



NATIONAL COMPETITION COUNCIL

MEDIA RELEASE

Level 12, Casselden Place
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Competition policy reform: much achieved, more to be done

National Competition Council President, Graeme Samuel, today released the Council's second tranche assessment of the Commonwealth, State and Territory Governments' progress with implementing National Competition Policy (NCP) and related reforms.

"The Council is pleased that the Commonwealth Treasurer has accepted our recommendation that full NCP payments for 1999-2000, more than \$600 million, be made to State and Territory Governments, in all but one case.

Mr Samuel said, "The Council commends governments on the progress made over the past two years. In particular, progress with the gas, electricity and water related reforms is well established and, in the case of gas, near complete.

"Water reform has been a major focus of governments' NCP implementation activity over the past two years and the agenda is now well under way. Good progress continues to be made with implementing GBE reform and legislation review programs and the application of NCP to local government."

Despite this progress, a range of outstanding issues were identified during the Assessment, including in relation to road transport and water reform, dairy industry reform, compulsory insurance arrangements and competitive neutrality. The NCC will re-assess progress on these issues over the next 12 months and, on the basis of which, it will recommend on the 2000-2001 Competition Payments.

"We believe that arrangements for progressing these matters, agreed with governments during the assessment process, represent a suitable way forward to addressing the outstanding second tranche issues.

"The Council looks forward to working with governments towards resolving these matters over the forthcoming 12 months" said Mr Samuel.

"The Council is concerned about the nature of the assessments of economic viability and ecological sustainability for some Queensland rural water infrastructure investments and that appraisal recommendations have not been carried out. In addition, the Council is concerned that water storages may have been built which have not been demonstrated to be both economically viable and ecologically sustainable. These matters go to the heart of the water reform agenda

which governments, including Queensland, re-confirmed their support for earlier this year.” Mr Samuel said.

Under the water reform agenda, governments can build dams and other water infrastructure, but only where it can be clearly shown that the investment is both economically viable and ecologically sustainable.

The Council recommended the suspension of 25% of the NCP payments otherwise due to Queensland to December 1999 (approximately \$15 million). The Council will re-assess progress on this matter by 31 December 1999.

Under the National Competition Policy Agreements the NCC is required to assess governments’ progress with implementing the NCP and related reforms. On the basis of its assessments, the NCC makes recommendations to the Commonwealth Treasurer on the payment of monies from the Commonwealth to the States and Territories.

The Assessment Documents

The Second Tranche Assessment has been published on CD-ROM and the Overview is printed as a separate publication.

The Overview, CD-ROM, and all other NCC publications, are distributed through AusInfo stores Australia-wide. There is an AusInfo store in all capital cities and many regional centres. Alternatively, reports can be ordered from the AusInfo website which is located at <http://www.ausinfo.gov.au>.

Hardcopies of the assessment documents can be ordered from Dynamic Direct at a cost of \$59:95 per set on (03)-9583 9955 or di@ddm.com.au.

All material is available from the Council’s website <http://www.ncc.gov.au>.

For further comment contact:

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