforms commenced water reform implementation. The Queensland Competition Authority (QCA) completed its second report to the Queensland Government regarding the progress of NCP/ COAG reform implementation at the local government level.

During the year, the Queensland Government completed extensive consultation regarding the proposed new Queensland water industry arrangements with rural water users, local governments, industry and environmental representatives.

The Queensland Government is now poised to complete the majority of the water reform agenda during 2000 with, amongst other things, the introduction of comprehensive legislation to replace the *Water Resources Act 1989*, the proposed corporatisation of State Water Projects, the transfer of the activities of the SEQWB to the incorporated SEQWCo and the implementation of full commercialisation arrangements for the remaining urban water boards.

### 9.1 Water Pricing - Urban

Queensland local governments supply domestic water to in excess of 3 million people, as well as commercial and industrial customers. Compared to many other Australian states, Queensland's local governments play a very significant role in the provision of urban water services.

The Queensland Government's response to water reform by local governments recognises the autonomy of local government as well as the wide disparity in the size and functions of local government water services. In this regard, the Queensland Government is committed to sharing its Competition Payments with those local governments that implement NCP and related reforms through the *Local Government NCP Financial*

*Incentive Package.* In total, the Queensland Government has allocated \$150 million of the Competition Payments to local governments if they implement NCP/COAG reforms.

In 1997, the Queensland Government made amendments to the *Local Government Act 1993* and the *Local Government Finance Standard 1994* to provide a legislative framework for the implementation of COAG water reforms by local governments. Principally, the amendments to the *Local Government Act 1993* concentrated on the adoption of the COAG Water Policy by the big 17 local governments, namely Brisbane, Caboolture, Cairns, Caloundra, Gold Coast, Hervey Bay, Ipswich, Logan, Maroochydore, Mackay, Noosa, Pine Rivers, Redlands, Rockhampton, Thuringowa, Toowoomba and Townsville. All other local governments have been strongly encouraged to adopt water reforms formally through a Code of Competitive Conduct (centred around full cost pricing) and through access to the *Local Government NCP Financial Incentive Package*. Some 76 of the smaller local governments have nominated water and sewerage businesses to be considered for the application of competitive neutrality reforms (including allocation for full cost pricing) over the four years to 2003.

### **9.1.1 Implementation of full cost pricing**

#### **Big 17 Local Governments**

As outlined in Queensland's 1999 Annual Report, on 1 July 1998, 11 of the 17 largest local governments implemented commercialisation reforms to their water and sewerage businesses (Brisbane, Caloundra, Gold Coast, Hervey Bay, Ipswich, Logan, Mackay, Maroochy, Redland, Rockhampton and Townsville). The remaining six local governments implemented full cost pricing (Caboolture, Cairns, Noosa, Pine Rivers, Toowoomba and Thuringowa).

The financial results for the 1998-99 financial year are outlined in Attachment 5. Attachment 5 indicates that all 17 local governments are, at least covering minimum pricing requirements, with most earning a rate of return on assets (valued at deprival value).

In November 1999, the QCA completed an assessment of the progress of local governments with respect to their implementation of NCP reforms. The QCA's report noted that 12 of the big 17 local governments have made impressive progress in the area of full cost pricing for water and sewerage with special mention being given to Caloundra, Gold Coast, Hervey Bay, Mackay, Maroochy and Townsville.

The QCA's report highlighted issues that require further attention, specifically, full cost pricing, identification of cross-subsidies and costing of CSOs.

A Technical Issues Group comprising the Department of Communication, Information, Local Government and Planning (DCILGP), Treasury, the Water Reform Unit (WRU), the QCA and representative local governments is currently developing guidelines to assist in the further refinement of full cost pricing reforms.

Over the next two years the QCA's assessments of local governments' NCP compliance will concentrate on, amongst other things, issues such as refinement of rates of return, optimisation of asset values and treatment of contributed assets.

## 108 Local Governments

Attachment 6 outlines the 1998-99 financial performance of local governments outside the big 17<sup>3</sup> but with in excess of 5000 water connections. The information shows that these councils are predominantly covering operating costs, depreciation and finance costs, and earning some return on assets and are therefore likely to be covering at least lower bound costs.

Of the remaining 97 local governments, 53 are covering at least SCARM lower bound costs (excluding tax equivalents), 16 local governments recorded an operating loss in 1998-99 and 28 local governments have not provided information.

The QCA's 1999 report notes that 79 of the 91 local governments that nominated to implement COAG Water Reforms have now commenced this process, compared to 38 local governments in 1997-98. These local governments will focus on the implementation of their relevant reform (including full cost pricing<sup>4</sup>) for their water and sewerage businesses.

### Urban water boards

The 1998-99 financial results for the South East Queensland Water Board (SEQWB), Gladstone Area Water Board (GAWB), Townsville-Thuringowa Water Supply Board (TTWSB) and Mount Isa Water Board (MIWB) are outlined in the table below.

	Revenue (\$,000)	Total Costs (\$,000)	EBIT (\$,000)	Assets (\$,000)	ROA
SEQWB	25,848	18,884	13,842	402,348	3.44%
GAWB	14,580	10,385	4,896	193,090	2.52%
TTWSB	19,805	12,842	9,159	186,773	4.90%
MIWB	4,349	4,362	(12) <sup>5</sup>	64,744	(0.00)%

Source: 1998-99 Annual Reports

Price paths consistent with competitive neutrality principles were developed for SEQWB, TTWSB and MIWB during 1999 and will be phased in from 1 July 2000. The GAWB is currently finalising its price path arrangements.

### 9.1.2 Implementation of consumption based pricing

#### Implementation of two part tariffs by big 17 local governments

The *Guidelines for Evaluation of Introduction and Improving Two Part Tariffs (1997)* provided the basis for review and refinement of two part tariffs for Queensland Local Governments. The guidelines recommend that access charges be set to cover fixed costs, with the volumetric component to cover long run marginal cost.

Attachment 7 outlines the water and sewerage charges of the big 17 local governments for 1999-2000. Attachment 7 indicates that 12 of the big 17 local governments have implemented two part tariffs. The thirteenth, Gold Coast City Council, is adopting a

<sup>3</sup> The Bundaberg City Council has now become a Type 2 business activity.

<sup>4</sup> Consistent with competitive neutrality principles ie. SCARM Upper Bound

<sup>5</sup> Board transferred from cash to accrual accounting on 1 July 1998. Price paths are being implemented for the MIWB from 1 July 1999 consistent with full commercialisation principles.

phased approach for full implementation of two part tariffs and will have fully completed this process by 2003. The Gold Coast's current domestic water charges include a base water allowance, however, this base is significantly below average water consumption in Queensland.

Brisbane City Council has some remaining property based water charges, however, the Council has resolved that these will be phased out at the earliest opportunity.

Overall, there is little evidence of property valuation based charging by the big 17 councils, including those local governments which have resolved not to implement two part tariffs. Further, the QCA's report notes a trend towards a 60:40 split between access/volumetric charges amongst councils with consumption based charging.

Information regarding the decisions of the Rockhampton City Council, Townsville City Council and Thuringowa City Council is included as Attachment 8.

Sewerage charges are generally set based on a single access charge or pedestal charge. The Brisbane City Council has some remaining property based sewerage charges but will consider phasing these out over the coming three years.

### **Implementation of consumption based pricing by 108 local governments**

Attachment 9 provides details of water charges for the remaining 108 local governments in Queensland. Attachment 9 indicates that at least 84 of these local governments have metering arrangements for water supply, while 22 of these councils already have two part tariffs in place. 87% of water connections for the 108 local governments are either subject to two part tariffs or a fixed/unit charge and excess water charge. There is little evidence of property valuation based water charges amongst these local governments.

In total, 70 local governments (including the big 17) have water connections in excess of 1000. Of the 53 local governments which are not Type 1 or Type 2 local governments, 35 (66%) either have a two part tariff, have completed a two part tariff assessment or have indicated that a two part tariff assessment is planned. All 53 local governments have funds available to them under the *Local Government NCP Financial Incentive Package* should they resolve to undertake and implement two part tariff reforms.

The QCA will continue to assess the adoption of consumption based pricing/two part tariffs by local governments over the coming two years.

### **Urban water boards**

The four urban water boards charge for water on a volumetric (per ML) basis.

#### **9.1.3 Identification of cross-subsidies**

The implementation of two part tariffs by 13 of the big 17 local governments will have minimised the opportunity for cross-subsidies between classes of customers. Further, the commitment of the Brisbane City Council to phase-out remaining property based charges for industrial water and sewerage will further reduce potential cross-subsidisation. Any remaining price discrimination/cross-subsidies will be publicly reported from 1 July 2000.

The July 2000 date prescribed under the *Local Government Act 1993* will allow local governments time to implement the necessary information systems to clearly identify customer groups and explicitly calculate the extent of cross subsidies. The information intensity of the methodology recommended in the *Guidelines for Identification and Measurement of Cross Subsidies (1998)* was highlighted during the development of case studies for cross-subsidy identification.

Issues associated with the four local governments which have resolved not to implement two part tariffs are outlined in Attachment 8. These four local governments will be required to identify, measure and publicly report on the existence of cross-subsidies within their water and sewerage business in their Annual Reports from 1 July 2000.

Of the remaining 108 local governments, there is little evidence of property based charges that would suggest substantial cross-subsidies within classes based on property assessments. Indeed, there is a high level of metering across the State with at least 80 of the 108 councils with water meters and excess water charges. The NCC has previously noted that the existence of base allowances may mean that low volume users subsidise high volume users. These local governments will continue to be encouraged to review their charging arrangements under the *Local Government NCP Financial Incentive Package*.

#### **9.1.4 Identification of community service obligations (CSOs)**

Section 557 of the *Local Government Act 1993* defines CSOs as obligations required to be provided by a commercial business that are not in the commercial interests of the business to provide. The *Local Government Finance Standard 1994* requires that CSOs be identified, and ideally, fully funded.

Attachment 10 outlines the CSOs provided by the big 17 local governments in 1998-99. CSOs are provided for pensioner rebates, fire fighting, and community groups. The CSOs provided by the big 17 water and sewerage businesses are funded from the consolidated funds of the owner local governments or by the Department of Families, Youth and Community Care (pensioner rebates).

The Technical Issues Group is currently developing CSO guidelines for local governments to further assist in the definition and costing of CSO provision into the future. The QCA will use these guidelines as the basis of assessing the identification and costing of CSOs in its coming three assessments.

#### **9.1.5 Public sector water supply organisations to earn a rate of return on assets**

The *Local Government Finance Standards 1994* requires local governments to value assets in accordance with deprival value. All big 17 local governments have now valued their assets consistent with this approach. Information regarding asset values for the big 17 local governments is included in Attachment 5. Assets are either valued by the local governments or independent consultants with asset values signed off by the Auditor General.

Attachment 5 shows that the majority of the big 17 local governments are earning a rate of return on assets. There is some variation between the method of depreciating assets amongst the big 17 local governments, however, many of these issues will be resolved by the guidelines being prepared by the Technical Issues Group.

Three of the four urban water boards are earning a rate of return on assets. The MIWB will implement a new water price path from 1 July 2000, consistent with commercialisation principles.

## **9.2 Rural Water Supply and Irrigation Services**

### **9.2.1 Rural Water Pricing**

Under the COAG Water Resource Policy rural water prices are to comply with the principle of full cost recovery by 2001, with any subsidies made transparent.

Rural water infrastructure in Queensland has been provided under a range of policies including regional development and agricultural support. Traditionally, when schemes were established, water prices were set to cover the operating and maintenance costs of running the schemes. However, over time, with both the effects of inflation and changing cost structures, prices have shifted away from being related to the cost of service provision. As a result, the level of cost recovery across State-owned irrigation schemes, and between sectors within schemes, varies significantly, with some schemes above minimum cost recovery, but with others well below covering the costs necessary to ensure ongoing financial viability.

The Queensland Government is committed to ensuring that rural water prices are set at a level to ensure the ongoing financial viability of its irrigation schemes and has adopted the ARMCANZ Lower Bound as the target for rural water pricing. That is, prices as a minimum, should reflect operational, maintenance and administrative costs, externalities, taxes or TERs, dividends (if any) and make provision for future asset refurbishment/replacement.

The Queensland Government has adopted a pragmatic approach to the implementation of the COAG pricing target that takes account of, amongst other things, the current levels of cost recovery, the elasticity of water demand, and social and regional issues. The policy approach is that water prices should be set at a level to achieve long term financial viability. The rate at which this target is achieved reflects an assessment of the level of cost recovery currently being achieved by individual schemes, the efficient cost of water delivery and a desire to encourage long term sustainable use of the resource without significant adverse economic and social impacts.

During 1999, the WRU completed a comprehensive assessment of the cost recovery position of all rural water supply schemes and developed strategies to increase the average level of cost recovery, particularly by schemes presently below the lower bound. On 1 July 1999, the first phase of a five-year price path was introduced.

Specifically, a three tier approach to the implementation of the COAG water price target has been adopted:

- Category 1 – irrigation schemes that will achieve, or exceed ARMCANZ lower bound cost recovery by, or before 2001. Whilst further evaluation of costs together with consultation with irrigation schemes is still underway, current indications are that Category 1 schemes will cover around 84% of the total nominal allocation in Queensland, including the Burdekin Irrigation Area where irrigation prices are already above the lower bound;

- Category 2 – irrigation schemes that will achieve the ARMCANZ lower bound pricing target by 2004, with transitional subsidies made transparent. Indications are that Category 2 schemes will account for approximately 11% of Queensland’s total nominal allocation; and
- Category 3 – those schemes that will require transparent Government assistance over the longer term. Category 3 schemes will probably reflect around 5% of the total nominal allocation in Queensland.

In early 2000, the WRU will also complete a benchmarking study for State Water Projects to ensure that prices reflect the costs of efficient water service delivery. The benchmarking study is understood to be one of the first to be undertaken in the rural water industry in Australia, and reflects the policy of the Queensland Government to ensure pricing reforms do not entrench inefficient cost structures.

### **9.2.2 Investment in New Water Infrastructure**

In its June 1999 Annual Report, the NCC raised questions regarding some infrastructure projects developed by the Queensland Government. Further information, as outlined below, was provided to the satisfaction of the NCC. The Queensland Government will also develop a further set of guidelines regarding economic evaluation of new projects and the procedures for environmental assessment of water infrastructure developments.

#### **St George Off-Stream Storage**

In December 1999, the Queensland Government advised the NCC that it would not be proceeding with the development of the proposed St George Off-Stream Storage. Instead, the Queensland Government announced a package of measures to address long standing water security and reliability issues in the area. Particularly, issues in St George will be addressed by way of a \$6 million “buy-back” of some existing water allocations, and an adjustment of the water management rules for storages in the St George Irrigation Area, principally, for the Beardmore Dam.

#### **Moura Offstream Storage**

In its June 1999 assessment, the NCC raised concerns about the Moura OffStream Storage “primarily because the environmental assessment was carried out by the provider of the service” – ie State Water Projects (SWP).

The Queensland Government supports the view that a service provider with a financial interest in an infrastructure project should not, at least without independent scrutiny or eventual approval by an environmental agency, undertake the economic assessment of that project. In the case of the Moura Offstream Storage, however, the environmental impacts were considered and endorsed by the Resource Management Group within DNR.

The Moura Offstream storage was the final option chosen to provide additional water to an industrial development which was proposed within that vicinity. The offstream storage was commissioned after assessments of two instream weir options, being Nunns Crossing and Paranui Weir. The environmental assessments for these projects noted that such instream proposals would need careful consideration whereas offstream storage options probably existed which would be preferable from an environmental perspective.

After analysing a range of options, SWP sought approval from the Resource Management Group for the offstream storage project. The selected project was

essentially a substantial farm dam on a depression adjacent to the river. In providing its approval, Resource Management considered both the water availability from the river and the site impact of the proposed storage. Resource Management recognised that the offstream storage development was below a threshold required for environmental assessment, and recommended that the project be approved by the Government. In considering the project, the Government was advised of this position by Resource Management.

### **Walla Weir**

In its June 1999 assessment, the NCC formed the view that there is a fundamental flaw in the economic assessment of Walla Weir on the basis that it did not take into account full cost recovery.

As previously advised to the NCC, Walla Weir is one of the 12 projects funded under the Sugar Industry Infrastructure Package (SIIP) which was a joint initiative of the Commonwealth and State Governments. Financial contributions were also provided by the industry under the package. The package was one of a number of measures designed to address changes and challenges confronting the raw sugar industry. One component of the package was the provision for expenditure on infrastructure support for the industry. The selection criteria package was announced by the Queensland and Commonwealth Governments on 14 July 1993. A review panel comprising Sugar Industry and Government representatives was formed to evaluate proposed projects and make recommendations to both the Commonwealth and Queensland Governments.

In selecting projects, the review panel was required to give regard to a project's likely economic viability, ecological sustainability and a range of other factors including the extent to which the industry was prepared to make a proportionate monetary contribution to the project's costs. Walla Weir was one of 12 projects selected for funding out of 39 projects presented for consideration. The funding agreement between the sugar industry, the Queensland and Commonwealth Governments was signed on 26 November 1993.

In summary, a key selection criterion for the SIIP was that "projects must be economically viable such that the discounted direct economic benefits over the project's lifetime must exceed its discounted direct economic costs". The economic assessment of the project was considered by a panel with representation from both the Queensland and Commonwealth Governments and was evaluated as being consistent with this criterion. Additionally, water prices will be at the SCARM lower bound pursuant to price reforms to the Bundaberg Irrigation scheme.

### **Dumbleton Weir Stage III**

Dumbleton Weir Stage III involved a relatively minor addition to an existing weir by way of the installation of an inflatable rubber crest. An Economic Analysis that concluded that the project was economically viable was included in the IAS document and had previously been provided to the Council. The Council expressed concern that the environmental assessment of the project may have been undertaken by agencies which were connected with service provision. In this regard, the project study was conducted by the Regional Infrastructure Development Group (RID) within DNR and was signed off by the then Department of Environment and the Resource Management Group within DNR prior to the commencement of the construction.

The project is being managed within the Pioneer River System by the Pioneer Valley Water Board (PVWB) which is effectively owned by local cane growers and is unconnected with the State owned water service provider, State Water Projects.

A supplementary Heads of Agreement to incorporate Dumbelton Weir in the Teemurra Dam Project was signed on 8 November 1995. Water prices for this project were determined by the PVWB based on cost recovery of the industry component of project funding under the SIIP.

This industry funding component was \$1.04m of the total cost of \$3m for Stage III. The PVWB will allocate the 2500ML made available by Stage III to irrigators on the basis that irrigators will pay the capital cost through an annual charge. The annual charge will vary between delivery areas: riparian, supplemented stream, pump-supplied pipelines and gravity-fed pipelines.

### **Bedford Weir Stage II**

A copy of the impact assessment statement for the Bedford Weir Stage II had previously been provided to the Council.

This study was conducted by the Rural and Resource Development (RRD) Group of the Queensland Department of Primary Industries. The impact assessment for the project was approved by both the Department of Environment and the Commonwealth Environment Protection Agency on 30 April 1996 and 8 May 1996 respectively. An economic analysis that concluded that the project is economically viable was included in the IAS assessment.

In the matter of funding and cost recovery, the estimated cost of the capital project was \$4.73m and funding from the Commonwealth was \$2m. An auction of water resource allocations realised \$11.1m: the higher prices attributable to the fact that purchases were generally established farmers who were seeking to purchase marginal water and hence were able to utilise the additional water without incurring any additional capital expenditure on infrastructure. On this basis, cost recovery for the Bedford Weir Stage II is clearly evident.

### **Bingegang Weir Stage II**

Commonwealth funding to the Central Queensland regional development organisation for the Bedford Weir Stage II was to be carried over to other infrastructure in the system including Bingegang Weir Stage II. Capital costs for the project were \$3.6 million.

It is anticipated that water prices at auction will reach the same levels as for Bedford Weir II. As such, the economic viability of the Bingegang Weir Stage II development should not be at issue.

The cost of the project has been funded by the State, but should be recouped through sale of allocation. Bedford and Bingegang should be considered as a single project.

### **Warrill Creek Diversion Weir**

An impact assessment scoping study (which includes an economic CBA) for the Warrill Creek Junction Weir was completed by independent consultants Rust PPK Pty Ltd.

This weir was constructed to improve the overall operational efficiency of the system rather than to provide any additional water allocations. In this respect, the project has been very successful.

### **Mareeba-Dimbulah Irrigation Project**

Work is continuing to improve the operational efficiency of the existing infrastructure in the Mareeba-Dimbulah irrigation area (MDIA). The nature of these works are pipeline and channel upgrades and the installation of remote control systems.

As a result of these works it is estimated that the operational efficiency of the system has increased from 55% to 75% providing an additional 20,000ML available for sale. Two auctions have been held to date to issue surplus water recovering a large proportion of the capital costs and improving the ongoing financial viability of the MDIA.

Ongoing delivery costs for new water will be priced at the lower bound as part of the pricing reform agenda for the MDIA. Auction sales have subsequently netted \$4.6m of the total capital cost expended of \$6.2m.

## **9.3 Institutional Reform**

### **9.3.1 Separation of Functions**

#### **Current Arrangements**

The COAG principles require, as far as possible, jurisdictions institutionally separate resource management, standard setting and regulatory enforcement from water service delivery where appropriate and by 1998.

Regulation for the Queensland water industry is divided among a number of agencies.

DNR has primary responsibility for licensing of water use, resource management (including water allocation, defining environmental water requirements and water trading), industry policy and strategic planning for water requirements. DNR also currently undertakes some infrastructure regulation with respect to dam safety matters.

The QCA is responsible for economic regulation, including prices oversight, third party access and competitive neutrality. Environmental regulation is undertaken by the Environmental Protection Agency (EPA), while development approvals are the responsibility of the Department of Communication, Information, Local Government and Planning (DCILGP) under the *Integrated Planning Act 1997*. The Department of Health regulates drinking water quality.

Responsibility for service provision in Queensland's water industry is fragmented among a number of organisations, including State Water Projects, Local Governments, Aboriginal and Torres Strait Islander Councils, statutory water boards, and private entities (mining, tourism and rural).

#### **New Legislative Framework**

Four draft policy papers have been released by the WRU that outlined proposals to clearly delineate the various roles in the new Queensland water industry:

- *Improving the Water Allocation and Management System in Queensland* (resource management);
- *A Regulatory Framework for the Provision of Water Services in Queensland* (industry regulation);
- *Improved Planning for the Supply of Water in Queensland* (infrastructure development);
- *Institutional Reform of State Water Projects* (service provision); and
- *Governance Requirements for Public Sector Water Service Providers* (corporate governance).

Implementation of the proposals contained in the draft policies will create greater separation of, and transparency, between the roles of resource management, industry regulation and service provision. This will be achieved through the enactment of new water industry legislation, which is planned for mid-2000.

## Resource Management

In December 1998, the draft policy paper *Improving the Water Allocation and Management System in Queensland* proposed a framework for the improved management and allocation of water in Queensland. In November 1999, the draft *Water (Allocation and Management) Bill*, based on the above paper, was released for community consultation. Key features of the draft WAM Bill include a legislative basis for water resource assessment and planning, transferability of water allocations and transparent operating requirements applicable to government and non-government entities.

DNR, as the resource management regulator, will, amongst other things, be responsible for issuing and monitoring resource operations licences, approving transfers of water entitlements and endorsing and monitoring Land and Water Management Plans.

Further information regarding the new resource management framework is outlined in Section 9.4

## Industry Regulation

In April 1999, *A Regulatory Framework for the Provision of Water Services in Queensland* was released by WRU. The Paper proposed a framework for regulating the water industry in relation to infrastructure management, customer standards and public safety (primarily dam safety and flood mitigation). Regulatory framework requirements will apply to all water service providers in Queensland, irrespective of whether they are public or private sector providers. The general approach to industry regulation is based on a streamlined, efficient and risk management-based process which as much as possible pushes accountability for performance back to industry through plans and reporting requirements.

The *Water (Infrastructure and Service) Bill* is currently being drafted to give effect to the proposed water industry regulatory framework. The Bill is scheduled to be enacted by 1 July 2000. DNR, as the industry regulator, will undertake the regulatory functions proposed under the Bill.

## Infrastructure Development

To complement the resource management framework, the draft policy *Improved Planning for the Supply of Water in Queensland* was released in October 1999. A key focus of this paper is to define future planning responsibilities and processes in the Queensland water industry, in the context of the separation of water resource planning, development and service provision. The framework proposed in *Improved Planning for the Supply of Water in Queensland* will be implemented through the draft *WAM Bill*, which will specify a process for the future release of water allocations for development and use over time in a catchment.

*Improved Planning for the Supply of Water in Queensland* proposes that there be clearly established processes for the granting of new allocations to ensure potential providers are treated fairly and equitably; have reasonable commercial certainty; and are fully aware of their obligations to ensure that developments are economically viable and ecologically sustainable.

In order to achieve this, the following principles are to apply to infrastructure development proposals:

- development proposals may be initiated by the Government, by water service providers (private or public sector) or by private developers to meet an identified need (eg. in the State Water Plan or Water Release Plan) or to meet a valid, but previously unidentified, need.
- any proposal, whether initiated by the Government or by a water service provider or private developer, must demonstrate that it satisfies in a timely manner a genuine need and that it accords with the State's economic, social and environmental imperatives.
- the Government will determine its approach to the endorsement of each proposal on a case by case basis. As a general principle, the Government will seek the most appropriate, cost-effective solution to meet identified needs and priorities
- where the State desires that an infrastructure proposal of strategic significance proceed within a particular time-frame or where State investment is involved, the Government will determine the most appropriate approach for progressing the infrastructure proposal. As a general principle, the Government will favour the most cost-effective solution to the identified need. Consequently, unless there are valid reasons to the contrary, all new infrastructure proposals will be carefully considered for competitive delivery.

## Corporate Governance

In April 1999, a draft policy paper *Governance Requirements for Public Sector Water Service Providers* was released for public comment. The paper sets out improved governance and accountability arrangements for Boards established under the *Water Resources Act 1989*. This new legislation will also apply to the GAWB and the MIWB. Legislation to give effect to these new arrangements should be enacted by 30 June 1999.

Local Governments, which represent a significant proportion of service providers in Queensland, continue to undergo a process of institutional reform in accordance with the requirements of the *Local Government Act 1993*.

### 9.3.2 Corporatisation of State Water Projects (service provision)

On 1 July 1997, State Water Projects was established as a ringfenced commercialised business unit within DNR in accordance with *Commercialisation of Government Service Functions* in Queensland and declared as a Significant Business Activity under the *Queensland Competition Authority Act 1997* (for competitive neutrality complaints purposes). As a commercialised entity, SWP is not a separate legal entity. However, the Executive-Director, SWP is directly accountable to the Director-General of DNR and negotiates an annual Performance Contract with the Minister for Natural Resources and the Treasurer. In 1999, State Water Projects completed its second year as a fully commercialised business unit.

State Water Projects' future organisational structure is currently being reviewed, specifically in the context of the effective operation of the new regulatory environment and the principle that service providers should operate at arms length from regulators and policy makers. In this context, the Queensland Government is currently giving consideration to the corporatisation of State Water Projects and, subject to consultation with key stakeholders, it is proposed that State Water Projects will be corporatised under the *Government Owned Corporations Act 1993* from 1 July 2000. The draft policy paper *Institutional Options for State Water Projects* outlining the proposals for corporatisation and local management was released for public comment early in 2000.

### 9.3.3 Local Management

COAG Water Framework supports local management of irrigation schemes as a means of promoting the efficient provision of water supply through user involvement.

To complement new arrangements for SWP the Government will be implementing local management arrangements. Local management will comprise a spectrum of arrangements (outlined below) through which local users can provide input into the manner in which SWP's infrastructure assets are operated including options for reducing costs and improving standards of service.

Interim Local Management Committees ("ILMCs") have been established already in irrigation schemes across the State. ILMCs are serving as consultation and negotiation points for the introduction of changes to the water industry at scheme level (for example, water price paths) and will act as the formal avenue whereby local schemes may consider local management opportunities presented by the Government.

#### Local Management Options

The Queensland Government is committed to improving the level of local user input to all of SWP's schemes. Historically, irrigation scheme advisory panels have existed for a number of schemes. However, options for increasing customer involvement in decision making for individual schemes including formal customer councils through to user management of irrigation assets are being investigated.

It is proposed that the new water service regulatory legislation would provide the statutory backing for Customer Councils. Customer Councils will provide comment and advice to SWP on a range of matters including:

- strategic business planning;

- negotiation of Customer Service Agreements;
- customer service and asset performance standards and asset management plans;
- providing input into the prioritisation of SWP's asset investment and refurbishment programs for various schemes;
- developing communication strategies and participating in communication between SWP and customers; and
- other customer service issues that come to the Council's attention (which may, for example, involve advising SWP's Board about regional service performance issues).

For some schemes, direct local user management will offer local users increased opportunities for enhancing the operation of existing assets. Local user management could occur, for example, through the creation of water boards under the new governance framework being developed for public sector water service providers. The governance framework would provide the basis for appointment of boards, board accountability requirements and the relationship between boards and the Government. In addition, these boards would be required to comply with the broader regulatory framework (including the new water industry regulatory legislation, the *Queensland Competition Authority Act 1997* and the *Trade Practices Act 1974*). This option would be considered only where it is likely to bring substantial and mutual benefits to users and Government.

Over the coming months, the WRU will be finalising:

- its financial modelling of the Queensland rural water industry;
- the cost benchmarking process for SWP;
- price paths for each irrigation scheme, area and project in Queensland;
- legislation to underpin the new regulatory framework for the water industry.

These issues will be taken into account as broader consideration is given to local management opportunities for schemes across the State.

#### **9.3.4 Benchmarking and Performance Monitoring**

Under the COAG Agreement, jurisdictions agreed 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.

Queensland has 22 participants in the WSAA performance monitoring and benchmarking of Non-Major Urban Water Service providers. Two rural water boards and eight of State Water Projects' Irrigation Schemes are participants in WSAA benchmarking for Rural Water Service Providers.

#### **9.4 Allocation and Trading**

In December 1999, the Queensland Government released an exposure draft and Water (Allocation and Management) Bill. This draft legislation follows wide consultation during 1999 on the draft policy paper: *Improving the Water Allocation and Management System in Queensland*.

The draft Bill establishes a new system for allocating and managing water underpinned by a comprehensive, consultative and transparent water resource planning system.

### 9.4.1 Allocation

The new water planning framework will identify the environment's needs for water and provide for environmental flow to be met whilst, at the same time, enabling existing water entitlements to be more securely defined. The aims of this policy process which will be given a legislative basis through the Bill are to:

- secure provision of water for the environment;
- clearly specify entitlements for users;
- provide for new trading arrangements for water allocations;
- facilitate greater private sector involvement in the water industry; and
- enhanced public consultation and participation in water allocation decisions.

The legislation also provides for the State, following a transparent and consultative process to regulate the taking of overland flow water in those parts of the State where problems are identified. Runoff that flows over the surface of land before reaching a watercourse, as well as water that erupts from a watercourse during a flood, does not currently come under the jurisdiction of the State and, therefore, cannot be regulated by the State. The harvesting of overland flow water can have an adverse impact on the supplies available to water users and the health of riverine systems.

A number of water resource planning processes (through WAMPs and WMPs) are already underway across Queensland. The Bill will give a statutory basis to these processes.

The new legislation provides for the conversion of existing water licenses following a WAMP (the more advanced water resource planning process) into a new form of transferable water allocation. These allocations will differ from current licenses in that they will be more clearly specified and they will be tradeable separate from land.

The legislation also provides for the establishment of a resource operations plan which will specify rules for operating specific infrastructure eg dam or weir, to achieve the objectives of the water resource plan. Headwork operators will be required to implement the resource operations plan as part of their license arrangements. Resource operations plans will state:

- how infrastructure in the plan area is to be operated by water service providers;
- environmental management rules;
- water sharing rules;
- water allocation transfer rules including any restrictions;
- operational responsibilities of the Chief Executive;
- proposed conversion of all water licenses and interim water allocations; and
- monitoring practices and allocation of responsibilities for monitoring.

### 9.4.2 Water Planning

Queensland has two Water Resource Planning processes underway. These are for Water Allocation and Management Plans (WAMPs) and Water Management Plans (WMPs). They are being applied in key river and groundwater basins across the State with the choice of the planning process depending on the situation of the particular basin.

## **Water Allocation and Management Plans**

The present non-statutory WAMP process is a catchment-wide consultative planning process designed to determine the appropriate balance between water for the environment and water for consumptive use. The process takes into account hydrologic, environmental, social and economic considerations in determining the volumes and flow regimes needed to maintain the health of the riverine or groundwater systems and water which can be withdrawn for urban, industrial and agricultural purposes.

The development of a WAMP is based on the best available scientific, ecological and economic data, and involves extensive hydrologic analysis of the catchment. A central feature of the WAMP process is the development of a basin-wide hydrologic model that incorporates this data. The model simulates rainfall, river flows, water infrastructure and water usage across the catchment. When constructed, the model is used to simulate future allocation and management scenarios and to estimate the impact on water supplies and environmental flow requirements.

## **Water Management Plans**

The *Water Resources Act 1989* provides for development of WMPs. The WMP provisions are used to establish the policy for dealing with licence applications in sensitive areas of the State that are subject to development pressure. WMPs provide a legislative basis for the implementation of those policies.

The Minister must notify the public of the intention to develop a WMP and invite submissions. During the preparation of a WMP, the chief executive must take into consideration: existing water entitlements, including entitlements of riparian landholders; the provision of water for ecosystems; beneficial flooding; future water needs and underground water levels.

While the WMP is being developed, the chief executive must not process applications for licences although there are some exceptions for minor use. On completion of a draft WMP, the Minister must notify the public and invite further submissions.

## **Water Resource Planning under the WAM Bill**

Under the draft Water (Allocation and Management) Bill, a single Water Resource Planning process will combine the WAMP and WMP processes and thereby ensure that planning outcomes are integrated. Instead of different plans for different purposes, catchment areas will have one water resource plan. The process would also be used to introduce regulation of overland flow or subartesian groundwater in areas where regulation of these resources is warranted. Changes to a plan, for example to establish transferable water entitlements at a later date, would be an amendment to the water resource plan.

## **Fitzroy WAMP**

The Fitzroy WAMP was approved and released in December 1999. The plan includes a timetable for parts of the basin where resource operations plans will be developed to provide detailed operational arrangements.

The levels of allocation provided for by the Fitzroy WAMP achieve the Plan's Environmental Flow Limits in most sub-catchments within the Fitzroy Basin. In the

Dawson and upper Mackenzie systems, Planned Development Limits have been set that are below the Environmental Flow Limits but above the significantly to severely impacted benchmark levels.

In determining the Planned Development Limits adopted within the Plan, the Government took into consideration:

- the principles of ecologically sustainable development;
- its commitments under COAG to ensure that environmental water requirements are adequately met;
- the national principles for the provision of water for the environment;
- the likely long-term implications for long-term river health based on the best scientific information available at the time; and
- Government and community views and expectations in relation to the environmental, economic and social implications associated with providing for future water development and usage in the basin.

The Planned Development Limit for mean annual flows in the Fitzroy River at Rockhampton have been set at 77% of the natural mean annual flow which is above the Environmental Low Limit. This means that the Plan provides for 23% of the total mean annual flow generated by the Fitzroy Basin to be diverted or stored for consumptive use. This has been adopted as a conservative measure to ensure that a significant proportion of the total river discharge reaches the river estuary.

### 9.4.3 Water Trading

The new legislation will also provide a framework for water to be traded separate from land title. This will occur only in catchments where a comprehensive WAMP has been undertaken and following the establishment of a resource operations plan and the issuing of licenses to headworks operators.

The trading process will facilitate the efficient use of water and will allow water users to buy and sell excess water to match their needs.

The exposure draft *Water (Allocation and Management) Bill* is undergoing three months of consultation. This consultation process will involve a series of regional information sessions being held across the State.

In addition to the *Water (Allocation and Management) Bill*, the Government in October 1999 issued a draft policy paper entitled *Improved Planning for the Supply of Water in Queensland*.

This policy document proposes a transparent and coordinated planning process aimed at ensuring an integrated approach to water resource management and development by:

- defining the State's role in future water supply planning;
- linking future planning and allocation of reserve water processes;
- providing for the acquisition of land for public and private providers; and
- outlining a framework for the granting of allocations for future water developments.

This policy paper outlines the various roles of the State, local government and private sector in the development of new water infrastructure. The approach aims to maximise

opportunities for the private sector to partake in new infrastructure development on a competitively neutral basis with existing public sector service providers.

This draft policy paper is also the subject of public consultation. It is intended that following consultation on the policy document, the planning framework in respect of new water releases would be incorporated into the *Water (Allocation and Management) Bill*.

Permanent trading of existing licensed water allocations commenced in the Mareeba Dimbulah Irrigation area on 1 July 1999. After an initial period where potential buyers and sellers were somewhat hesitant, there is now considerable interest. There have been two trades approved totalling 135ML and another four transfers pending.

This permanent trading of existing licences is in advance of the transferable water allocations that will apply on implementation of WAMPs.

## **9.5 Environment and Water Quality**

### **9.5.1 Integrated Resource Management**

DNR is designated as lead agency for Landcare and Integrated Catchment Management, and utilises effective coordinating and consultative processes with agencies including the EPA.

In 1997, the Landcare and Catchment Management Council was formed to replace the Queensland Landcare Council and the Catchment Management Coordinating Committee. The Council provides strategic advice to the Minister on landcare, catchment management and the implementation of Natural Heritage Trust projects in Queensland. The Council includes representatives from landcare and catchment management groups, industry, State Government, local Government, Queensland Conservation Council, Greening Australia and the Great Barrier Reef Marine Park Authority. There are now in the order of 30 individual catchment management groups in Queensland, the majority being formally endorsed to function as catchment committees.

Queensland's integrated catchment management strategy has been developed to provide for the better management of land and water resources in Queensland. Its overall purpose is to integrate the management of land, water and related biological resources in order to achieve the sustainable and balanced use of these resources.

The strategy is designed to address interrelated land and water resource issues on a river-catchment basis, such as:

- the impact of land use on water quality ;
- soil erosion and the sedimentation of watercourses;
- stability of bed and banks of watercourses;
- salinity induced through the clearing of vegetation;
- the loss of habitat on land, in rivers and in streams;
- flood mitigation and floodplain management;
- the impact of land and water use on coastal and marine environments;
- productivity decline due to the degradation of land and water resources;
- the spread of weeds by water; and
- competition for land and water resources.

Integrated catchment management also provides a framework for fostering cooperation and coordination between the many land-holders and other resource users, community groups and government agencies involved in the use and management of land and water resources.

The *Guide to Integrated Catchment Management in Queensland* captures catchment management issues and activities in Queensland as of January 1999. To aid the development of regional and catchment management strategies, DNR has developed a suite of publications, which includes:

- *Guidelines for Developing Regional Strategies on Natural Resources Management and Biodiversity Conservation (March 1999)*; and
- *Essential Characteristics of Regional and Catchment Management Strategies (May 1999)*.

These publications identify the important elements of a regional or catchment management strategy, including the content of the document and the key processes that should take place (eg. community involvement, endorsement by community and agencies).

### **9.5.2 National Water Quality Management Strategy**

The policies and principles of the National Water Quality Management Strategy (NWQMS) are incorporated into Queensland legislation, in particular the *Environmental Protection (Water) Policy 1997* (the EPP (Water)), subordinate legislation to the *Environmental Protection Act 1994*. The EPP (Water) in effect delivers the NWQMS. The EPP (Water) provides a decision pathway for setting and formalising environmental values and water quality objectives for a specific waterway in accordance with the NWQMS. It also provides for development and implementation of local government plans for urban stormwater quality management, sewage management, trade waste and water conservation.

The implementation of the main elements of the NWQMS is outlined below:

Implementation of National Water Quality Management Strategy	
<i>Australian Water Quality Guidelines for Fresh and Marine Waters</i>	The EPP (Water) adopts the national guideline for use in deciding environmental values of water, water quality objectives to protect the environmental values of water and protocols to be used in sampling, measurement, analysis and reporting. The EPA has supported and contributed expertise to the current revision of the Guidelines, hosted workshops during public consultations, and is also developing guidelines to reflect regional water quality issues in accordance with the NWQMS. In the absence of site-specific local studies, the national Guidelines are considered in setting licence conditions for polluting activities.
<i>Australian Drinking Water Guidelines</i>	The Drinking Water Guidelines are incorporated into the Department of Natural Resources' "Guidelines for Planning and Design of Water Supply Schemes" as the basis of practice in Queensland. Drinking water standards are currently being reviewed at the national level.
<i>Guidelines for Groundwater Protection in Australia</i>	The EPP (Water) requires the development and implementation of environmental plans about protecting ground waters. The national guideline identifies vulnerability mapping, aquifer classification systems and wellhead protection as critical issues. These must be considered under the EPP (Water). DNR is the lead agency with respect to implementation of these plans.
<i>Guidelines for Sewerage Systems (Effluent Management, Trade Waste)</i>	<p>"Total Management Planning for Urban Water-related Services" has been published by DNR. Guidelines are also produced for the planning and design of sewerage schemes.</p> <p>As part of the <i>Standard Sewerage Law</i> a "Code of Practice for On-site Sewerage Facilities" sets out performance requirements and criteria for the management of on-site sewerage facilities with the aim of ensuring that effluent quality, operation and maintenance objectives are met and environmental values are not compromised.</p>
<i>Strategy for reusing sewage effluent and biosolids</i>	In July 1997 the Queensland Water Recycling Strategy was introduced to maximise water recycling throughout the State. Work on the strategy is expected to assist in defining Government policy, legislative changes, monitoring and funding protocols; best practice guidelines; and developing education programs. The final strategy, nearing completion, will provide a framework to guide further development of recycling.

## 9.6 Public Consultation and Education

Queensland has undertaken extensive community consultation and public education throughout the water reform process. The WRU has released for consultation a number of policy papers and a draft Bill, which will form the basis for new water industry legislation in Queensland. These include:

- *Improving the Water Allocation and Management System in Queensland (December 1998);*

- *Exposure Draft Bill and Explanatory Material - Water (Allocation and Management) Bill (November 1999);*
- *Governance Requirements for Public Sector Water Service Providers (April 1999);*
- *A Regulatory Framework for the Provision of Water Services in Queensland (April 1999);*
- *Water Supply Planning for Queensland (October 1999);* and
- *Water Reform Implications for Local Government (November 1999).*

In addition, the WRU has produced brochures on a variety of topics to assist water users to understand the broad issues surrounding water reform. Brochures produced to date include:

- *Permanent Trading in Water (June 99)* – a guide to trial permanent water trading in the Mareeba-Dimbulah Irrigation Area;
- *New Arrangements for Irrigation Water Pricing (June 99)* – an explanation of the need for cost-recovery pricing to ensure the sustainability of irrigation schemes;
- *Queensland Irrigation Schemes – Price Path Process (August 99)* – an outline of the process established by WRU for determining future price paths for the State’s irrigation schemes.
- *Securing the Future for Water (August 99)* – a broad overview of the water reform process and what it will mean for water users.

Consultation has included regular briefing sessions with the Water Industry Peak Consultative Committee which has the following industry groups represented:

- CANEGROWERS
- Queensland Irrigators Council
- Queensland Farmers Federation
- Cotton Australia
- AgForce
- Queensland Conservation Council
- Queensland Fruit and Vegetable Growers
- Local Government Association of Queensland
- Environmental Defenders Office
- Australian Conservation Foundation

In addition, regular regional information sessions and briefings for stakeholders have been undertaken throughout the State on all major water reform initiatives, with a particular emphasis on rural water pricing, local government and water reform and the new water resource management framework.

### **Rural Water Use Efficiency**

DNR has developed the Rural Water Use Efficiency Initiative in consultation with key industry groups specifically through the Rural Water Use Efficiency Industry Advisory Committee. The initiative aims to promote best practice irrigation water management through community education, research and with development and direct rural industry organisation involvement. The Rural Water Use Efficiency Unit has undertaken a program of raising community awareness regarding water use efficiency including, development of a web page, distribution of *Improving Queensland’s Rural Water Use Efficiency – The Facts* and other promotional materials.

## **Waterwise**

The Queensland Government continues to be a major sponsor of Waterwise. Waterwise aims to create an awareness of the true value of water across all parts of the community and encourages active involvement by all Queenslanders in conserving and managing water resources. A key objective of the Waterwise is to delay the need for costly new water and wastewater infrastructure through the implementation of water conservation and demand management.

## 10.0 ROAD TRANSPORT

### 10.1 National Road Transport Reforms: Overview

The National Road Transport Law (NRTL), established in the Heads of Government agreement, has been broken down by the National Road Transport Commission (NRTC) into six modules of legislation and accompanying regulations. Due to its size, the Vehicle Operations module has been subdivided into several regulations.

The following table presents an overview of Queensland's progress in implementing these modules:

INITIAL REFORM MODULES	QUEENSLAND TIMETABLE
Dangerous Goods	Implemented (August 1998)
Vehicle Registration	Implemented (October 1999)
Driver Licensing	Major Implementation (April 1996) Further Partial Implementation (Dec 1999) Cost free interstate conversion (June 2000) Variable licence suspension (review end 2000)
Vehicle Operations - Mass and Loading (M&L) - Restricted Access Vehicles (RAV) - Oversize/Overmass (OSOM) - Australian Road Rules - Vehicle Standards - Truck Driving Hours - Bus Driving Hours	Implemented (December 1995) Implemented (January 1999) Implemented (January 1999) Implemented (December 1999) Implemented (October 1999) Implemented (October 1998) Implemented (October 1998)
Consistent Compliance and Enforcement Arrangements	Subject to NRTC submission and vote by ATC
Second Charges Determination	Recently agreed by ATC out-of-session vote; current target date for national implementation is July 2000.

In addition to these formal modules, the NRTC has twice developed additional reform packages. The First Heavy Vehicle Reform Package (First Ten Point Plan) identifies a number of components from the NRTL modules which were agreed to be priorities for accelerated implementation.

There are only two outstanding reforms and these were the subject of separate submission to the NCC from the Premier and the Treasurer in March 2000:

- Cost free conversion of interstate driver licences; and
- Variable licence suspension periods where drivers incur more than 12 demerit points in 3 years.

Queensland has already implemented the requirement that interstate migrants to Queensland are no longer required to undergo further testing to obtain a Queensland licence. Because of the significant volume of gross migration into Queensland, implementation of this reform comes at a not insignificant cost to the State. In order to implement this reform, administrative changes are being incorporated into Queensland's Transport Registration and Integrated Licensing System (TRAILS). It is expected that the cost free conversion of interstate licences will be implemented from 30 June 2000.

In relation to the implementation of the National Driver Licensing Scheme (NDLS), Queensland has already implemented 72 of the relevant principles, with only 5 relatively minor issues relating to the management of demerit points and the suspension of licenses outstanding. Although only minor in nature, the accommodation of these principles requires significant redesign and rebuild of systems within the Queensland Transport licensing database. Accordingly, the NCC has been requested that Queensland be given until December 2000 to undertake a review of the cost effectiveness of these requirements within the context of an overall proposed upgrade of TRAILS.

The Second Heavy Vehicle Reform Package (Second Ten Point Plan) introduced additional policy reforms and was endorsed by the Ministerial Council for Road Transport in February 1997. A majority of the Second Ten Point Plan has been implemented, with the remainder in progress and still to be subject to NRTC submission and ATC vote.

## 10.2 National Road Transport Reforms: Assessment Framework

In December 1998, the Australian Transport Council (ATC) endorsed an "Assessment Framework for Road Transport Reforms" and agreed that it be forwarded for endorsement by COAG. The framework captures the initial reform modules plus all other reforms proposed by the NRTC which have been endorsed nationally.

It is intended that this framework will assist the National Competition Council in its assessment of each jurisdiction's performance. It sets out the criteria by which jurisdictions should be assessed for each reform item in terms of the policy or legislative outcomes desired. In general, the adoption of template legislation has been rejected in favour of jurisdictions demonstrating their good faith towards the reform process by introducing whatever policy or legislation is required to produce these outcomes, which will create a nationally consistent operating environment for the road transport industry.

The framework also notes the target dates for each module. These dates are not definitive deadlines but are indicative of the implementation targets being pursued by each State/Territory.

## 10.3 Reform Progress

### Prior Achievements

Queensland established the *Transport Operations (Road Use Management) Act* in 1995 to provide the framework and administrative structures for implementation of the reform modules. The *TO(RUM) Act 1995* also provides the opportunity to revise existing Queensland road use legislation and provide a framework for managing road use which takes into account national and international best practice models.

Delivery of these reforms will facilitate an outcome of nationally consistent road transport legislation within one legislative structure. This is consistent with the original vision for the NRTL and allows the road transport industry to access all Queensland road transport law under a single piece of legislation and subordinate regulations. Queensland is the only state to have engaged in such a comprehensive law reform approach to the national process.

Queensland was the first jurisdiction to implement uniform registration charges for heavy vehicles and was the only jurisdiction to do so in accordance with the agreed national implementation date (July 1995).

Queensland was the second State to adopt national licence classifications (April 1996), which form the core of the National Driver Licensing Module. Queensland also delivered two elements of the Second Ten Point Plan ahead of schedule.

### **Recent Achievements**

Queensland implemented the following reforms during 1999:

- Vehicle Operations (legislation introduced 22 January 1999)
- Short Term Registration (6 April 1999)
- Higher Mass limits (2 July 1999)
- National Heavy Vehicle Registration Scheme (1 October 1999)
- Combined Vehicle Standards package (1 October 1999)
- Heavy Vehicle Standards (1 October 1999)
- Australian Road Rules (1 December 1999)
- The driver licensing and vehicle registration computer mainframe was interfaced with NEVDIS for VINS (April 1999).

### **2000 Reform Agenda**

The Management of Speeding Heavy Vehicles policy from the Second Ten Point Plan is scheduled for implementation during 2000.

The exchange of driver licence information with other jurisdictions using NEVDIS is scheduled for implementation in April.

The exchange of information on written off vehicles (wrecks) with other jurisdictions using NEVDIS is scheduled for implementation in late 2000.

It is expected that the Cost Free Conversion of Interstate Driver Licences will be implemented from 30 June 2000.

Significant portions of the National Driver Licensing Scheme have been in place in Queensland legislation and practice for some time. Other elements were implemented in December 1999. The only remaining element still to be finalised is the variable suspension period for open licence holders. Queensland will undertake a review of the cost effectiveness of these requirements within the context of an overall proposed upgrade of TRAILS by December 2000.

The Second Heavy Vehicle Charges Determination was recently agreed to by Transport Ministers and is scheduled to be implemented nationally (including Queensland) from 1 July 2000.

A third Heavy Vehicle Reform Package is currently being drafted by a joint TACE / Australian Trucking Association Working Group for endorsement by the ATC. It is anticipated that this package also be included within the tranche assessment framework. However, before any reforms in this package can be included in the assessment framework, ATC would have to agree to the reform, the package, and its inclusion. While it is not clear if any of these reforms could be brought to the stage of availability where they would be assessable in the third tranche framework, this process will demonstrate jurisdictions' ongoing commitment to reform.

# *Agency*

<i>Abbreviation</i>	<i>Full Department Name</i>
CILGP	Communication, Information, Local Government and Planning (includes Sport)
CS	Corrective Services Commission
ETIR	Employment, Training and Industrial Relations
E	Education
EFT	Equity and Fair Trading
EPA	Environmental Protection Agency
ES	Emergency Services
FYCC	Families, Youth and Community Care
H	Health
HO	Housing
J	Justice
ME	Mines and Energy
MR	Main Roads
NR	Natural Resources
P&C	Premiers and Cabinet
PI	Primary Industries
PW	Public Works
SD	State Development
T	Transport
TR	Queensland Treasury
TSR	Tourism and Racing

## Legislation review schedule: Queensland

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b>Review Name</b>							
<b>Building Act 1975</b> <i>Standard Building Law &amp; Building Regulation 1991</i> Review of Building Legislation	CILGP	Yet to begin	To be Determined	Following consideration by CRR, Building Code not to be examined as a national review.	1998/1999		
<b>Indy Car Grand Prix Act 1990</b> <i>Indy Car Grand Prix Regulations 1990</i> Review of Indy Car Grand Prix Legislation	CILGP	Completed	Reduced NCP Review	Short-form justification, that included RIS process, supported retention of all legislative provisions under review. Legislation gives effect to conditions for staging the race, including sole promoter role, that are contained in agreements with international owner of the rights to stage the race worldwide. All services and products associated with the Gold Coast event (eg catering) are competitively tendered.	1996/1997	10/1998	Provisions subjected to review retained without change.
<b>Local Government (Harbour Town Zoning) Act 1990</b>  Review of Local Government (Harbour Town) Legislation	CILGP	Yet to begin	To be Determined	CM of DCILG&P advised on 26/11 that DCILGP will write to developer re any objections sunset of legislation in Dec 2000.	1998/1999		
<b>Local Government (Planning and Environment) Act 1990</b>  Review of Integrated Planning Bill	CILGP	Completed	Reduced NCP Review	The legislation scheduled for review was the Local Government (Planning and Environment) Act 1990. The department addressed NCP issues in the ATI Cabinet Submission for the proposed Integrated Planning Bill and has shown that it does not restrict competition.	1996/1997	10/1997	NCP review confirmed that the new Integrated Planning Act 1997 is far less prescriptive than that the Act it replaces. which it replaces and merely sets up a planning framework.
<b>Local Government Act 1993, City of Brisbane Act 1924</b> <i>Local Government Finance Standard 1994</i> Review of Local Government Legislation	CILGP	Underway	Department Review	Major review of provisions relating to ferries. Minor review for remaining matters.	1997/1999		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b>Local Government Laws</b>	CILGP						
Review of Local Government Laws		Completed	Department Review	Process and program for review of Local Govt legislation are in place. Local Government Amendment Act 1997 received assent May 97. Applies NCP requirements to local governments. Individual local governments reviewed their own anti-competitive local laws and local law policies with oversight by the responsible department.	1997/1999	06/1999	Any reforms dealt with by each local government.
<b>Sewerage and Water Supply Act 1949</b>	CILGP						
<i>Sewerage and Water Supply Regulation 1987 &amp; Standard Water and Sewerage Laws</i> Review of Sewerage and Water Supply Legislation		Yet to begin	To be Determined	Act administered jointly with Department of Natural Resources	1997/1998		
<b>Corrective Services Act 1988</b>	CS						
<i>Corrective Services (Administration) Act 1988</i> Review of Corrective Services Legislation		Not for review		New Corrective Services Legislation is being prepared. The policy objectives were approved by Cabinet in February 1999. The Bill seeks to abolish the Queensland Corrective Services Commission and the Government Owned Corporation - Queensland Corrections. The amendments also establish the Corrective Services Authority Council and provide for a new head of power for the new Department of Corrective Services. The Bill amends the Corrective Services (Administration) Act 1988. The proposed legislation gives the department responsibility for corrective services in Queensland. Where the Government opts for service delivery by private contractor, the intention is that there will be a competitive tendering process. Hence, the legislation in its new form is not likely to restrict competition and, as a result, a formal review is not proposed. However, development of the new legislation to give effect to government policy will be monitored in terms of NCP requirements.	1996/1997		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Education (Capital Assistance) Act 1993</i></b>	<i>E</i>						
Review of Education Capital Assistance Legislation		Completed	Reduced NCP Review	A formal review was not undertaken. The restriction related to affiliation will be resolved through proposed legislative amendment which will require schools to be listed (but not affiliate) with a group. Remaining issue was subjected to further analysis and was determined not to be restrictive.	1998/1999	06/1998	Legislation has been amended accordingly.
<b><i>Education (General Provisions) Act 1989</i></b>	<i>E</i>						
<i>Education (General Provisions) Regulation 1989</i>							
Review of Education General Provisions Legislation		Underway	Department Review	Review of proposed new legislation pertaining to the establishment, registration and accountability of non-State schools will be completed in conjunction with the review of the Education (General Provisions) Act 1989. General policy review of legislation and proposed new legislation pertaining to registration and accountability of non-state schools are in the process of being completed. It is proposed that the Act will be rewritten. Review expected to be finalised in 2000.	1998/1999		
<b><i>Education (Overseas Students) Act 1996</i></b>	<i>E</i>						
Review of Overseas Student Legislation		Completed	Reduced NCP Review	NCP justification provided for the 1999 amendments and this provided input to review of the Act. That review has been completed and the final report will be submitted to Treasury for endorsement early in 2000.	1998/1999	01/2000	
<b><i>Education (Teacher Registration) Act 1988</i></b>	<i>E</i>						
<i>Education (Teacher Registration) Regulation 1989 &amp; Board of Teacher Registration By-laws 1989</i>							
Review of Teachers Registration Legislation		Underway	Department Review	PBT report is being prepared and is expected to be finalised by April 2000.	1998/1999		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Grammar Schools Act 1975</i></b>	<i>E</i>						
Review of Grammar Schools Act		Underway	Department Review	The review has been re-opened (original report completed in September 1997) and is being done in accordance with revised PBT Guidelines. PBT Plan and terms of reference are being prepared as at end February 2000. Review is expected to be finalised by June 2000.	1997/1998		
<b><i>Higher Education (General Provisions) Act 1989</i></b>	<i>E</i>						
Review of Higher Education General Provisions Act		Draft Scope	Department Review	This review will coincide with a general policy review of the legislation and is expected to be finalised by June 2000.	1999/2000		
<b><i>University Legislation</i></b>	<i>E</i>						
Review of Universities Legislation		Draft Scope	Department Review	Separate and similar Acts modelled on the James Cook University of North Queensland Act 1997 were passed under gatekeeping arrangements in 1997/98 for each university, namely Central Queensland University, University of Queensland, Griffith University, University of Southern Queensland, University of Sunshine Coast and Queensland University of Technology. Review is expected to be completed by June 2000.	1999/2000		
<b><i>Auctioneers and Agents Act 1971</i></b>	<i>EFT</i>						
<i>Auctioneers and Agents Regulation 1986</i>							
Review of Agents and Motor Dealers Legislation		Underway	Targeted Public	Legislation will be replaced by the Agents and Motor Dealers' Bill which is the subject of legislation review. An issues paper prepared on the Bill was released in February 2000. Review of revised Bill is expected to be considered by Cabinet later in 2000.	1996/1997		

<b>Name of Legislation</b>	<b>Agency</b>	<b>Status</b>	<b>Review Model</b>	<b>Review Comments</b>	<b>Date of Review</b>	<b>Date Review Completed</b>	<b>Reform Progress</b>
<b>Business Names Act 1962</b> <i>Business Names Regulation 1986</i> Review of Business Names Legislation	<i>EFT</i>	Draft Scope	Reduced NCP Review	Although the legislation is common to all states, a national review is not contemplated. Queensland's review will take account of interstate legislation review exercises. Draft PBT Plan submitted for Treasury endorsement on 28 January 2000.	1998/1999		
<b>Co-operative and Other Societies Act 1967</b> <i>Co-operative and Other Societies Regulation 1968</i> Review of Co-operatives Legislation	<i>EFT</i>	Completed	Joint Jurisdictional	A formal review was not undertaken in Queensland. New Co-operatives Act is based on work and NCP justification undertaken by Victoria as a national scheme of regulation. New legislation enacted 1 September 1997. Act replaces existing Cooperatives and Other Societies Act and Primary Producers Co-operative Associations Act.	1996/1997	04/1997	New Act providing for a national scheme of regulation has been enacted.
<b>Credit Act 1987</b> <i>Credit Regulations 1988</i> Review of Credit Legislation	<i>EFT</i>	Underway	Joint Jurisdictional	National review of the Uniform Consumer Credit Code commenced late in 1999. Review of Qld's Credit Act 1987 and regulation will be carried out at the same time, but as a separate review process.	1997/1998		
<b>Fair Trading Act 1989</b> <i>Fair Trading Regulation 1989</i> Review of the Fair Trading Legislation	<i>EFT</i>	Yet to begin	To be Determined	Qld intends to seek written approval to commence review of the Act and regulation at the end of the legislation review process, so as to audit any reliance of successful reforms on common law safeguards housed within the legislation.	1997/1998		
<b>Funeral Benefit Business Act 1982</b> <i>Funeral Benefit Business Regulation 1989</i> Review of Funeral Benefit Business Legislation	<i>EFT</i>	Draft Scope	Department Review	PBT Plan and ToR formally submitted for approval in January 2000.	1997/1998		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Hawkers Act 1984</i></b> <i>Hawkers Regulation 1994</i> Review of Hawkens Legislation	<i>EFT</i>	Underway	Reduced NCP Review	Restrictive provisions may be repealed. Short form report currently being developed to assess alternative reform options available. Issues paper was released in February 2000.	1997/1998		
<b><i>Hire Purchase Act 1959</i></b>  Review of Hire Purchase Act	<i>EFT</i>	Yet to begin	To be Determined	May be reviewed in concert with the Credit Act and the Uniform Consumer Credit Code. Alternatively, the option to repeal the HP Act is currently being explored and will be subject to consultation on an issues paper to be finalised in February 2000.	1998/1999		
<b><i>Invasion of Privacy Act 1971</i></b> <i>Invasion of Privacy Regulations 1986</i> Review of Invasion of Privacy Act	<i>EFT</i>	Underway	Reduced NCP Review	Draft PBT Plan is being finalised for submission in February 2000. At that time, draft short form report under consideration by Treasury. Some issues are still being considered.	1998/1999		
<b><i>Land Sale Act 1984</i></b> <i>Land Sale Regulation 1989</i> Review of Land Sale Legislation	<i>EFT</i>	Draft Scope	Department Review	Draft PBT Plan is under consideration early in 2000.	1996/1997		
<b><i>Loan Fund Companies Act 1982</i></b>  Review of Loan Fund Companies Act	<i>EFT</i>	Draft Scope	Reduced NCP Review	A reduced NCP review will occur as no loan fund companies are currently operating under the Act. PBT Plan and ToR submitted for approval on 24 January 2000. Discussion paper is being drafted as at end February 2000.	1998/1999		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Mercantile Act 1867</i></b>	<i>EFT</i>						
Review of Mercantile Act		Completed	Reformed without Review	Completion of review requirements confirmed on 10 December 1998 by Treasury letter to Department of Equity and Fair Trading.	1998/1999	08/1998	Provisions previously identified as restrictions on competition have been repealed or contained within the Partnership (Limited Liability) Act which is timetabled for review.
<b><i>Mobile Homes Act 1989</i></b>	<i>EFT</i>						
<i>Mobile Homes Regulation 1994</i>							
Review of Mobile Homes Legislation		Draft Scope	Department Review	NCP issues are relatively minor and will be addressed as part of a general review of the Act. Final PBT Plan to be forwarded for consideration at officer level, as at February 2000.	1997/1998		
<b><i>Partnership (Limited Liability) Act 1988</i></b>	<i>EFT</i>						
<i>Partnership (Limited Liability) Regulation 1993</i>							
Review of Partnership Legislation		Underway	Reduced NCP Review	Both the Partnership Act and Partnership (Limited Liability) Act reviewed together. Draft PBT report under consideration in January 2000.	1998/1999		
<b><i>Partnership Act 1891</i></b>	<i>EFT</i>						
Review of Partnership Act		Underway	Reduced NCP Review	Both the Partnership Act and Partnership (Limited Liability) Act reviewed together. Draft PBT report under consideration in January 2000.	1998/1999		
<b><i>Pawnbrokers Act 1984</i></b>	<i>EFT</i>						
<i>Pawnbrokers Regulation 1984</i>							
Review of Pawnbrokers and Secondhand Dealers Legislation		Draft Scope	Targeted Public	Combined with review of Second-hand Dealers legislation. A working group will be formed to cater for cross-jurisdictional interests in a broader policy review. It is preferable to incorporate the NCP review as part of this process. PBT Plan being drafted as at February 2000.	1997/1998		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b>Primary Producers Co-operative Associations Act 1923</b> <i>Primary Producers Co-operative Association Regulation</i> Review of Cooperatives Legislation	EFT	Completed	Joint Jurisdictional	A formal review was not undertaken in Queensland. New Co-operatives Act is based on legislative work and NCP justification undertaken by Victoria as a national scheme of regulation. Act contains only minor NCP issues. New legislation enacted 1 September 1997. Act replaces existing Cooperatives and Other Societies Act and Primary Producers Co-operative Associations Act.	1996/1997	04/1997	New Act providing for a national scheme of regulation has been enacted.
<b>Profiteering Prevention Act 1948</b>	EFT						
Review of Profiteering Prevention Act		Draft Scope	Reduced NCP Review	Draft PBT Plan submitted for Treasury's consideration during February 2000.	1998/1999		
<b>Queensland Building Services Authority Act 1991</b> <i>Queensland Building Services Authority Regulation 1992 &amp; Queensland Building Services Authority Policy 1995</i> Review of Queensland Building Services Authority Legislation	EFT	Yet to begin	Department Review	Consultation with Builders Licensing Australia indicates that a national review of builders and trade contractor licensing provisions is not feasible. Proposed amendments to give effect to general industry reforms were the subject of an Authority to Introduce Cabinet Submission and NCP justification under "gatekeeping" arrangements in July 1999 in parallel with consultation on the proposed Bills. The scheduled review of the legislation is yet to begin.	1997/1998		
<b>Residential Tenancies Act 1994</b> <i>Residential Tenancies Regulation 1995</i> Review of Residential Tenancies Legislation	EFT	Completed	Full Public Review	A public benefit test was undertaken in March 1998. The PBT supported retention of the RTA's statutory monopoly over the administration of rental bonds. Cabinet agreed to the review recommendations.	1996/1997	04/1998	Current arrangements preserved in legislation.

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b>Retirement Villages Act 1988</b> <i>Retirement Villages Regulation 1989</i> Review of Retirement Villages Legislation	<i>EFT</i>	Completed	Reduced NCP Review	Draft Bill had been released for public consultation, but results indicated the need for further consideration of various issues. The revised Bill was presented to Cabinet in July 1999 and was supported by NCP justification. Certain changes were made to the Bill in Parliament. These have required further work to the NCP report before it could be finalised. That additional work was submitted to Treasury for consideration late in 1999.	1996/1997	07/1999	Bill was passed on 30 November 1999. Competition-related aspects of the new legislation comprise: retention of entry requirements for village operators; business conduct requirements more stringent but provide greater clarity for operators and residents; statutory charge requirements less stringent than current legislation.
<b>Sale of Goods Act 1896</b> <i>Sale of Goods (Vienna Convention) Act 1986</i> Review of Sale of Goods Legislation	<i>EFT</i>	Yet to begin	To be Determined	Qld intends to seek written approval to commence review of the legislation at the end of the legislation review process, so as to audit any reliance of successful reforms on common law safeguards housed within the legislation.	1998/1999		
<b>Second-hand Dealers and Collectors Act 1984</b> <i>Second-hand Dealers and Collectors Regulation 1994</i> Review of Pawnbrokers and Second-hand Dealers Legislation	<i>EFT</i>	Draft Scope	Targeted Public	Combined with review of Pawnbrokers legislation. A working group will be formed to cater for cross-jurisdictional interests in a broader policy review. It is preferable to incorporate the NCP review as part of this process. PBT Plan being drafted as at February 2000.	1997/1998		
<b>Security Providers Act 1992</b> <i>Security Providers Regulation 1995</i> Review of Security Providers Legislation	<i>EFT</i>	Draft Scope	Targeted Public	Working group formed to consider broader policy issues. NCP review to form part of this process. Draft PBT Plan being prepared as at February 2000.	1997/1998		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Trade Measurement Act 1990</i></b> <i>Trade Measurement (Administration) Act 1990</i> Review of Trade Measurement Legislation	<i>EFT</i>	Underway	National Review	National review has been agreed to by CRR, SCOCA and the sub-committee for Trade Measurement. Queensland to take lead jurisdiction role. Consultation to begin in February 2000.	1998/1999		
<b><i>Travel Agents Act 1988</i></b> <i>Travel Agents Regulations 1988</i> National Review of Travel Agents Legislation	<i>EFT</i>	Underway	National Review	National Review is being undertaken under the co-ordination of Western Australia. Consultant appointed November 1998. Issues Paper released in June 1999 and draft report being considered as at February 2000.	1997/1998		
<b><i>Beach Protection Act 1968</i></b> <i>Coastal Management Control Districts Regulation 1994</i> Review of Beach Protection Legislation	<i>EPA</i>	Completed	Reduced NCP Review	Review supported retention of provisions which do not materially restrict competition and are in the public interest. Review report made available to the public. No issues raised in response. NCC provided with report in February 1999.	1998/1999	11/1998	Provisions subjected to NCP review retained without change.
<b><i>Canals Act 1958</i></b> <i>Canals Regulation 1992</i> Review of Canals Legislation	<i>EPA</i>	Completed	Reduced NCP Review	Review supported retention of provisions which do not materially restrict competition and are in the public interest. Review report made available to the public. No issues raised in response. NCC provided with report in February 1999.	1998/1999	11/1998	Provisions subjected to NCP review retained without change.
<b><i>Coastal Protection &amp; Management Act 1995</i></b> Review of Coastal Protection Act	<i>EPA</i>	Completed	Reduced NCP Review	Review supported retention of provisions which do not materially restrict competition and are in the public interest. Review report made available to the public. No issues raised in response. NCC provided with report in February 1999.	1998/1999	11/1998	Provisions subjected to NCP review retained without change.

<b>Name of Legislation</b>	<b>Agency</b>	<b>Status</b>	<b>Review Model</b>	<b>Review Comments</b>	<b>Date of Review</b>	<b>Date Review Completed</b>	<b>Reform Progress</b>
<b>Contaminated Land Act 1991</b> <i>Contaminated Land Regulation 1991</i> Review of Environmental Protection Legislation (incl. contaminated land)	EPA	Underway	Targeted Public	Act subsumed within the Environmental Protection Act 1994 in 1997 without any increase in restrictions on competition. Review began in January 2000. For further details refer to EP Act entry below.	1996/1997		
<b>Environmental Protection Act 1994</b> <i>EP (Interim) Regulation 1995</i> Review of Environmental Protection Legislation	EPA	Underway	Targeted Public	Review will incorporate Environmental Protection Policies and Regulations passed under gatekeeping arrangements in 1997/98, as well as contaminated land provisions which have been subsumed within this Act. Review began in January 2000.	1998/1999		
<b>Harbours (Reclamation of Land) Regulation 1979</b> <i>Marine Land (Dredging) By-Laws under the Harbours Act 1955 (sections 91-93)</i> Review of Harbour Land Reclamation Regulation & Marine Land Dredging Legislation	EPA	Not for review	Reformed without Review	No review was to occur unless extension of these provisions is considered necessary.	1997/1998	09/1998	Sunset provisions are due to expire on 31 December 2000.
<b>Nature Conservation Act 1992</b> <i>Nature Conservation Regulation 1995 and Conservation Plans</i> Review of Nature Conservation Legislation	EPA	Completed	Reduced NCP Review	Review supported retention of provisions which are considered to be for natural resource management purposes. Targeted consultation and review report made public in January 1999.	1998/1999	07/1999	Provisions subjected to NCP review retained without change.
<b>Queensland Heritage Act 1992</b> <i>Queensland Heritage Regulation 1992</i> Review of Heritage Legislation	EPA	Completed	Reduced NCP Review	Review justified retention of provisions on public interest grounds. Review report has been made available to the public. No issues raised in response. NCC provided with report in February 1999.	1998/1999	12/1998	Provisions subjected to NCP review retained without change.

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Ambulance Service Act 1991</i></b>	<i>ES</i>						
Review of Ambulance Service Act		Draft Scope	Targeted Public	Discussions are being held with the department and Ambulance Services on two draft PBT Plans. These are to be forwarded to Treasury early in March 2000.	1998/1999		
<b><i>Fire Services Act 1990</i></b>	<i>ES</i>						
Review of Fire and Rescue Authority Act		Underway	Reduced NCP Review	Draft report under consideration by Treasury as at February 2000.	1998/1999		
<b><i>Private Employment Agencies 1983</i></b>	<i>ETIR</i>						
<i>Private Employment Agencies Regulation 1989</i>							
Review of Private Employment Agency Legislation		Yet to begin	To be Determined	Ministerial approval has been given to commence an independent NCP review of the legislation. Determinations are currently being made regarding the review process. Consultation recently has taken place with Treasury. It is anticipated that public/stakeholder submissions will be called as soon as possible with the review being completed by 31 August 2000.	1998/1999		
<b><i>Trading (Allowable Hours) Act 1990</i></b>	<i>ETIR</i>						
<i>Trading (Allowable Hours) Regulation 1994</i>							
Review of Trading Hours Legislation		Not for review		Consultation is currently ongoing involving Premier's Department, Treasury and NCC on the basis that Qld's commitment regarding trading hours regulation is met by way of the Queensland Industrial Relations Commission's independent process for the determination of applications for extended trading hours.	1998/1999		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Vocational Education, Training and Employment Act 1991</i></b> <i>Vocational Education, Training and Employment Regulation 1991</i> Review of Vocational Education, Training and Employment Legislation	ETIR	Draft Scope	Reduced NCP Review	Minor review was carried out on the then proposed new Bills (a VET Bill and an Institute Bill) to replace the VET&E Act, with a view to undertaking a full review after 18 months once State and Commonwealth changes had taken effect and impacts could be more accurately defined. Proposed new legislation, the Training and Employment Bill replaces the two Bills referred to above. A PBT Plan is currently being prepared on the T&E Bill as at end February 2000. Negotiation of review scope is underway with Treasury.	1998/1999		
<b><i>WorkCover Qld Act 1997</i></b>  Review of WorkCover Act	ETIR	Underway	Targeted Public	Provisions identified as potentially anti-competitive will be reviewed by 30 June 2000. PBT Plan and ToR drafted, but yet to be approved by Cabinet. Review committee will undertake targeted consultation with key stakeholders using draft report developed after PBT assessment has been conducted in March - April 2000. Report due to be finalised by August 2000.	1999/2000		
<b><i>Workplace Health and Safety Act 1995</i></b> <i>Workplace Health and Safety Regulations 1995 and 1997</i> Review of Workplace Health and Safety Act 1995 and Regulation 1997	ETIR	Underway	Department Review	The only part of the 1997 Regulation which has been identified as anti-competitive in the endorsed PBT Plan is Part 3 - Prescribed Occupations. It is proposed that the review of this part will be finalised during 2000 in conjunction with a review of certification conducted nationally.	1998/1999		
<b><i>Workplace Health and Safety Act 1995</i></b> <i>Workplace Health and Safety Regulations 1995 and 1997</i> Review of Workplace Health and Safety Regulation 1995	ETIR	Underway	Department Review	The review of the 1995 Regulation has been completed apart from Part 8 (Amenities), Part 9 (Miscellaneous) and Part 11 (Access). These parts are currently under review and are expected to be completed during 2000.	1996/1997		

<b>Name of Legislation</b>	<b>Agency</b>	<b>Status</b>	<b>Review Model</b>	<b>Review Comments</b>	<b>Date of Review</b>	<b>Date Review Completed</b>	<b>Reform Progress</b>
<b>Child Care Act 1991</b> <i>Child Care (Child Care Centres) Regulation 1991 &amp; Child Care (Family Day Care) Regulation 1991</i> Review of Child Care Legislation	FYCC	Underway	Department Review	Draft report was under consideration in February 1999. Department advised at the time that the incoming Minister responsible for the legislation had established a forum to examine all aspects of child care legislation in consultation with a wide cross section of stakeholders. NCP requirements are being addressed as part of the forum's deliberations in developing new legislative proposals, as at February 2000.	1997/1998		
<b>Cremation Act 1913</b> <i>Cremation Regulation 1987</i> Review of Cremation Legislation	H	Repealed	Reformed without Review	Decision taken by department to repeal the restrictive provisions without a formal NCP review.	1996/1997	12/1998	Anti-competitive provisions were repealed in late 1998 following departmental examination of the legislation.
<b>Fluoridation of Public Water Supplies Act 1963</b> <i>Fluoridation of Public Water Supplies Regulation 1964</i> Review of Fluoridation of Public Water Supply Legislation	H	Repealed	Reformed without Review	Decision taken by Department to repeal the restrictive provisions without formal NCP review.	1996/1997	09/1997	Anti-competitive provisions were repealed late in 1997 following departmental examination of the legislation.
<b>Food Act 1981</b> <i>Food Hygiene Regulations 1989, Food Standards Regulation 1994</i> Review of Food Legislation	H	Underway	National Review	The Australian new Zealand Food Authority (ANZFA) is reviewing all state and territory food legislation as part of its responsibility to develop nationally uniform food legislation. ANZFA is also reviewing the Food Safety Standards. ANZFA is expected to make recommendations to the Australia New Zealand Food Standards Council later in 2000.	1999/2000		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<i>Health Act 1937</i>	<i>H</i>						
Review of Hairdressing, Beauty Therapy and Skin Penetration Legislation		Completed	Targeted Public	Review of Sections 33 and 100A of the Health Act 1937 and Parts 5 and 15 of the Health Regulation 1996. PBT report completed late in 1999, but yet to be endorsed by Treasury. Authority to Prepare Cabinet Submission expected to be considered in mid 2000 with passage of new legislation in mid/late 2000.	1997/1998	10/1999	
<i>Health Act 1937</i>	<i>H</i>						
Review of Health (Drugs and Poisons) Regulation 1996		Underway	National Review	Review of drugs, poisons and controlled substances provisions in the Health (Drugs and Poisons) Regulation 1996 under Part 4 of the Health Act 1937. CRR agreed to a national review process. Terms of review finalised at the end of March 1999. Draft discussion paper has been prepared. Review Chair is to prepare review report by July 2000.	1998/1999		
<i>Health Act 1937</i>	<i>H</i>						
Review of Health (Nursing Homes) Regulation 1982		Completed	Department Review	Review of relevant provisions in the Health (Nursing Homes) Regulation 1982 under Part 3, Division 5 of the Health Act 1937. Department has examined Commonwealth's Aged Care Act 1997 to determine its impact on this legislation. Current legislation lapsed on 1 July 1998 and it is proposed that Cabinet consider in due course new legislation which provides a negative licensing scheme.	1996/1997	03/1997	Restrictive provisions dealing with nursing homes expired on 1 July 1998. This followed a departmental examination of the legislation.

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b>Health Act 1937</b>	<i>H</i>						
Review of Health (Private Hospitals) Regulation 1978		Completed	Targeted Public	<p>Review of relevant provisions in the Health (Private Hospitals) Regulation 1978 under Part 3, Division 4 of the Health Act 1937. PBT report endorsed by Treasury in February 1999. Summary of PBT report accompanied submission securing Cabinet authority for introduction of the Private Health Facilities Bill in August 1999.</p> <p>Cabinet approved preparation of a new Bill in August 1998. Completed review report was forwarded to Treasury in February 1999. Summary of final review report accompanied Cabinet Submission proposing introduction of the Bill.</p>	1996/1997	02/1999	Review of private hospitals' legislation has justified retention of a licensing regime in the interests of patient wellbeing. The review rejected the formal adoption of planning controls. The Private Health Facilities Act 1999, which replaces the legislation scheduled for review, was passed in November 1999 and is expected to commence late in 2000.
<b>Health Act 1937</b>	<i>H</i>						
Review of Hyperbaric Chamber Therapy under Part 6 of Health Regulation 1996		Underway	Reduced NCP Review	Terms of Reference and PBT Plan were finalised early in 1999. Consultation undertaken with stakeholders early in 1999. Reduced PBT report to be produced. PBT report expected to be completed and endorsed by Treasury by mid 2000 and legislation amended by end 2000.	1997/1998		
<b>Health Act 1937</b>	<i>H</i>						
Review of Pest Management under Parts 10&12 of the Health Regulation 1996		Completed	Targeted Public	PBT report completed late in 1999, but not yet formally endorsed by Treasury. Authority to Prepare Cabinet Submission for new legislation expected to be considered in April 2000 with passage of new legislation late in 2000 or early in 2001.	1997/1998	10/1999	
<b>Health Act 1937</b>	<i>H</i>						
Review of Therapeutic Goods Legislation		Not for review		Review of Therapeutic Goods legislation under Part 4 of the Health Act 1937 and Part 16 of the Health Regulation 1996. Proposal to adopt Commonwealth legislation. Any review should be a national review.	1997/1998		Queensland Health Minister has approved proposal to adopt the Commonwealth legislation.

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<b><i>Health Practitioner Registration Acts</i></b>	<i>H</i>						
Review of Core Practice Restrictions in Health Practitioner Legislation		Underway	Targeted Public	A second-stage Health Practitioner Legislation review, not individually scheduled in Queensland Legislation Review Timetable. Review addresses restrictions on practice of chiropractic, osteopathy, medicine, occupational therapy, pharmacy, physiotherapy, podiatry, psychology and speech pathology. PBT report is expected to be completed and endorsed by Treasury by mid 2000. Cabinet and parliamentary processes for new core practice model are expected to be completed by early 2001.	1998/1999		
<b><i>Health Practitioner Registration Acts</i></b>	<i>H</i>						
Review of Health and Medical Practitioner Registration Acts		Completed	Targeted Public	Stage 1 of review examined generic issues. That review is complete. Stage 2 will examine as separate reviews: Pharmacy as a national review; ownership controls for Optometry; certain restrictions in dental profession; and restrictions on core practice across professions.	1996/1997	05/1998	For the 12 Acts and associated subordinate legislation reviewed: registration/licensing provisions have been retained; some titles continue to be reserved; commercial controls removed apart from Pharmacy and Optometry as these will be subject of separate reviews; considerable lessening of advertising controls. Registration of Medical Radiation Technologists also proposed. Health Practitioners (Professional Standards) Act 1999 and Health Practitioner Registration Boards (Administration) Act 1999 were passed in November 1999 and commenced on 7 February 2000. Drafting of profession-specific Bills is being finalised. Authority to Introduce Cabinet Submission is expected to be considered by mid 2000 with passage of new legislation before the end of 2000.
<b><i>Health Practitioner Registration Acts</i></b>	<i>H</i>						
Review of Ownership Restrictions under the Optometrists Act 1974		Completed	Targeted Public	A second-stage Health Practitioner Legislation review, not individually scheduled in Queensland Legislation Review Timetable. Review limited to examination of ownership and related restrictions. PBT report endorsed by Treasury in January 2000. Cabinet is expected to consider review recommendations in March 2000.	1998/1999	07/1999	

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<b><i>Health Practitioner Registration Acts</i></b>	<i>H</i>						
Review of Ownership Restrictions under the Pharmacy Act 1976 and By-Laws 1984		Underway	National Review	Review of relevant provisions under Part 4 of the Pharmacy Act 1976. A second-stage Health Practitioner Legislation review, not individually scheduled in Queensland Legislation Review Timetable. National review has delivered its report. As at February 2000, jurisdictions are assessing future action to be taken to complete review and NCP requirements.	1998/1999		
<b><i>Health Practitioner Registration Acts</i></b>	<i>H</i>						
Review of Restrictions on the Practice of Dentistry		Underway	Targeted Public	A second-stage Health Practitioner Legislation review, not individually scheduled in Queensland Legislation Review Timetable. Review of provisions under the Dental Act 1971 and By-Law 1988. PBT report was completed in February 2000 and is expected to be endorsed by Treasury by mid 2000. Cabinet and parliamentary processes for new legislation arising from the review are expected to be completed by early 2001.	1998/1999		
<b><i>Health Services Act 1991</i></b>	<i>H</i>						
<i>Health Services (Public Hospitals Fees and Charges) Regulation 1992</i> Review of Public Hospitals Fees and Charges in Health Services Regulation 1992		Repealed	Reformed without Review	Department decided that the anti-competitive provisions would be repealed (Current legislation titled Health Services Regulation 1992).	1996/1997	07/1997	Anti-competitive provisions were repealed in 1997 following departmental examination of the legislation.
<b><i>Mental Health Act 1974</i></b>	<i>H</i>						
Review of Mental Health Act		Completed	Reformed without Review	No formal NCP review was undertaken. Health and Justice Departments have jointly examined this matter and have determined that the restrictions will be repealed.	1997/1998	12/1998	The anti-competitive provisions will be repealed under the Guardianship and Administration Bill, developed by the Department of Justice, which is expected to be passed in March 2000 and commence in July 2000.

<b>Name of Legislation</b>	<b>Agency</b>	<b>Status</b>	<b>Review Model</b>	<b>Review Comments</b>	<b>Date of Review</b>	<b>Date Review Completed</b>	<b>Reform Progress</b>
<b><i>Nursing Act 1992</i></b> <i>Nursing By-Law 1993</i> Review of Nursing Legislation	<i>H</i>	Underway	Targeted Public	Review of provisions of the Nursing Act 1992 and Nursing By-Law 1993. Department decided that the single anti-competitive provision in the Nursing By-Law should be repealed. In relation to the review of the restriction on practice in the Nursing Act, terms of reference and a PBT Plan have been developed. It is expected that the PBT report will be completed and endorsed by Treasury by mid 2000. Cabinet and parliamentary processes for new legislation arising from the review are expected to be completed by early 2001.	1998/1999		The anti-competitive provision in the Nursing By-Law was repealed in 1999 following departmental examination.
<b><i>State Housing Act 1945 and State Housing (Freeholding of Land) Act 1957</i></b> <i>State Housing Regulation 1986 and Interest Rate Orders</i> Review of the State Housing Legislation	<i>HO</i>	Underway	Department Review	PBT Plan approved by Treasury in December 1999. Review advertised and submissions called, closing 31 January 2000. Targeted stakeholder consultation occurring in February-March 2000. Review is anticipated to be completed by end March 2000.	1996/1997		
<b><i>Legal Practitioners Act 1995</i></b>  Review of Legal Practitioners Act	<i>J</i>	Underway	Department Review	Broad review of contemporary issues in legal profession commenced in December 1998 with release of discussion paper. Green Paper released in June 1999. NCP issues such as conveyancing will be addressed in review and taken into account in development of legislative proposals flowing from the review. Initial discussions on NCP issues have occurred. Review expected to be completed in 2000.	1998/1999		
<b><i>Queensland Law Society Act 1952</i></b> <i>Queensland Law Society Rule 1987, Queensland Law Society (Indemnity) Rule 1987 &amp; Continuing Legal Education Rule</i> Review of Queensland Law Society Legislation	<i>J</i>	Underway	Department Review	Indemnity Rule proposed by NCC for national review. Now to be reviewed by State in conjunction with broad review of legal profession in Qld. Refer to entry under Legal Practitioners Act for further details.	1998/1999		

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Trustee Companies Act 1968</i></b>	<i>J</i>						
Review of Trustee Companies Act		Underway	National Review	While not strictly a "national review", a draft uniform trustee companies Bill has been developed by the Standing Committee of Attorneys-General. Qld Cabinet gave approval to prepare the Uniform Trustee Corporations (name of State/Territory) Bill on 15 February 2000. The Bill and an NCP issues paper addressing restrictions on competition will be released to industry and the general public. The review is expected to be completed by the end of 2000.	1997/1998		
<b><i>Coal Industry (Control) Act 1948</i></b>	<i>ME</i>						
<i>Orders under Coal Industry (Control) Act 1948</i>		Repealed	Reformed without Review	Act repealed without formal NCP review.	1996/1997	12/1997	The Act has been repealed following departmental examination of the legislation.
Review of Coal Industry Legislation							
<b><i>Electricity Act 1994</i></b>	<i>ME</i>						
<i>Electricity Regulation 1994</i>		Draft Scope	Department Review	Review timing: Act 1996/97; Regulations 1998/99. Part of the broader CoAG electricity reform process (eg to give effect to market restructuring.). A separate legislation review exercise was not undertaken. Following amendments to the legislation to give effect to the CoAG reforms in 1997, some provisions remaining in the legislation have been identified as potentially restricting competition. These aspects are currently being examined under NCP, early in 2000.	1996/1997		Three tranches of significant amendments to the Act were passed and changes made to the Regulation as part of the reforms. These legislative amendments during 1997 gave effect to CoAG reforms including the establishment of a National Electricity Market.
Review of Electricity Legislation							
<b><i>Explosives Act 1952</i></b>	<i>ME</i>						
<i>Explosives Regulation 1955</i>		Not for review		NCC supported removal of legislation from review timetable on the basis that the provisions are in the public interest and are not for the purpose of restricting competition.	1998/1999		Legislation is moving in the direction of national standards and has been modernised.
Review of Explosives Legislation							

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Gas Act 1965</i></b>	<i>ME</i>						
<i>Gas Regulations 1989</i> Review of Gas and Petroleum Legislation		Underway	Targeted Public	Part of the broader CoAG gas reforms and includes a fundamental review of Gas and Petroleum legislation. The overall outcome will be one Act (replacing the Petroleum Act 1923 and the Gas Act 1965) addressing the full spectrum of the petroleum and gas industry - ie exploration, development, production, transmission, distribution and, in the case of gas, utilisation. This will comprehensively fulfil CoAG gas reform and NCP legislation review commitments. A Discussion Paper outlining the department's position on key policy issues was released in February 1999. Following analysis of submissions, final policy position papers were developed. A PBT has been undertaken to analyse proposed legislative reforms, in particular those not directly linked to CoAG gas reforms. New legislation is expected to be considered by Parliament by the end of August 2000. The proposed dates for the Cabinet stages to finalise the new Petroleum and Gas Act are: Authority to Prepare - March 2000; and Authority to Introduce - August 2000. The Act shall commence immediately upon passage through Parliament and assent.	1996/1997		
<b><i>Gas Suppliers (Shareholdings) Act 1972</i></b>	<i>ME</i>						
Review of Gas Suppliers Shareholding Act		Completed	Reformed without Review	The restriction limits the level of ownership of shares in a nominated gas supplier and has only ever related to one company. In July 1998, the proclamation under the Act expired, removing that company from the protection of the Act. Department is arranging to repeal the Act.	1997/1998		
<b><i>Liquid Fuel Supply Act 1984</i></b>	<i>ME</i>						
Review of Liquid Fuel Supply Act		Not for review		NCC supported removal of Act from review timetable on the grounds that the legislation is in place to serve the public interest in terms of controlling liquid fuel usage in times of shortage or emergencies. Provisions have never been used.	1997/1998		

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<b><i>Transport Infrastructure Act 1994</i></b> <i>Various modal-specific Regulations</i>	MR						
Review of Main Roads Restrictions in Transport Infrastructure Legislation		Underway	Department Review	Assessment of various NCP issues for Main Roads, comprising: full review of limitations on services able to be provided at access points to limited-access main roads; and reduced reviews of policies underlying road-side advertising restrictions and delivery of Main Roads work by local government. Reviews are progressing.	1998/1999		
<b><i>Gladstone Area Water Board Act 1984</i></b>	NR						
Review of Gladstone Area Water Board Act		Completed	Department Review	Urban Water Board legislation, that was listed jointly with Water Resources legislation, will be reviewed separately. Department has advised that the legislative restrictions are to be removed in amending the legislation in first half of 2000.	1997/1999	02/2000	
<b><i>Land Act 1994</i></b>	NR						
Review of Land Act		Completed	Targeted Public	Review examined two restrictions: prohibiting corporations from holding perpetual leases for grazing or agricultural purposes; and limiting the number of living units that non-freehold land owners may aggregate. Review committee has completed its report, however its recommendations have yet to be considered by Cabinet.	1996/1997	05/1999	Subject to Cabinet's deliberations, any legislative amendments emanating from the review are proposed for August 2000.
<b><i>Metropolitan Water Supply and Sewerage Act 1909, and Sewerage and Water Supply Act 1949</i></b>	NR						
<i>Standard Sewerage and Water Supply Laws</i> Review of Water Supply Legislation		Underway	Targeted Public	Review is part of broader CoAG water reform agenda. Discussion paper on regulation of provision of water services was released for consultation in 1999. An exposure draft of new legislation to be released early in 2000. New legislation to replace existing Acts in mid 2000.	1997/1999		

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<b>Review Name</b>							
<b>South East Queensland Water Board Act 1979, and Townsville/Thuringowa Water Supply Board 1987</b>	NR						
Review of SouthEast and Townsville/Thuringowa Water Board Legislation		Underway	Targeted Public	Part of broader CoAG water reform agenda. New institutional reforms for each Board are being pursued with likely repeal of existing Acts. TTWSB Act to be replaced in mid 2000.	1997/1999		SEQWB Act has been repealed.
<b>Surveyors Act 1977</b>	NR						
<i>Surveyors Regulations 1992</i>							
Review of Surveyors Legislation		Underway	Targeted Public	Review concluded in November 1997. Policy issues relating to the scope and form of future regulatory arrangements still being negotiated prior to consideration by government.	1996/1997	11/1997	
<b>Valuers Registration Act 1992</b>	NR						
<i>Valuers Registration Regulation 1992</i>							
Review of Valuers Registration Legislation		Completed	Department Review	Review has been completed. Review found that in medium to long term deregulation is likely to deliver net public benefit but in the short term there would be a risk to infrequent users of valuers. Consequently, the review recommends retention of registration with a further review in three years, and removal of other geographic and price control restrictions.	1996/1997	10/1999	Cabinet endorsed the review recommendations on 28 February 2000.
<b>Water Resources Act 1989</b>	NR						
<i>Water Resources (Watercourse Protection) Regulation 1993, Water Resources (Rates and Charges) Regulation 1992</i>							
Review of Water Resources Legislation		Underway	To be Determined	Part of broader CoAG water reform agenda. Discussion paper on modules for new legislation were progressively released for discussion during 1999. Draft revised legislation was due to be released for consultation late in 1999. New legislation proposed to be implemented before July 2000.	1997/1999		

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<b>South Bank Corporation Act 1989</b> <i>South Bank Corporation By-law 1992, South Bank Corporation Regulation 1992</i> Review of South Bank Corporation Legislation	P&C	Completed	Department Review	Review considered several provisions, including a public benefit assessment of the exemption provided in the legislation from the application of the Residential Tenancies Act 1994 and the Retail Shop Leases Act 1994. Review report has been formally signed off by the Premier and was provided to the Treasurer for endorsement in January 2000 in accordance with Qld's PBT Guidelines.	1998/1999	02/2000	Any amendments flowing from the review will be included in a Bill resulting from a general review of the Act which is in progress as at February 2000. It is anticipated that an Authority to Prepare the Bill will be sought from Cabinet by December 2000.
<b>Agricultural and Veterinary Chemicals (Queensland) Act 1994</b>  Review of Agricultural and Veterinary Chemicals Legislation	PI	Underway	National Review	Three pieces of related legislation to be reviewed covering registration and control of use provisions. Review undertaken by Commonwealth Department of Primary Industries and Energy. Report was completed in 1999. SCARM working group is preparing a response to review report. Control-of-use issues and recommendations from national review have been referred to jurisdictions for examination early in 2000. Qld is considering recommendations and implementation issues as part of a general review of chemical distribution and chemical use legislation. This state-based review commenced in September 1999. Discussion paper released in January 2000. Review scheduled to be completed in May 2000.	1997/1998		
<b>Agricultural Chemicals Distribution Control Act 1996</b> <i>Agricultural Chemicals Distribution Control Regulations 1970</i> Review of Agricultural and Veterinary Chemicals Legislation	PI	Underway	National Review	Refer to entry under Agricultural and Veterinary Chemicals (Queensland) Act 1994.	1997/1998		
<b>Chemical Usage (Agricultural and Veterinary) Control Act 1988</b> <i>Chemical Usage (Agricultural and Veterinary) Control Regulation 1989</i> Review of Agricultural and Veterinary Chemicals Legislation	PI	Underway	National Review	Refer to entry under Agricultural and Veterinary Chemicals (Queensland) Act 1994.	1997/1998		

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<b>Chicken Meat Industry Committee Act</b>	PI						
Review of Chicken Meat Act		Completed	Targeted Public	<p>Committee signed off on review report in November 1997. Grower representative submitted dissenting report. Treasury engaged independent consultant to examine both reports. As a result, additional recommendations were added to the committee's recommendations that are consistent with potential outcome of NSW review. These do not jeopardise the net public benefit nor impose further restrictions (they simply clarify dispute resolution process). Grower and processor representatives agreed to expanded proposal.</p> <p>Temporary TPA exemption for collective bargaining arrangements expire on 30 June 1999. Review has shown there to be a public benefit in continuing this legislative exemption in the CMIC Act.</p>	1996/1997	11/1997	Cabinet approved that amending legislation be drafted that will provide: less deterministic role for industry committee; legislative authorisation for collective bargaining arrangements with option for individual growers to negotiate directly with processor; minimum contract conditions; maximum period for mediation; and arbitration on contract conditions, excluding initial growing fee. Legislation, including authorisation of collective bargaining from the Trade Practices Act, passed by Qld Parliament in September 1999.
<b>City of Brisbane Market Act 1960</b>	PI						
<i>City of Brisbane Market Regulation (formerly By-law) 1982</i>							
Review of City of Brisbane Market Legislation		Completed	Full Public Review	Joint review covering ownership, competitive neutrality and legislation review.	1997/1998	05/1998	Government has corporatised the BMA as of 13 December 1999 and has removed its statutory monopoly status as a wholesale market in the Brisbane area.
<b>Dairy Industry Act 1993</b>	PI						
<i>Dairy Industry Regulation 1993, Dairy Industry (Market Milk Prices) Order 1995</i>							
Review of Dairy Industry Legislation		Completed	Full Public Review	Legislative amendments developed for extending supply management arrangements, etc. in accordance with recommendations of the completed NCP review.	1997/1998	07/1998	Restrictive farm-gate arrangements (including broadening scope of supply management arrangements to cover Central Qld and North Qld) extended until 31 December 2003 based on findings of NCP review. Review recommended further review to occur prior to 1 January 2003 to determine extent of government involvement in dairy industry. In early March 2000, jurisdictions accepted Commonwealth adjustment package for the dairy industry that would include complete deregulation of marketing arrangements by 30 June 2000. Qld Cabinet has endorsed the preparation of legislation to give effect to removal of market milk controls.

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<b><i>Egg Industry (Restructuring) Act 1993</i></b>	<i>PI</i>						
Review of Egg Industry Act		Completed	Reformed without Review	Act allowed to sunset on 31 December 1998 thereby removing all anti-competitive legislative provisions.	1997/1998	12/1998	All anti-competitive provisions have been removed through the sunseting of the Act on 31 December 1998.
<b><i>Farm Produce Marketing Act 1964</i></b>	<i>PI</i>						
<i>Farm Produce Marketing Regulation 1984</i>							
Review of Farm Produce Marketing Legislation		Completed	Full Public Review	Final report produced in June 1999. Findings: act largely ineffective as most transactions occur outside scope; no public benefit in retaining legislation; non-statutory scheme proposed; extension of sunset provisions to June 2000 to allow development of new model.	1997/1998	06/1999	Legislative provisions allowed to sunset on 30 June 1999. Non-statutory scheme to be introduced.
<b><i>Fisheries Act 1994</i></b>	<i>PI</i>						
<i>Fisheries Regulation 1995</i>							
Review of Fisheries Legislation		Underway	Full Public Review	Review is nearing completion. Discussion paper released in July 1999. Interim report released in November 1999 followed by a series of public consultations. Consultant completed PBT in January 2000. Final report expected by March 2000.	1998/1999		Any legislative amendments resulting from the review are anticipated in second half of 2000.
<b><i>Forestry Act 1959</i></b>	<i>PI</i>						
<i>Forestry Regulation 1987</i>							
Review of Forestry Legislation		Completed	Department Review	Review shows net public benefit in retaining funding of the Timber Research and Development Advisory Council (TRADAC) by way of a compulsory stumpage charge. In relation to the Crown native forest sawlog allocation system, small economic gains would be achieved through industry restructure. However, deregulation would result in quite significant social costs being borne by small rural communities. There would be no material effect on the environment. While the current allocation system will be retained for now, it will need to adjust flexibly to changes in the industry and environment. Allocation system has already been adjusted in SE Qld as part of Regional Forest Agreement (RFA) outcome.	1996/1997	04/1999	Legislation passed in November 1999. This implemented long-term wood supply agreements arising from RFA and extended exemption from the Trade Practices Act for non-competitive allocation system for 10 years. Compulsory funding of TRADAC via statutory stumpage payment has been removed (January 2000) following Qld Government decision relating to a number of agricultural levy arrangements.

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<b><i>Fruit Marketing Organisation Act 1923</i></b>	<i>PI</i>						
Review of Fruit Marketing Act		Completed	Department Review	A general review was undertaken. This review was combined with a review of the Primary Producers' Organisation and Marketing Act 1926. Only NCP issue in the FMO Act was the future status of currently dormant market intervention mechanisms. Review recommended repeal of these provisions.	1997/1998	02/1999	Parliament has passed legislation in December 1999 that included the repeal of all the marketing provisions in the Act.
<b><i>Grain Industry (Restructuring) Act 1993</i></b>	<i>PI</i>						
Review of Grain Industry Act		Completed	Targeted Public	Aspects of NCP review (review panel composition and ToR) were based on Cabinet decision following previous non-NCP review of Act that failed to conclude issues under review at that time. NCP review supported retention of statutory marketing arrangements through Grainco for export barley. Outcome influenced by Japan Food Authority policies on sourcing barley from statutory marketing authorities (SMAs) and status of interstate SMA arrangements. Subsequent joint Victoria-South Australia review recommended removal of Australian Barley Board's statutory monopoly. The situation in Qld is presently under further examination given these changes. A related review of accountability requirements applying to Grainco was completed in November 1998. This review recommended a supervisory panel be established in lieu of current Govt appointments to the Board of Grainco. The application of a number of Acts to Grainco also modified.	1996/1997	06/1997	Statutory monopoly of Grainco for export barley retained to 30 June 2002. Wheat regulation also extended but "parked" (ie on statute book but not active) while Commonwealth provisions still apply. Regulation of all other grains removed. Legislation to amend accountability provisions applicable to Grainco passed by Qld Parliament in September 1999.
<b><i>Primary Producers' Organisation and Marketing Act 1926</i></b>	<i>PI</i>						
<i>Orders in Council for tobacco leaf</i> Review of Orders in Council for Tobacco Leaf		Completed	Department Review	Review found Orders in Council to be totally unnecessary as Tobacco Leaf Marketing Board no longer exists.	1996/1997	10/1998	Repealed in October 1998 following departmental examination of the legislation.

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<b>Review Name</b>							
<b>Primary Producers' Organisation and Marketing Act 1926</b>	<i>PI</i>						
<i>Orders in Council for tobacco leaf</i> Review of Primary Producers' Organisation and Marketing Legislation		Completed	Department Review	General review combined with Fruit Marketing Organisation Act 1923. The only restrictive provision relates to establishing marketing boards. It is intended that the creation of such boards in future (none exist at present) will be via industry-specific legislation on each occasion, subject to a prior public benefit test as required under NCP.	1996/1997	02/1999	Parliament passed legislation in December 1999 to repeal all existing provisions relating to marketing boards in the Act. This followed departmental examination of the legislation.
<b>Sawmills Licensing Act 1936</b>	<i>PI</i>						
<i>Sawmills Licensing Regulation 1965</i> Review of Sawmills Licensing Act		Underway	Department Review	Nearing completion. Draft report under consideration February 2000 to be revised for consultation prior to end March 2000. Cabinet considered in February 1999 an Authority to Prepare submission recommending extending temporary Trade Practices Act exemption by regulation for one year until 30 June 2000 to permit completion of current NCP review.	1996/1997		Any legislative amendments resulting from the review are scheduled for the second half of 2000.
<b>Sugar Industry Act 1991</b>	<i>PI</i>						
<i>Sugar Industry Regulation 1991, Sugar Industry (Assignment Grant) Guideline 1995</i> Review of Sugar Industry Legislation		Completed	Full Public Review	Combined with review of Sugar Milling Rationalisation Act 1991.	1996/1997	11/1996	Compulsory acquisition and single desk selling of raw sugar retained for the export and domestic markets and tariff on raw and refined sugar and related products removed effective from 1 July 1997.
<b>Sugar Milling Rationalisation Act 1991</b>	<i>PI</i>						
Review of Sugar Industry Legislation		Completed	Full Public Review	Reviewed at same time as Sugar Industry Act 1991.	1996/1997	11/1996	As per Sugar Industry Act 1991.
<b>Veterinary Surgeons Act 1936</b>	<i>PI</i>						
<i>Veterinary Surgeons Regulation 1991 and various Orders in Council</i> Review of Veterinary Surgeons Legislation		Underway	Full Public Review	Review is near completion. Final report to DPI Minister in February 2000.	1998/1999		Any legislative amendments resulting from the review are scheduled for second half of 2000.

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<b>Architects Act 1985</b>	<i>PW</i>						
<i>Architects Regulation 1985</i> Review of Architects Legislation		Underway	National Review	National review is being undertaken by Productivity Commission.	1998/1999		
<b>Professional Engineers Act 1988</b>	<i>PW</i>						
<i>Professional Engineers Regulation 1992</i> Review of Professional Engineers Legislation		Completed	Full Public Review	Review conducted by an interdepartmental committee supplemented by a consumer representative and an independent member with engineering expertise. Review report was completed in February 2000.	1998/1999		
<b>Industrial Development Act 1963</b>	<i>SD</i>						
Review on Industrial Development Act		Completed	Reformed without Review	As the intention of the Act is not to limit use to industrial purposes, the definition section of the Act has been amended to remove this limitation. Submissions to Cabinet -ATP March 1998 and API October 1998.	1996/1997	09/1997	Definition in the Act was amended in 1998 to remove sole restriction that limited Act to development for industrial purposes.
<b>Retail Shop Leases Act 1994</b>	<i>SD</i>						
<i>Retail Shop Leases Regulation 1994</i> Review of Retail Shop Leases Legislation		Completed	Department Review	This statutory review includes consideration of NCP issues. Review recommends retention of existing restrictions to ensure fair and equitable lease arrangements exist for small lease holders in shopping centres. Review also justifies amendments that will require prospective lessees to obtain a pre-lease certificate relating to the nature of, and consequences of entering, a lease agreement.	1998/1999	11/1999	The Act is being amended. Included in the amendments is the introduction of pre-lease certificates which has been justified through the NCP review. Proposed to introduce amendments to Parliament in April 2000.

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<b><i>State Transport (People-movers) Act 1989</i></b>	<i>T</i>						
Review of People Movers Act		Underway	Department Review	The Act is to be repealed and certain provisions saved in the Transport Infrastructure Act and the Transport Operations (Passenger Transport) Act. The provisions transferred to these two Acts will be examined as a separate exercise to determine if any of the transferred provisions actually restrict competition. (A full review of the Transport Operations (Passenger Transport) Act is also currently underway.) The review of this Act was originally set down to occur in 1996/97. The review commenced on time and the course of action (as described) was determined. Delays in undertaking necessary legislative changes have occurred, and in view of recent developments in respect of the provisions of People Movers Infrastructure (post-31 December 1999) there had been some doubt in respect of the appropriateness of repeal. It has now been decided (post-31 December 1999) that repeal is appropriate and this will occur as soon as possible. Legal advice has been requested regarding the need to retain certain provisions as they relate to existing licences and operational requirements. These provisions are likely to be incorporated within new Light Rail and Busway legislation, following appropriate assessment in respect of any restrictive elements of the proposed provisions.	1998/1999		
<b><i>State Transport Act 1960</i></b>	<i>T</i>						
<i>State Transport Regulation 1987</i>							
Review of Restricted Goods Legislation		Completed	Reduced NCP Review	The Act has been repealed by proclamation of certain provisions of the Transport Operations (Road Use Management) Act. Any future legislative control of restricted goods will be via regulation and subject to public benefit test requirements.	1996/1997	09/1998	The Act has been repealed.

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<b><i>Review Name</i></b>							
<b><i>Tow-Truck Act 1973</i></b>	<i>T</i>						
<i>Tow-Truck Regulation 1988</i>							
Review of Tow Truck Legislation		Completed	Reduced NCP Review	Public benefit justification has been provided in short-form for: the consumer protection and industry regulation provisions in the Act (which actually facilitate a competitive industry); and proposed amendments to strengthen consumer protection giving effect to Criminal Justice Commission recommendations. Public notification has occurred. Sections of industry have since raised concerns. As a result, Queensland Transport has revised some proposals. The proposed changes do not affect the public benefit justification.	1997/1998	01/1999	Legislative amendments introduced in 1999 strengthen consumer protection provisions and retain industry regulatory provisions. The new legislation commenced 1 July 1999.
<b><i>Transport Infrastructure - Ports</i></b>	<i>T</i>						
<i>Transport Infrastructure (Ports) Regulation 1994 under the Transport Infrastructure Act 1994</i>							
Review of Harbour Towage Restrictions		Underway	Department Review	This review examines harbour towage restrictions in the Transport Infrastructure (Ports) Regulation 1994 under the Transport Infrastructure Act. Consultants to undertake the review have been appointed and the review is now underway. Post-31 December 1999, a consultation paper is currently being prepared. It is anticipated that the review will be completed by June 2000.	1998/1999		
<b><i>Transport Infrastructure - Ports</i></b>	<i>T</i>						
<i>Transport Infrastructure (Ports) Regulation 1994 under the Transport Infrastructure Act 1994</i>							
Review of Restrictions on Port Activities Outside Prescribed Port Limits		Underway	Department Review	Review examines restrictions on port activities outside of port limits in the Transport Infrastructure (Ports) Regulation 1994 under the Transport Infrastructure Act 1994. Review is underway. A discussion paper has been distributed to government stakeholders as stage 1 of the consultation process. It is anticipated the review will be completed by the end of June 2000.	1998/1999		

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<b><i>Transport Operations (Marine Safety) Act 1994</i></b> <i>Transport Operations (Marine Safety) Regulation 1995</i> Review of Marine Pilotage Provisions	T	Completed	Department Review	Review recommends some pro-competitive legislative changes to take effect at end of three-year transition period for transfer of responsibility for pilotage services from Transport Dept to port authorities. Final review recommendations comprise licensing of marine pilots by Queensland Govt to be retained, each port authority to determine service delivery arrangements for its port (including "in-house" provision and competitive tendering) and removal of price controls with prices determined by each port authority subject to QCA oversight arrangements. Licensing of marine pilots ensures safety of vessels/crews and avoids port closures and environmental damage caused by maritime accidents.	1996/1997	05/1999	Final report recommended retention of marine pilot licensing arrangements, giving each port authority the power to determine service delivery arrangements and pilotage fees within its port. An Authority to Prepare Cabinet submission was presented in August 1999. It is expected that the amendments to the legislation will take effect on 1 July 2001 (amendments will be presented to Parliament as part of a future Transport Legislation Amendment Bill).
<b><i>Transport Operations (Passenger Transport) Act 1994</i></b> <i>Transport Operations (Passenger Transport) Regulation 1994</i> Review of Passenger Transport Legislation	T	Underway	Full Public Review	A Terms of Reference and PBT Plan have been prepared and approved by Cabinet. An interdepartmental steering committee has been established comprising Transport, Treasury and the Department of the Premier and Cabinet. A discussion paper has been prepared and distributed to stakeholders, and public hearings have been held. Draft PBT has been prepared and is currently being reviewed by the review steering committee. It is anticipated that the review will be completed by the end of May 2000.	1998/1999		

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<b>Review Name</b>							
<b>Art Unions and Public Amusements Act 1992</b>	TR						
<i>Art Unions and Public Amusements Regulation 1992</i> Review of Charitable and Non-profit Gaming Legislation		Yet to begin	To be Determined	The Charitable and Non-profit Gaming Act 1999 has replaced the Art Unions and Public Amusements Act 1992. Review deferred subject to outcome of Productivity Commission inquiry into gaming in Australia. That inquiry released its report in December 1999. A review of gaming in Qld is in progress and Cabinet is expected to consider this matter in March 2000.	1998/1999		
<b>Casino Agreement Acts</b>	TR						
Review of Casino Agreements Legislation		Completed	Reduced NCP Review	These four Agreement Acts covering casinos at the Gold Coast, Brisbane, Townsville and Cairns were not originally scheduled for review on the basis that they underpin commercial arrangements entered into prior to NCP for the provision of major casino/tourism facilities provided by the private sector. A confidential summary report on the review of the four Agreement Acts was provided to the NCC as part of 1998 Annual Report. This legislation relates to the Productivity Commission inquiry into gaming in Australia. That inquiry released its report in December 1999. A review of gaming in Qld is in progress and Cabinet is expected to consider this matter in March 2000.	1997/1998	03/1998	Provisions retained without change following reduced review.
<b>Casino Control Act 1982</b>	TR						
<i>Casino Control Regulation 1984</i> Review of Casino Control Legislation		Yet to begin	To be Determined	Review deferred subject to outcome of Productivity Commission inquiry into gaming in Australia. That inquiry released its report in December 1999. A review of gaming in Qld is in progress and Cabinet is expected to consider this matter in March 2000.	1998/1999		

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<b><i>Financial Intermediaries Act 1996</i></b>	<i>TR</i>						
Review of Financial Intermediaries Act		Completed	Reformed without Review	The Act has become redundant and may possibly be repealed (?). This is the result of the proposed reforms to the financial services sector resulting from the Wallis Inquiry and the establishment of the Australian Prudential Regulation Authority, in line with the recommendations of the Wallis Inquiry.	1998/1999	10/1998	Act is redundant and is expected to be repealed (?).
<b><i>Gaming Machine Act 1991</i></b>	<i>TR</i>						
<i>Gaming Machine Regulation 1991</i> Review of Gaming Machine Legislation		Yet to begin	To be Determined	Review deferred subject to outcome of Productivity Commission inquiry into gaming in Australia. That inquiry released its report in December 1999. A review of gaming in Qld is in progress and Cabinet is expected to consider this matter in March 2000.	1997/1998		Act amended in November 1999 to take into consideration community well being in the determinations on gaming machine applications.
<b><i>Keno Act 1996</i></b>	<i>TR</i>						
Review of Keno Act		Completed	Reduced NCP Review	NCP issues were to be fully examined prior to introduction of the Bill. Certain outstanding NCP matters were examined and a draft report compiled subsequently. Completion of this exercise deferred subject to outcome of Productivity Commission inquiry into gaming in Australia. That inquiry released its report in December 1999. A review of gaming in Qld is in progress and Cabinet is expected to consider this matter in March 2000.	1996/1997	04/1998	

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<b><i>Lotteries Act 1997</i></b>	<i>TR</i>						
Review of Lotteries Act		Completed	Department Review	The 1997 Act amounts to a winding-back of anti-competitive provisions by replacing the statutory monopoly provisions with a limited period of exclusivity to enable the Golden Casket Corporation time to mature in a commercial environment following its corporatisation. Certain outstanding NCP matters were examined and a draft report compiled subsequently. This exercise deferred subject to outcome of Productivity Commission inquiry into gaming in Australia. That inquiry released its report in December 1999. A review of gaming in Qld is in progress and Cabinet is expected to consider this matter in March 2000.	1998/1999	04/1998	Statutory monopoly provisions applying to the Golden Casket Corporation have been replaced with a limited duration exclusive licence.
<b><i>Motor Accident Insurance Act 1994</i></b>	<i>TR</i>						
Review of CTP Insurance Legislation		Completed	Full Public Review	The NCP review was undertaken in conjunction with a statutory review of Act and an examination of CTP scheme affordability. Cabinet approved the terms of the review in April 1999. Review recommends retention of fundamental CTP scheme aspects, including mandatory insurance requirement, licensing of insurers, community rating and Nominal Defendant. Review also recommends removing specific entry barriers (in terms of minimum market share and re-entry requirements) and premium setting by government will be replaced by its setting a premium range within which private insurers can determine their own premiums subject to approval by government. Drafting of the amendment Bill to give effect to the review recommendations is well advanced and is currently being reviewed by stakeholders as part of the Government's consultation process, prior to introduction.	1998/1999	11/1999	Cabinet on 31 January 2000 authorised the preparation of an amendment Bill to give effect to the review recommendations. With the significant change to the business associated with market-driven premium rates, there will be considerable system changes necessary to accommodate the new scheme. As a consequence, a 1 October 2000 commencement is envisaged.
<b><i>Superannuation (Government and Other Employees) Act 1988 and other superannuation legislation</i></b>	<i>TR</i>						
Review of Superannuation Legislation		Yet to begin	To be Determined	Sole NCP issue of Statutory Monopoly fund manager is being considered as part of a general review of superannuation arrangements for the public sector. It is intended that, together with the finalisation of the new superannuation arrangements, NCP requirements will be considered during 2000.	1996/1997		

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<b><i>Review Name</i></b>							
<b><i>Tobacco Products (Licensing) Act 1988</i></b> <i>Tobacco Products (Licensing) Regulation 1993</i>	TR						
Review of Tobacco Products Legislation		Completed	Reformed without Review	Restrictive provisions no longer have effect constitutionally following High Court decision in Ha & Lim v NSW. Only transitional provisions remain which have no NCP implications.	1998/1999	10/1998	Provisions that were deemed to restrict competition no longer have effect constitutionally following High Court decision in Ha & Lim v NSW.
<b><i>Wagering Bill</i></b>	TR						
Review of Wagering Bill (that replaces part of Racing and Betting Act 1980)		Completed	Department Review	Two components in reviewing racing and betting legislation: firstly the Racing Industry Taskforce examined the statutory monopoly of the QLD TAB. This was addressed in developing the Wagering Bill. Second aspect is the review of the provisions of the Racing and Betting Act relating to bookmakers, conduct of race meetings and other related restrictions concerning the operation of race events. That review will be undertaken as a separate exercise. This exercise deferred subject to outcome of Productivity Commission inquiry into gaming in Australia. That inquiry released its report in December 1999. A review of gaming in Qld is in progress and Cabinet is expected to consider this matter in March 2000.	1997/1998	02/1998	The statutory monopoly arrangements applying to TAB replaced by an exclusive licence of limited duration upon proclamation of the Wagering Act in 1999.
<b><i>Liquor Act 1992</i></b> <i>Liquor Regulation 1992</i>	TSR						
Review of Liquor Act		Underway	Full Public Review	Review report signed off by review panel early in August 1999. In September 1999, the Government decided that there would be public consultation on the draft report and, following consideration by an interdepartmental committee of issues raised through that process, the government will deliberate on a final report. Cabinet to consider this matter in February 2000.	1998/1999	02/2000	

<i>Name of Legislation</i>	<i>Agency</i>	<i>Status</i>	<i>Review Model</i>	<i>Review Comments</i>	<i>Date of Review</i>	<i>Date Review Completed</i>	<i>Reform Progress</i>
<b><i>Racing and Betting Act 1980</i></b> <i>Racing and Betting Act Regulation 1981</i> Review of Racing and Betting Legislation	TSR	Draft Scope	Department Review	Two components in reviewing racing and betting legislation: firstly the Racing Industry Taskforce examined the statutory monopoly of the Qld TAB. This was addressed in developing the Wagering Act. Second aspect is the review of the provisions of the Racing and Betting Act relating to bookmakers, conduct of race meetings and other related restrictions concerning the operation of race events. That review will be undertaken as a separate exercise and is expected to begin in March 2000 with the release of an issues paper covering both NCP and wider racing industry issues. Initial discussions and preliminary work on the review have taken place. The regulation of bookmakers is being examined separately (questionnaire distributed in October 1999) and in advance of the broader review of the R&B Act.	1997/1998		Racing and Betting Act Notification and Rules of Greyhound Racing - It was a requirement of the Act for the responsible Minister to approve the Rules of Greyhound Racing. This requirement has been repealed.
<b><i>Racing Venues Development Act 1982</i></b>  Review of Racing Venues Development Act	TSR	Not for review		The Act applies only to Albion Park. The Act does not contain any provisions that restrict competition.	1998/1999		
<b><i>Wine Industry Act 1994</i></b> <i>Wine Industry Regulation 1995</i> Review of Wine Industry Legislation	TSR	Completed	Department Review	A statutory review that included consideration of NCP issues was completed late in July 1999.	1998/1999	07/1999	A single "producer" licence system will be replaced with a two-tier licensing system that provides for licensing under the Wine Industry Act of both "producers" and "merchants". The blending restrictions will be removed, thereby relying on Commonwealth standards.

## ATTACHMENT 2

### STATUS OF JOINT OR COOPERATIVE COMMONWEALTH-STATE REGULATORY ARRANGEMENTS

Legislation Title	Status
Corporations (Queensland) Act 1990	Applies Commonwealth legislation to Queensland. No specific review of State's Act is planned. Discussions ongoing with Commonwealth.
Consumer Credit (Queensland) Act 1994 and the Consumer Credit Code	A national review of the Uniform Consumer Credit Code is underway.
Financial Institutions Act 1992 and the Financial Institutions Code	Regulation of financial institutions was transferred to the Commonwealth from July 1999. Queensland legislation was terminated.
Cooperative Scheme Laws: Securities Industry (Application and Laws) Act 1981 & Futures Industry (Application of Laws) Act 1986	Retention is presently under consideration.
Trade Measurement Act 1990	A national review is underway. See entry in schedule.
Agricultural and Veterinary Chemicals (Queensland) Act 1994	A national review is underway. See related entries in schedule.
Biological Control Act 1987	All jurisdictions and NCC agreed that this Act would not be reviewed.
Food Standards Regulation 1994 under the Food Act 1981 (which adopts the National Food Standards Code)	Food legislation is being reviewed on a national basis.
Workplace Health and Safety (Lead) Compliance Standard - Part xiv of the Workplace Health and Safety Regulation 1997 - under the Workplace Health and Safety Act 1995	Provisions retained on public health and safety grounds.
That part of the Standard Building Law under the Building Act 1975 which adopts The Building Code of Australia	CoAG Committee on Regulatory Reform in its deliberations on candidate national reviews decided that a review of the Building Code was not required. Review of Queensland's Building Act yet to begin.
Legislation that provides for the adoption of provisions from the Commonwealth's Classification (Publications, Films and Computer Games) Act 1995 namely the Classification of Computer Games and Images (Interim) Act 1995, the Classification of Films Act 1991 and the Classification of Publications Act 1991	Commonwealth and NCC concur with other jurisdictions that because of the clear social rationale for the legislation that such legislation need not be reviewed under NCP.
Mutual Recognition Act 1992	Review of mutual recognition legislation has been completed.
Wheat Marketing (Facilitation) Act 1989	Commonwealth's wheat marketing legislation is set down for review in 1999/2000. Nevertheless, as the purpose for which Queensland's Act was enacted no longer applies, the need for a review of the Act is under consideration.

## ATTACHMENT 3

### ANTI-COMPETITIVE LEGISLATION ENACTED DURING 1999 ADDITIONAL TO ENTRIES IN THE REVIEW SCHEDULE - QUEENSLAND

Legislation Title	Agency	PBT Justification	Comment
Motor Accident Insurance Amendment Act 1999	TR	Yes	This Legislation aims to curtail the practice by some legal firms of soliciting for CTP claims through tow truck operators and other intermediaries.
Fisheries (Freshwater) Management Plan 1999	PI	Yes	Review and update the existing regulations under the Fisheries Act 1994.
Fisheries (Gulf of Carpentaria Inshore Fin Fish) Management Plan 1999	PI	Yes	Review and update the existing regulations under the Fisheries Act 1994.
Fisheries (Spanner Crab) Management Plan 1999	PI	Yes	Review and update the existing regulations under the Fisheries Act 1994.
Fisheries (East Coast Trawl) Management Plan 1999	PI	Yes	Review and update the existing regulations under the Fisheries Act 1994.
Gaming Machine and Other Legislation Act (No 1) 1999	TR	Yes	Prohibits profit sharing arrangements to be entered into between registered clubs and licensed monitoring operators.
Gaming Machine and Other Legislation Act (No 2) 1999	TR	No	Provides the Queensland Gaming Machine Commission with more powers to consider community interest and well being when making determinations within the existing framework of the Act. Set down for review as part of the Gaming Machine Act 1992.
Gaming Machine Regulation 1999	TR	No	Revoked an existing gaming machine licence on public interest grounds.
Queensland Building Services Authority Amendment Act 1999	CILGP	Yes	The legislation contains additional occupational licensing restrictions. A Public Benefit Test has been undertaken.
Radiation Safety Act 1999	H	Yes	Restrictions justified in the public interest. National Review is underway to consider the consistency of legislation.
Radiation Safety Regulation 1999	H	Yes	Gives Operation to the operation of the Radiation Safety Act 1999.
Transport Operations (Passenger Transport) Regulation 1994	T	No	Provides for exclusive contracts on certain ferry routes to address community concerns that existing operators may be forced out of market. Scheduled review of passenger transport legislation is in progress.

**COMPETITIVE NEUTRALITY REFORMS APPLIED TO 31 JULY 1999**

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Type 1 Business Activities</b>				
Brisbane	Brisbane Transport	Commercialised July 1998	Review for possible corporatisation in future	In-house
	Water & Sewerage	Commercialised July 1998	Review for possible corporatisation in future	In-house
	Cleansing (Refuse)	Full Cost Pricing July 1998	Purchaser/provider model adopted for this activity. QCA review identified the implementation of supplementary strategies with the potential to achieve outcomes consistent with commercialisation.	In-house
Gold Coast	Water & Sewerage	Commercialised July 1998	Review for possible corporatisation in future	In-house
	Cleansing (Refuse)	Full cost pricing July 1998	Commercialisation from July 1999	In-house
Ipswich	Water & Sewerage	Commercialised July 1998	Review for possible corporatisation in future	In-house
Logan	Water & Sewerage	Commercialised July 1998	Review for possible corporatisation in future	QCA appointed as Referee
Maroochy	Water & Sewerage	Full cost pricing July 1998	Commercialisation from July 1999	In-house -- Seeking Accreditation
Townsville	Water & Sewerage	Commercialised July 1998		In-house
<b>Type 2 Business Activities</b>				
Bundaberg	Water & Sewerage	Full Cost Pricing	Council has resolved to apply full FCP	In-house
Caboolture	Water & Sewerage	Commercialised July 1998	June 1999 – progress towards commercialisation	In-house
Cairns	Water & Sewerage	Full cost pricing July 1998	Review for commercialisation in July 1999	In-house
	Cleansing (Refuse)	Full cost pricing July 1998	Review for commercialisation in July 1999. QCA review identified reforms in excess of full cost pricing, but not equivalent to commercialisation.	In-house
Caloundra	Water & Sewerage	Commercialised July 1998	Separate business unit established and operational.	QCA appointed as Referee
Hervey Bay	Water & Sewerage	Commercialised July 1998	Commercial business unit established and operational	QCA appointed as Referee
Ipswich	Cleansing (Refuse)	Commercialised July 1998	Review for corporatisation in 2000	In-house
Logan	Cleansing (Refuse)	Commercialised July 1998	Commercial business unit established and operational	QCA appointed as Referee
Mackay	Water & Sewerage	Commercialised July 1998		QCA appointed as Referee
Maroochy	Cleansing (Refuse)	Full cost pricing July 1998	Review for commercialisation when the current cleansing contract expires in December 2002. QCA review found implementation of supplement strategies with potential to achieve outcomes consistent with commercialisation.	In-house -- Seeking Accreditation

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Type 2 Business Activities continued</b>				
Noosa	Water & Sewerage	Full cost pricing July 1998	Review for commercialisation in 2000-01. QCA review identified reforms in excess of full cost pricing, but not equivalent to commercialisation.	QCA appointed as Referee
Pine Rivers	Water & Sewerage	Full cost pricing July 1998	Full cost pricing partly in place	QCA appointed as Referee
	Refuse Management	Full Cost Pricing	FCP endorsed by Council on 22 June 1999	In-house
Redland	Water & Sewerage	Commercialised July 1998	Commercial business unit established	QCA appointed as Referee
Rockhampton	Water & Sewerage	Commercialised July 1998		In-house
Thuringowa	Water & Sewerage	Full cost pricing July 1998	Commercialise from July 1999 <sup>1</sup>	In-house
Toowoomba	Water & Sewerage	Full cost pricing July 1998	FCP over 5 years. QCA currently reviewing PBA and reform strategies applied.	In-house
Townsville	Cleansing (Refuse)	Commercialised July 1998		In-house
<b>Type 3 Business Activities Treated as Type 2</b>				
Ipswich	Information Technology (Global Info-Links)	Commercialised July 1998	Commercial Business Unit established and operational	In-house
Logan	Building Services	Commercialisation		In-house
Maroochy	Sunshine Coast Certification Group	Commercialised July 1998	(building certification)	In-house -- Seeking Accreditation
Redland	Cleansing (Refuse)	Commercialised July 1998	Commercial business unit established	QCA appointed as Referee
<b>Type 3 Business Activities</b>				
Banana	Road activities	Code of Competitive Conduct		QCA
Brisbane	City Parking	Code of Competitive Conduct	Purchaser/provider model adopted for this activity.	In-house
	Building Certification	Code of Competitive Conduct	Purchaser/provider model adopted for this activity.	In-house
	City Fleet	Code of Competitive Conduct	Separate business unit established	In-house
	City Design	Code of Competitive Conduct	Purchaser/provider model adopted for this activity.	In-house
	City Pools	Code of Competitive Conduct	Purchaser/provider model adopted for this activity.	In-house
	Golf Courses	Code of Competitive Conduct	Purchaser/provider model adopted for this activity.	In-house
	QEII Sports Complex	Code of Competitive Conduct	Purchaser/provider model adopted for this activity.	In-house
	Sleeman Sports Complex	Code of Competitive Conduct	Purchaser/provider model adopted for this activity.	In-house
	External road work	Code of Competitive Conduct		In-house

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Type 3 Business Activities continued.</b>				
Bundaberg	Road business activities	Code of Competitive Conduct	Pricing practices, at this stage, do not reflect full cost pricing	QCA
Burnett	Caravan Parks	Code of Competitive Conduct		In-house
Caboolture	Building Services	Code of Competitive Conduct		In-house
	Caravan Parks	Code of Competitive Conduct		In-house
Cairns	Cultural	Code of Competitive Conduct	(City Place, Civic Theatre & Ticket Link activities)	In-house
	Childcare	Code of Competitive Conduct		In-house
	Building Services	Code of Competitive Conduct		In-house
	Car Parking	Code of Competitive Conduct		In-house
	Cemeteries	Code of Competitive Conduct		In-house
	Sport & recreation	Code of Competitive Conduct	(Swimming Pools)	In-house
	Laboratory	Code of Competitive Conduct		In-house
	Commercial Properties	Code of Competitive Conduct		In-house
	Tourism	Code of Competitive Conduct		In-house
Caloundra	Entertainment	Code of Competitive Conduct	(Tanks Arts Centre)	In-house
	Cultural	Code of Competitive Conduct	(Civic Cultural Centre)	In-house
Caloundra	Building Services	Code of Competitive Conduct		In-house
	Childcare	Code of Competitive Conduct		In-house
Caloundra	Sport & recreation	Code of Competitive Conduct	(Caloundra City Pools)	In-house
	Caravan Parks	Code of Competitive Conduct		In-house
Crow's Nest	Road business activities	Code of Competitive Conduct		QCA appointed as Referee
Dalby	Natural Gas	Code of Competitive Conduct		In-house
Dalrymple	Road business activities	Code of Competitive Conduct		In-house
Gold Coast	Building Services	Code of Competitive Conduct		In-house <sup>2</sup>
	Quarry	Code of Competitive Conduct		In-house
	Tourism	Code of Competitive Conduct		In-house
Hervey Bay	Road business activities	Code of Competitive Conduct		QCA appointed as Referee
	Caravan parks	Code of Competitive Conduct		In-house
	Building Services	Code of Competitive Conduct		In-house

<sup>2</sup> Council received one inquiry in respect of competitive neutrality compliance for this business activity. This inquiry was addressed through the preliminary stages of Council's CN process, & did not result in a formal complaint.

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Type 3 Business Activities continued.</b>				
Ipswich	Cultural (Civic Hall)	Code of Competitive Conduct		In-house
	Sport & recreation	Code of Competitive Conduct		In-house
Mackay	Building Services	Code of Competitive Conduct		In-house
	Entertainment	Code of Competitive Conduct		In-house
	Road business activities	Code of Competitive Conduct		In-house
	Sports & recreation	Code of Competitive Conduct		In-house
Maroochy	Quarry	Code of Competitive Conduct	Review for commercialisation by the end of 1998/99	In-house -- Seeking Accreditation
	Childcare	Code of Competitive Conduct		In-house -- Seeking Accreditation
	Caravan Parks	Code of Competitive Conduct		In-house -- Seeking Accreditation
	Sunshine Coast Airport	Code of Competitive Conduct	Commercialisation from July 1999	In-house -- Seeking Accreditation
	Cultural (Civic Centre)	Code of Competitive Conduct	Review for commercialisation by the end of 1998/99	In-house -- Seeking Accreditation
	Design	Code of Competitive Conduct	Review for commercialisation by the end of 1998/99	In-house -- Seeking Accreditation
	Building Services	Code of Competitive Conduct	Review for commercialisation by the end of 1998/99	In-house -- Seeking Accreditation
	Certification	Code of Competitive Conduct	Review for commercialisation by the end of 1998/99	In-house -- Seeking Accreditation
	Sport & recreation	Code of Competitive Conduct	(swimming pools)	In-house -- Seeking Accreditation
	Cemeteries	Code of Competitive Conduct		In-house -- Seeking Accreditation
	Road business activities	Code of Competitive Conduct		QCA appointed as referee
Mount Isa	Tourism	Code of Competitive Conduct		No complaint mechanism
Murilla	Road	Code of Competitive Conduct		QCA
Noosa	Building Services	Code of Competitive Conduct	(building certification unit)	In-house
	Caravan Parks	Code of Competitive Conduct		In-house
	Quarry	Code of Competitive Conduct		In-house
	Childcare	Code of Competitive Conduct		In-house
Peak Downs	Quarry	Code of Competitive Conduct	(Shepton Pit Gravel Crusher)	In-house
Pine Rivers	Building Services	Code of Competitive Conduct	No formal decision taken in relation to competition reform, although it is apparent that this reform is under way.	In-house
	Child Care	Code of Competitive Conduct	May 1998 decision made not to apply Code of Competitive Conduct. However some progress on reform is indicated	In-house
	Commercial Properties	Code of Competitive Conduct	As above (ie Child Care)	In-house
	Cultural 2	Code of Competitive Conduct	As above (ie Child Care)	In-house
	Nurseries	Code of Competitive Conduct	As above (ie Child Care)	In-house
	Sports & Recreation	Code of Competitive Conduct	As above (ie Child Care)	In-house

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Type 3 Business Activities continued.</b>				
Redland	Building Services	Commercialisation	Council has not demonstrated that this business has been established as a commercialised business unit	In-house. A generic complaint made by private certifiers to ACCC; Council response - limit 'active' participation
	Caravan Parks	Commercialisation 1 July 1999	Council has not demonstrated that this business has been established as a commercialised business unit	In-house
	Cemeteries	Commercialisation 1 July 1999	Council has not demonstrated that this business has been established as a commercialised business unit	In-house
	Child Care	Commercialised 1 January 1999	Council has not demonstrated that this business has been established as a commercialised business unit	In-house
	Entertainment Centre/Hall	Commercialisation 1 July 1999	Council has not demonstrated that this business has been established as a commercialised business unit	In-house
	Outside School Hours Care	Commercialisation 1 July 1999	Council has not demonstrated that this business has been established as a commercialised business unit	In-house
Redland	Family Day Care	Code of Competitive Conduct	Council provided insufficient information	In-house
	Land Development	Code of Competitive Conduct	Council provided insufficient information	In-house
	Private Works	Code of Competitive Conduct	Council provided insufficient information	In-house
	Respite Care	Code of Competitive Conduct	Council provided insufficient information	In-house
	Cultural	Code of Competitive Conduct	Council provided insufficient information	In-house
Rockhampton	Tourism	Code of Competitive Conduct	(Heritage Village)	In-house
	Aerodromes	Code of Competitive Conduct		In-house
	Childcare	Code of Competitive Conduct		In-house
	Entertainment	Code of Competitive Conduct	(Performing Arts Complex)	In-house
	Private Works	Code of Competitive Conduct		In-house
	Building Services	Code of Competitive Conduct		In-house
	Cemeteries	Code of Competitive Conduct		In-house
Thuringowa	Building Services	Code of Competitive Conduct	The Code will apply for this activity from 1 July 1999	No complaint mechanism
Tiaro	Road business activities	Code of Competitive Conduct	Pricing practices do not comply with the requirements of full cost pricing	No complaint mechanism

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Type 3 Business Activities continued</b>				
Toowoomba	Cemeteries	Code of Competitive Conduct		In-house
	Competitive Development Association	Code of Competitive Conduct		In-house
	Entertainment	Code of Competitive Conduct	This activity is now to be corporatised with completion of this process being October 1999	No complaint mechanism
	Road business activities	Code of Competitive Conduct		In-house
	Sports & Recreation	Code of Competitive Conduct		In-house
Townsville	Childcare	Code of Competitive Conduct	(Amaroo Early Childhood Development Centre)	In-house
	Commercial Properties	Code of Competitive Conduct	(Victoria Bridge Learning Centre)	In-house
	Nurseries	Code of Competitive Conduct		In-house
	Plant & Equipment	Code of Competitive Conduct	Resolved in May 1999 to implement Code	No complaint mechanism
	Building Services	Code of Competitive Conduct		In-house
Wambo	Quarry	Code of Competitive Conduct		No complaints mechanism
	Road business activities	Code of Competitive Conduct		No complaints mechanism
<b>Other Business Activities</b>				
Barcaldine	Other road activities	Code of Competitive Conduct	Not yet resolved to apply Code of Competitive Conduct but has commenced implementation of full cost pricing	Evidence of a resolution to appoint QCA as referee. No evidence of preliminary council procedures for raising, clarifying and possibly resolving competitive neutrality complaints regarding this activity.
Broadsound	Other road activities	Code of Competitive Conduct	Resolved to apply Code 1999-2000	QCA
Burdekin	Recoverable Works	Code of Competitive Conduct	Not yet resolved to apply Code but provided evidence of a resolution to undertake Public Benefit Assessment of whether to apply Code to this activity in 1999-00	QCA
Burnett	Other Roads	Code of Competitive Conduct	FCP partially in place. Full FCP planned for 1999 – 2000	In-house
	Refuse Management	Code of Competitive Conduct	FCP partially in place. Full FCP planned for 1999 – 2000	In-house
	Water & Sewerage	Code of Competitive Conduct	FCP partially in place. Full FCP planned for 1999 – 2000	In-house
Cairns	Other Roads	Code of Competitive Conduct		In-house

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Other Business Activities continued.</b>				
Calliope	Other Roads	Code of Competitive Conduct	Resolution on 26.2.99 to implement Code from 1 July 1999	In-house
	Park Maintenance	Code of Competitive Conduct	Resolution on 26.2.99 to implement Code from 1 July 1999	In-house
	Private Works	Code of Competitive Conduct	Resolution on 26.2.99 to implement Code from 1 July 1999	In-house
	Refuse Management	Code of Competitive Conduct	Resolution on 26.2.99 to implement Code from 1 July 1999	In-house
	Water & Sewerage	Code of Competitive Conduct	Resolution on 26.2.99 to implement Code from 1 July 1999	In-house
Caloundra	Cleansing Services (Refuse Management)	Code of Competitive Conduct		In-house
Cambooya	Other Roads	Code of Competitive Conduct	Resolved to apply Code 1999-2000	QCA
Chinchilla	Other Roads	Code of Competitive Conduct	Not yet resolved to apply Code	QCA
Dalby	Other Roads	Code of Competitive Conduct	Resolved to apply Code in 1999-2000	No
	Refuse Management	Code of Competitive Conduct	Resolved to apply Code in 1999-2000	In-house
	Water & Sewerage	Code of Competitive Conduct	Resolved to apply Code in 1999-2000	In-house
Duaranga	Other Roads	Code of Competitive Conduct	Not yet resolved to apply Code	QCA
Eacham	Other Roads	Code of Competitive Conduct	Resolved to undertake FCP in 1999-2000	QCA
	Refuse Management	Code of Competitive Conduct	Resolved to undertake FCP in 1999-2000	QCA
	Water & Sewerage	Code of Competitive Conduct	Resolved to undertake FCP in 1999-2000	QCA
Esk	Engineering Management	Code of Competitive Conduct	Resolved to apply Code in 1998-1999. Supporting information not sufficient to demonstrate that the business is addressing the required elements of the Code.	In-house – ‘generic’ complaints process not specifically adopted for competitive neutrality purposes.
	Other Roads	Code of Competitive Conduct	Resolved to apply Code in 1998-1999. Evidence that some elements of the Code were being addressed.	In-house – ‘generic’ complaints process not specifically adopted for competitive neutrality purposes.
	Refuse Management	Code of Competitive Conduct	Resolved to apply Code in 1998-1999. Evidence that some elements of the Code were being addressed.	In-house – ‘generic’ complaints process not specifically adopted for competitive neutrality purposes.
	Water & Sewerage	Code of Competitive Conduct	Resolved to apply Code in 1998-1999. Evidence that some elements of the Code were being addressed.	In-house – ‘generic’ complaints process not specifically adopted for competitive neutrality purposes.
Etheridge	Other Roads	Code of Competitive Conduct	Resolved to apply Code in 1999-2000. Evidence that FCP was being addressed by external consultants	In-house
Flinders	Other Roads	Code of Competitive Conduct	Not yet resolved to implement Code	In-house – no evidence provided
	Water & Sewerage	Code of Competitive Conduct	Not yet resolved to implement Code	In-house – no evidence provided

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Other Business Activities continued.</b>				
Hervey Bay	Aerodromes	Code of Competitive Conduct	(Hervey Bay Airport)	In-house
	Refuse Management	Code of Competitive Conduct	(solid waste management)	In-house
Ipswich	Other Roads	Code of Competitive Conduct	Council resolved to apply Code on 21 July 1999	In-house
Isis	Other Roads	Code of Competitive Conduct	Not yet resolved to implement Code, but FCP being progressively applied.	In-house
	Water & Sewerage	Code of Competitive Conduct	Not yet resolved to implement Code, but FCP being applied	In-house
Livingstone	Refuse Management	Code of Competitive Conduct	Not yet resolved to implement Code. Evidence of some separate financial reporting.	In-house
	Water & Sewerage	Code of Competitive Conduct	Not yet resolved to implement Code. Evidence of some separate financial reporting.	In-house
Mackay	Cemeteries	Code of Competitive Conduct		In-house
	Design	Code of Competitive Conduct		No
	Land Development	Code of Competitive Conduct		In-house
	Other Roads	Code of Competitive Conduct		In-house
	Plant & Equipment	Code of Competitive Conduct		In-house
	Public Permits & Inspections	Code of Competitive Conduct		In-house
	Public Toilets	Code of Competitive Conduct		In-house
Mackay	Refuse Management	Code of Competitive Conduct		In-house
	Workshop	Code of Competitive Conduct		In-house
Mareeba	Other Roads	Code of Competitive Conduct		QCA
	Water & Sewerage	Code of Competitive Conduct	resolved to apply Code 1999-2000	No
Maroochy	Car Parking	Code of Competitive Conduct	Not yet resolved to apply Code, however evidence of PBA for this activity	In-house
	Other Roads	Code of Competitive Conduct	Not yet resolved to apply Code. However indications of FCP for this activity	In-house
Mount Isa	Other road activities	Code of Competitive Conduct		No complaint mechanism
	Refuse management	Code of Competitive Conduct		No complaint mechanism
	Water & sewerage	Code of Competitive Conduct		No complaint mechanism
Noosa	Refuse Management	Code of Competitive Conduct	Resolution on 17 June 1999 to apply Code	In-house

<i>Council</i>	<i>Activity</i>	<i>Reform applied (to July 1999)</i>	<i>Comment</i>	<i>Complaints/Accreditation</i>
<b>Other Business Activities continued.</b>				
Paroo	Other road activities	Code of Competitive Conduct	Not yet resolved to apply Code, however the principles of full cost pricing are being applied.	QCA
	Water & Sewerage	Code of Competitive Conduct	Not yet resolved to apply Code, however the principles of full cost pricing are being applied.	No complaint mechanism
Peak Downs	Other road activities	Code of Competitive Conduct		In-house
	Water & sewerage	Code of Competitive Conduct		In-house
Pine Rivers	Cultural 1	Code of Competitive Conduct	Resolved in May 1998 not to apply Code. However, some progress on reform is indicated	In-house
	Road	Code of Competitive Conduct	Not yet resolved to apply Code. However some progress on reform is indicated	In-house
Redland	Other Roads	Code of Competitive Conduct	Resolved to apply Code on 1.9.1998. However, insufficient information supplied to support resolution and FCP	QCA for Type 3 road works. In-house for other road works.
	Plant and Equipment	Commercialisation	Council reported a Commercialised Business Unit was established on 1.7.99. However, insufficient demonstration that a separate CBU has been established or is operating.	In-house
Rosalie	Other Roads	Code of Competitive Conduct		In-house
Rockhampton	Refuse Management	Code of Competitive Conduct		In house
Toowoomba	Laboratory	Code of Competitive Conduct		In-house
Townsville	Other Road Activities	Code of Competitive Conduct		In house
Warwick	Other Road Activities	Code of Competitive Conduct		In-house
	Refuse Management	Code of Competitive Conduct		In-house
	Water & Sewerage	Code of Competitive Conduct		In-house

## ATTACHMENT 5

### BIG 17 FULL COST PRICING FOR WATER AND SEWERAGE – 1998-99

Council		Total Revenue	OMA	Dep'n	EBIT	Interest	TERs	Dividends	Assets	ROR on Assets
Brisbane <sup>1</sup>	Total	370,708,000	333,342,000 <sup>2</sup>	1,679,000	35,687,000	N/A	13,116,000	15,250,000	88,425,000	N/A
Caboolture	Water	20,535,060	4,425,881	3,526,962	12,582,217	99,993	2,035,880	2,814,426	162,325,694	7.75%
	Sewerage	24,938,582	4,328,402	4,187,718	16,422,462	62,028	2,621,680	3,682,918	138,287,535	11.88%
	Total	45,473,642	8,754,283	7,714,680	29,004,679	162,021	4,657,560	6,497,344	300,613,229	9.65 <sup>3</sup> %
Cairns	Water	15,675,681	5,037,439	6,138,669	4,499,573	2,306,217	2,883,702	-	170,565,619	2.64%
	Sewerage	18,195,598	5,866,886	3,480,931	8,847,781	3,639,099	4,006,923	-	488,937,319	1.81%
	Total	33,871,279	10,904,325	9,619,600	13,347,354	5,945,316	6,890,625	-	659,502,938	2.02%
Caloundra	Water	11,066,896	5,891,768	184,618	4,990,510	157,252	27,435	-	70,644,000	7.06%
	Sewerage	12,975,617	5,693,264	240,077	7,042,276	838,555	56,292	-	128,000,000	5.50%
	Total	24,042,513	11,585,032	424,695 <sup>4</sup>	12,032,786	995,807	28,857	-	198,644,000	6.06%
Gold Coast	Water	75,171,000	17,797,000	12,835,000	44,539,000	1,901,000	294,000	25,134,000	512,700,000	8.69%
	Sewerage	81,859,000	23,000,000	14,165,000	44,694,000	3,034,000	197,000	23,634,000	513,655,000	8.70%
	Total	157,030,000	40,797,000	27,000,000	89,233,000	4,935,000	491,000	48,768,000	1,026,355,000	8.69%
Hervey Bay	Water	7,544,588	3,678,698	932,133	2,933,757	728,852	75,000	1,834,000	87,055,934	3.37%
	Sewerage	7,889,152	4,126,528	950,482	2,812,142	605,058	65,000	480,000	78,907,394	3.56%
	Total	15,433,740	7,805,226	1,882,615	5,745,899	1,333,910	140,000	2,314,000	165,963,328	3.46%

<sup>1</sup> Brisbane Water operates and reports as a consolidated water and sewerage supply business

<sup>2</sup> Brisbane Water has a franchise agreement with the Brisbane City Council for the provision of water services. Brisbane Water pays an annual franchise fee to the Council that includes a renewals annuity, interest on assets and a rate of return on assets.

<sup>3</sup> Rate of return reflect CSO policy of the Caboolture City Council (ie. a CSO paid by Caboolture of \$11 million to cover tax equivalents and dividends as part of the phasing in of full cost pricing.

<sup>4</sup> During the 1998/99 financial year Caloundra City Council undertook a comprehensive asset identification and valuation exercise to recognise all assets to comply with AAS27. These assets were only taken to account at 30 June 1999 and the depreciation charges that were recognised in the operating statement of the financial year related to assets acquired post 1 July 1994.

<b>Council</b>		<b>Total Revenue</b>	<b>OMA</b>	<b>Dep'n</b>	<b>EBIT</b>	<b>Interest</b>	<b>TERs</b>	<b>Dividends</b>	<b>Assets</b>	<b>ROR on Assets</b>
Ipswich	Total	41,253,864	20,113,355	1,527,312	19,613,197	856,650	165,528	4,756,263	304,716,417	6.44%
Logan <sup>5</sup>	Total	45,425,559	29,691,044	12,200,012	3,534,503	-	-	-	431,146,574	0.82%
Mackay	Water	9,822,566	4,994,973	1,745,800	3,081,793	658,730	709,000	1,001,000	72,741,811	4.24%
	Sewerage	10,431,026	4,301,086	1,417,239	4,712,701	726,423	837,000	549,000	52,394,564	8.99%
	Total	20,253,592	9,296,059	3,163,039	7,794,494	1,385,153	1,546,000	1,550,000	125,136,375	6.23%
Maroochy	Total	55,873,000	23,198,000	44,000 <sup>6</sup>	32,631,000	9,704,000	12,200,000	10,215,000	499,296,000	6.54%
Noosa	Water	6,658,900	2,544,200	1,786,695	2,328,005	-	450,000	-	59,538,254	3.91%
	Sewerage	6,897,000	4,035,800	2,055,955	805,245	1,467,000	55,000	-	45,941,455	1.75%
	Total	13,555,900	6,580,000	3,842,650	3,133,250	1,467,000	505,000	-	105,479,709	2.97%
Pine Rivers	Water	16,534,000	10,032,000	2,313,000	4,189,000	915,233	172,000	-	83,401,000	5.02%
	Sewerage	19,485,000	8,385,000	2,884,000	8,216,000	2,675,769	223,000	-	121,695,000	6.75%
	Total	36,019,000	18,417,000	5,197,000	12,405,000	3,591,002	395,000	-	205,096,000	6.05%
Redlands	Water	18,297,769	6,404,453	3,249,726	8,643,590	2,112,443	414,569	N/A	139,804,347	6.18%
	Sewerage	20,022,554	6,866,003	2,826,362	10,330,189	2,160,156	206,050	N/A	128,133,460	8.06%
	Total	38,320,323	13,270,456	6,076,088	18,973,779	4,272,599	620,619	6,759,984	267,937,807	7.08%
Rockhampton	Total	19,881,766	7,597,107	4,055,034	8,229,625	249,454	3,158,034	5,227,379	111,067,343	7.41%
Thuringowa	Water	9,133,871	4,439,186	1,493,465	3,201,220	-	607,152	550,000	48,874,314	6.55%
	Sewerage	5,726,330	2,252,805	1,713,891	1,759,637	-	525,388	350,000	57,892,316	3.04%
	Total	14,860,201	6,691,991	3,207,356	4,960,857	-	1,132,540	900,000	106,766,630	4.65%
Toowoomba <sup>7</sup>	Water	18,292,000	6,341,000	2,238,000	9,713,000	2,152,000	-	-	179,029,000	5.43%
	Sewerage	9,948,000	5,041,000	836,000	4,071,000	1,110,000	-	-	98,664,000	4.13%
	Total	28,240,000	11,382,000	3,074,000	13,784,000	3,262,000	-	-	277,693,000	4.96%
Townsville	Total	47,069,654 <sup>8</sup>	23,519,778	7,010,183	16,539,693	765,631	5,105,193	8,049,824	171,645,448	9.64%

5 Unaudited 1998-99 financial results. Logan reports separately for water and sewerage (not shown).

6 Water and sewerage assets transferred to the Maroochy Water on 30.6.99. The 1999/00 financial year will include a full depreciation estimated at \$10 million.

7 Full cost pricing being phased in over a five year time horizon.

8 Includes contributed assets of \$2.28 million.

**ATTACHMENT 6**

**1998-99 FULL COST PRICING –  
LOCAL GOVERNMENTS WITH WATER CONNECTIONS IN EXCESS OF 5000 (EXCLUDES “BIG 17”)**

<b>Council</b>		<b>Total Revenue</b>	<b>OMA</b>	<b>Dep'n</b>	<b>Interest</b>	<b>Total Costs</b>	<b>EBIT</b>	<b>Assets</b>	<b>ROR on Assets</b>
Beaudesert	Water	4,648,460	3,072,979	767,069	136,383	3,976,431	672,029	32,106,459	2.09%
	Sewerage	1,893,445	447,966	199,531	131,350	778,847	1,114,598	6,548,994	17.02%
	Total	6,541,905	3,520,945	966,600	267,733	4,755,278	1,786,627	38,655,453	4.62%
Bundaberg <sup>9</sup>	Water	4,919,595	2,897,859	134,133	509,491	3,541,483	1,378,112	45,931,511	3.00%
	Sewerage	6,678,186	5,455,096	117,303	712,386	6,284,785	393,401	85,971,327	0.46%
	Total	11,597,781	8,352,955	251,436	1,221,877	9,826,268	1,771,513	131,902,838	1.34%
Burdekin	Water	2,277,116	965,647	353,561	147,746	1,466,954	810,162	15,480,567	5.23%
	Sewerage	2,747,168	1,585,170	902,701	60,788	2,548,659	198,509	11,746,489	1.69%
	Total	5,024,284	2,550,817	1,256,262	208,534	4,015,613	1,008,671	27,227,056	3.70%
Cooloola	Water	3,929,019	962,168	108,190	55,127	1,125,485	2,803,534	30,599,611	9.16%
	Sewerage	3,086,774	609,547	48,971	12,909	671,427	2,415,347	23,097,925	10.46%
	Total	7,015,793	1,571,715	157,161	68,036	1,796,912	5,218,881	53,697,536	9.72%
Gladstone	Water	6,553,737	4,258,555	639,511	182,000	5,079,314	1,474,423	35,805,304	4.12%
	Sewerage	4,156,103	2,365,422	799,998	559,000	3,719,589	436,514	37,713,208	1.16%
	Total	10,709,840	6,623,977	1,439,509	741,000	8,798,903	1,910,937	73,518,512	2.60%
Johnstone	Total	4,402,000	869,000	76,000	194,000	1,139,000	3,263,000	60,290,000	5.41%
Livingstone	Water	6,629,990	6,265,555	792,170	447,173	7,505,540	-875,550	33,057,396	-2.65%
	Sewerage	3,409,508	786,310	392,026	500,287	1,682,208	1,727,300	8,920,483	19.36%
	Total	10,039,498	7,051,865	1,184,196	947,460	9,187,748	851,750	41,977,879	2.03%
Maryborough	Water	3,702,498	1,136,517	370,829	471,383	1,978,729	1,723,769	32,818,382	5.25%
	Sewerage	2,867,663	1,020,599	660,320	213,608	1,894,527	973,136	33,784,509	2.88%
	Total	6,570,161	2,157,116	1,031,149	684,991	3,873,256	2,696,905	66,602,891	4.05%

<sup>9</sup> Bundaberg Water and Sewerage has become a Type 2 business activity. Bundaberg has resolved to implement full cost pricing for its water and sewerage business.

Mount Isa	Water	3,741,000	2,657,000	671,000	120,000	3,448,000	293,000	19,709,000	1.49%
	Sewerage	1,652,000	1,139,000		640,000	1,779,000	-127,000	16,050,000	-0.79%
	Total	5,393,000	3,796,000	671,000	760,000	5,227,000	166,000	35,759,000	0.46%
Redcliffe	Water	4,742,691	2,640,271	1,434,739	0	4,075,010	667,681	24,151,605	2.76%
	Sewerage	4,255,095	1,886,996	1,818,008	0	3,705,004	550,091	39,904,423	1.38%
	Total	8,997,786	4,527,267	3,252,747	0	7,780,014	1,217,772	64,056,028	1.90%
Warwick	Water	2,565,605	661,599	695,210	2,666	1,363,367	1,202,238	21,787,582	5.52%
	Sewerage	1,420,286	228,786	449,882	97,535	781,017	639,269	15,896,971	4.02%
	Total	3,985,891	890,385	1,145,092	100,201	2,144,384	1,841,507	37,684,553	4.89%

**ATTACHMENT 7**

**BIG 17 WATER AND SEWERAGE BUSINESS ACTIVITIES TWO PART TARIFFS – 1999-2000**

Council	Category	Tariff	Tariff Details		Sewerage Charge
			Annual Access Charge	Consumption Charge (/kL)	
Brisbane (a)	domestic com/ind: com/ind	two-part tariff two-part tariff valuation	\$100 \$330 - \$74,160 (diameter) \$0.87 - \$1.30	\$0.70 \$0.67 to \$1.10 \$0.77 to \$1.00	\$225.04
Caboolture (b)	domestic	two-part tariff	\$150	\$112 (350kL) \$0.85 (350kL+)	\$317.00
	com/ind	two-part tariff	\$150	\$112 (350kL) \$0.85 (350kL+)	
	commercial metered/ comm./ind. unmetered	two-part tariff unit based	\$100 \$14.88/unit (1 - 170 units)	\$0.68 N/A	
Cairns	domestic	two-part tariff	\$116	\$0.51	\$324.00
	com/ind	two-part tariff	\$116	\$0.68	
	unmetered	two-part tariff	\$116	\$150 (deemed usage of 250KL)	
	domestic/com/ind				
Caloundra	domestic	two-part tariff	\$80	\$0.75	\$361.00
	com/ind	two-part tariff	\$80	\$0.75	
Gold Coast (c)	domestic	fixed charge/excess	\$259 (for 290kL)	<290kL \$1.02, >290KL \$1.50	\$359.00
	com/ind	fixed charge/excess	\$264 (for 290kL)	<290kL \$1.02, >290KL \$1.50	
Hervey Bay	domestic	two-part tariff	\$160	\$0.82	\$361.20
	com/ind	two-part tariff	\$160	\$0.82	
Ipswich	domestic	two-part tariff	\$143	\$0.37 (0-400kL) \$0.70 (400-600kL) \$1.10 (600kL+)	\$328.00
Logan	Metered – domestic	two-part tariff	\$135	\$0.70	\$303.00
	metered – com/ind	two-part tariff	\$200 - \$45,000 (diameter)	\$0.70	
	unmetered – CTS	fixed charge/excess	\$275 (200 kL)	\$0.70	
Mackay (d)	domestic	two-part tariff	\$235 (300 kL)	\$0.44 (301-1500kL) \$0.61 (1500kL+)	\$307.00
	com/ind	two-part tariff	\$144/factor (charge varies with business type)	\$0.44 (1-1500kL) \$0.61 (1500kL+)	

Council	Category	Tariff	Tariff Details		Sewerage Charge
			Annual Access Charge	Consumption Charge (/kL)	
Maroochy	domestic com/ind	two-part tariff two-part tariff	\$151.40 \$387 - \$30,280 (diameter)	\$0.87 \$0.87	\$442.80
Noosa	domestic com/ind	two-part tariff two-part tariff	\$125 \$125 - \$12,500	\$0.64 \$0.64	\$508 (Rural) \$368 Coastal)
Pine Rivers	domestic  com/ind  com/ind	fixed charge  fixed charge  two-part tariff	\$263 (15mm); \$342 (20-25mm) \$224 to \$1670 (annual)  \$290 - \$3,400	No consumption charge  \$0.76 (½ year) <600kL \$0.78 (600-1200kL) \$0.80 (1200kL+) \$0.18 (0-360kL) \$0.70 (360kL+)	\$310
Redland	domestic  com/ind	two-part tariff  two-part tariff	\$178.00  \$290 - \$3,470	\$0.215 (0-980kL) \$0.70 (980kL+) \$0.215 (0-980kL) \$0.70 (980kL+)	\$387.15
Rockhampton	domestic com/ind	fixed charge fixed charge	\$418.38 unit based	No consumption charge	\$214.32
Thuringowa	domestic com/ind	unit/excess unit or consumption	\$392.40 (768kL) various unit-based/charges per kL	\$0.97 (768kL+) \$1.23 - \$1.29/kL where applicable	\$370.70
Toowoomba	domestic  com/ind	two-part tariff  two-part tariff	\$262  \$262 to \$14672 (diameter)	\$0.42 (0-324kL) \$1.10 (324kL+) \$0.42 (0-324kL) \$1.10 (324kL+)	\$270.66
Townsville	domestic com/ind large commercial	fixed charge/excess two-part tariff volumetric	\$346.88 (776kL) \$381.54	\$1.05 (776kL+) \$1.15 \$1.87 (0 – 100,000kL) \$1.40 (101,000 – 200,000kL) \$0.93 (200,000kL+)	\$270.66

- (a) Brisbane Water introduced two part tariffs for domestic customers and some non-domestic customers in July 1997. On 20 April 1999, the Brisbane City Council resolved that universal metering of all non-domestic properties at the earliest opportunity. In the case of Community Title Scheme properties, metering at the boundary and two-part tariffs is to be completed with a phased approach.
- (b) Domestic residences eligible for water charge refund if full allowance not used within the year.

- (c) Implementation program for full adoption for two part tariffs by Gold Coast City Council
  - 1998-99 – reduce current allowance to 300kL;
  - 1999-00 – further adjust downwards the allowance;
  - 2000-01 – introduce a two part tariff consisting of a two tiered volumetric charge;
  - 2001-02 – further adjust the two part tariff;
  - 2002-03 – introduce a two part tariff with one volumetric price.
  
- (d) Mackay City Council has indicated it will remove the 300kL base allowance from 1 July 2000.

## ATTACHMENT 8

### TWO PART TARIFF DECISIONS BY ROCKHAMPTON, THURINGOWA AND TOWNSVILLE

#### ROCKHAMPTON CITY COUNCIL

- (a) The AEC report indicated marginal benefits (\$2.085 million) from the implementation of two part tariffs in the Rockhampton region over the twenty year period. The upfront capital cost of installing water meters in the Rockhampton region is estimated to be \$3 million. The Rockhampton City Council has determined that there would be a greater community benefit from using the \$3 million to replace and upgrade various parts of the existing infrastructure base.
- (b) AEC indicated that cost savings may accrue to the Rockhampton City Council primarily through the avoidance or delay of augmentation expenditure. The Queensland Government notes that the major projected augmentation expenditures for the Rockhampton City Council will occur in 2002, 2009 and 2013-2014. In this regard, the proposed timetable for Rockhampton City Council to reconsider the implementation of two part tariffs ie. 2000-01 will allow a cost effectiveness consideration before the 2002 timeframe, and indeed, a year earlier than required by the *Local Government Act 1993*. Further, given the 2009/2013-2014 timeframe for the majority of capital expenditures, the Rockhampton City Council has considerable time to implement either two part tariffs or non-price demand management measures prior to major expansion.
- (c) The cost effectiveness assessment completed by AEC gave limited consideration to the non-financial implications of implementing two part tariffs. In this respect, the *Local Government Act 1993* required that local governments complete a cost effectiveness assessment regarding the implementation of two part tariffs, with the public interest considerations determined by individual local governments in accepting or rejecting the findings of the cost effectiveness assessment. In the case of Rockhampton City Council, the Council decided, amongst other things, that:
- The community benefit claimed by the economic model over the 20 year period is marginal;
  - The public consultation conducted by the Council, the written correspondence and comments received was overwhelmingly opposed to the introduction of a two-part tariff and water meters;
  - Council has increased its efforts in other non-financial demand management program including the WaterWise program particularly in primary schools;
  - Council considers that the estimated \$3 million cost of providing meters could be better utilised in the repair and replacement of part of the existing system.

- (d) Many of the assumptions in the economic model could radically change the economic outcome. The cost effectiveness assessment completed by AEC indicated the following:

	<b>4%</b>	<b>6%</b>	<b>8%</b>	<b>10%</b>
30%	\$4,280,477	\$2,961,527	\$2,015,263	\$1,334,596
25%	\$3,206,392	\$2,077,045	\$1,278,238	\$713,621
<b>20%</b>	<b>\$2,085,578</b>	<b>\$1,159,345</b>	<b>\$517,466</b>	<b>\$75,575</b>
15%	\$965,728	\$240,197	-\$246,034	-\$565,760

In this regard, a change in the discount rate assumed from 4% to 8% (which is closer to what would be expected using a commercial Weighted Average Cost of Capital (WACC) methodology) reduces the \$2 million assumed benefits over 20 years to \$517,000 over 20 years.

- (e) The Rockhampton City Council has made substantial progress in other areas of water reform, notably full cost pricing and CSOs, with its 1998-99 financial results indicating compliance

### **THURINGOWA CITY COUNCIL**

- (a) The Thuringowa City Council has a clearly stated its reasons for rejecting the findings of the two part tariffs. The reasons for rejecting the recommendation of the report are on the public record and are open to public scrutiny and debate by the community.

The Thuringowa City Council is concerned that the AEC Report did not give due consideration to all of the qualitative issues associated with the implementation of two part tariffs. In this regard, the Thuringowa City Council noted the statement in the AEC Report that:

*“The final step in the analysis require a consideration of wider and generally non-quantifiable impacts including environmental and social issues not elsewhere included in the model. These considerations may outweigh the financial dimensions contained in the report.”*

- (b) There is a strong community view within Thuringowa that two part tariffs should not be implemented. The decision of the Council reflects the views of the community attitudes survey on the issue.
- (c) The Thuringowa City Council has implemented full cost pricing for its water and sewerage business. The full cost pricing model will be refined by the Council over the coming year.
- (d) The Thuringowa City Council will be identifying any cross-subsidies amongst its classes of customers from 1 July 2000. Further, all CSOs delivered by the Council have been identified and are fully funded from the general revenue of the Council.

### **TOWNSVILLE CITY COUNCIL**

- (a) The Townsville City Council has clearly articulated public interest reasons for not implementing two part tariffs. Specifically, the Townsville City Council has stated that:

“In addressing the matter of strong public interest grounds supporting the rejections of the two-part tariff, part from the lack of any substantive cost effectiveness grounds for introducing a two-part tariff, Council considers its existing consumption based pricing policy:

- (a) *supports both residents and industry's desire to promote the "greening" of the City by giving consumers a price effective water supply. In recent community surveying, just over 30% of respondents nominated 'lifestyle' as the single most significant factor for living in Townsville. In fact, 'lifestyle' was the single most important issue followed by 'employment' at 29%. In the dry tropics where the annual rainfall falls within a short time period, it is necessary to ensure that water pricing policy does not act as a disincentive to achieving this important community lifestyle goal. The image of Townsville as the 'Broken Hill on the Coast' has only been overcome in recent years. Water pricing policy has played an important role in this improvement of Townsville's image as a place to live, visit and invest. This positive image is crucial to the economic health of the community.*
- (b) *promotes the regional competitiveness of Townsville's tourism operators by ensuring that the water pricing policy allows consumers to present the City well to visiting tourists. This in turn promotes investment and employment opportunities within the tourism industry in the area.*
- (c) *supports sporting clubs and organisations by providing an adequate quantity of water and an affordable price to directly assist the development of high quality sporting and community facilities. In the dry tropics this is also an extremely important social welfare issue.*

The major reason for rejecting the two-part tariff was due to the fact that, after testing of the economic model put forward, the Council was not convinced that the Townsville community would gain any significant cost savings by moving to a new pricing regime.

With a fully metered water delivery system and the implementation of appropriate demand management strategies (such as Waterwise programs, promotion of water-efficient appliances, adoption of water-saving techniques by Council) Council considers that the existing consumption based pricing policy can produce an efficient allocation of resources. Council does not accept that only a two-part tariff pricing regime can deliver on this important economic objective."

- (b) The Townsville City Council is committed to reviewing the implementation of two-part tariffs by no later than June 2002, as required by the *Local Government Act 1993*.
- (c) The Townsville City Council will be identifying any cross-subsidies amongst its classes of customers from 1 July 2000. Further, all CSOs delivered by the Council have been identified and are fully funded from the general revenue of the Council.

## ATTACHMENT 9

### COUNCILS WITH GREATER THAN 5000 CONNECTIONS TWO PART TARIFFS – 1999-2000

Council	Category	Tariff	Tariff Details	Sewerage Charge
Beaudesert	domestic commercial/industrial	unit/excess unit/excess	2 schemes from \$420- \$425 for 350kL; excess 75c/kL 2 schemes \$140 - \$10,450 for 350kL; excess 75c/kL	Various from \$275 to \$16,331
Bundaberg	domestic commercial/industrial	fixed charge/excess fixed charge/excess	\$227 for 600kL; 53c/kL>600kL \$227 for 600kL; 53c/kL>600kL	\$5267
Burdekin	domestic  commercial/industrial	fixed charge/excess  fixed charge/excess	\$300-\$370 for 1040kL; 70c/kL<500kL, 80c/kL for 500 – 1001kL; 85c/kL>1001kL \$300-\$370 for 1040kL; 70c/kL<500kL, 80c/kL for 500 – 1001kL; 85c/kL>1001kL	\$400.00
Cooloola	domestic commercial/industrial	unit/excess unit/excess	various by scheme \$234.92 to \$262.16 for 750kL; excess 97c/kL various by scheme \$62.70 to \$3636.60 for 750kL; excess 95c/kL	\$564.32
Johnstone	domestic commercial/industrial	unit/excess unit/excess	\$250 for 584kL, excess 70c/kL from \$465 to \$2730 for 584kL; excess 70c/kL	\$370.00
Livingstone	domestic  commercial/industrial	fixed charge/excess  unit	various schemes from \$162.50 to \$390 (no volumetric component); \$330.00 (allowance of \$130kL); \$390 (allowance of 390kL). Excess 60c/kL from \$98.70 to \$222,075 for 1 unit to 2250 units	\$403.20
Maryborough	domestic commercial/industrial	unit/excess unit/excess	\$322.79 (allowance of 400kL); excess 73c/kL from \$49.66 for 2kL to \$14,898 for 600kL; excess 46c/kL	\$202.00
Mount Isa	domestic commercial/industrial	unit/excess unit/excess	\$410 for 1000kL; excess 46c/kL \$420 - \$21,252 for 1000kL; excess 47c/kL	\$185.40
Redcliffe	domestic commercial/industrial	unit/excess unit/excess	\$206.93 for 365kL, excess 70c/kL from \$206.93 for 365kL to \$1773.70 for 129kL; excess 70c/kL	\$166.39
Warwick	domestic commercial/industrial	two part tariff two part tariff	\$189 fixed charge; 42c to 350kL, \$1.15/kL thereafter \$189 to \$499 fixed charge; 42c to 350kL, \$1.15/kL thereafter	3 schemes: \$187.92, \$210.00 and \$388.00

## CSOs PROVIDED BY BIG 17 LOCAL GOVERNMENTS 1998-99

Local Government	Value	CSOs Provided
Brisbane	\$8 568 000	Pensioner concessions, clearing of combined house drains, other
Caboolture	\$11 154 903	Price path subsidy (CSO provides for tax equivalent and dividend payments)
Cairns	\$1 381 238	Water:- maintenance of fire hydrants, community group concessions, metered consumption on Council Wastewater:-Council use and Council property concession; community group concessions
Caloundra	\$257 000	Water:- Fire hydrants, beach showers, parks Wastewater:- maintenance of private pump stations, subsidised holding tank collections
Gold Coast	\$5 524 000	Pensioner concessions
Hervey Bay	\$38 786	Concessions to community groups
Ipswich	\$68 060	Water for fire fighting, elimination of combined house drains, sewerage extensions, new water line to cemetery, concessions to community groups.
Logan	\$88,700	Combined subsidy on water and sewerage charges to sporting bodies
Mackay	\$1 706 000	Rebates to community groups, revenue subsidy for tax equivalents
Maroochy	\$4 606 000	Pensioner concessions and discounts, fire hydrants and fire fighting, WaterWise, supply to remove areas, effluent reuse, freedom of information, superannuation costs imposed by Local Government
Noosa	\$1 100 000	Pensioner concessions, concessions to community and sporting organisations
Pine Rivers	\$701 355	Pensioner remissions, community group concessions
Redland	\$38 870	Community/sporting group concessions, non-economic water main extensions
Rockhampton	\$509 039	Water:- pensioner discounts, operation and maintenance of fish ladder; WaterWise campaign; water allowances to clubs and associations; water usage on sporting fields. Wastewater:- pensioner discounts, combined line charges, house line blockages
Thuringowa	\$113 500	Water to Council parks, sporting groups, fire hydrants
Townsville	\$680 248	Concessions to sporting and charitable organisations