



**NORTHERN TERRITORY OF AUSTRALIA**

**NORTHERN TERRITORY  
1998 ANNUAL REPORT**

**ON THE**

**IMPLEMENTATION OF  
NATIONAL COMPETITION POLICY**

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**NORTHERN TERRITORY 1998 ANNUAL REPORT  
IMPLEMENTATION OF NATIONAL COMPETITION POLICY**

**INTRODUCTION**

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

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

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

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

This report outlines the Northern Territory's progress in implementing the processes to satisfy the requirements for second tranche payments under the National Competition Policy and related Agreements.

**PART 1:  
THE COMPETITION PRINCIPLES AGREEMENT REFORMS**

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

**REFORM COMMITMENT**

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

**STATUS OF LEGISLATION REVIEW IMPLEMENTATION**

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

Name of Legislation	Description of Legislation/restriction	Review Outcome	Current Position
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**1. Where Review is completed and reform outcomes announced.**

Building Societies Act and Regulations	<ul style="list-style-type: none"> <li>• Registration of a Building Society (s.14(1))</li> <li>• Registration of Building Societies (Reg 2)</li> <li>• Licensing issues.</li> </ul>	Repeal the Act entirely to negate anti-competitive provisions.	Repealed 27 May 1998. Building Societies are currently registered under the <i>Financial Institutions (NT) Code</i> as part of a national scheme of legislation.
Abattoirs and Slaughtering Act/Regs	Establishes licensing regime and standards for premises etc <ul style="list-style-type: none"> <li>• Slaughter of Buffalo (Reg 7)</li> <li>• Abattoir Licence (Reg 5)</li> </ul>	Consultation with the meat industry undertaken to review proposals to incorporate the Act into the <i>Meat Industries Act</i> .  Resulting recommendation to repeal the Act with the commencement of the <i>Meat Industries Act</i> .	Repealed and replaced with <i>Meat Industries Act</i> which commenced 10 December 1997.
Business Franchise Act	Licence to sell Tobacco or Petroleum Products (s.14)	Licensing and registration requirements are considered necessary features of revenue legislation. Licensing creates no barriers to entry, or additional rights for licensees or registered persons. The fees paid operate as a cost of doing business, and therefore do not restrict competition.	Recommendation endorsed by Cabinet in July 1998.  Operation of this Act is suspended on commencement of <i>Business Franchise Act (Suspension of Operation) Act</i> . Commencement subject to <i>Fuel Subsidy Act</i> (assented to December 1998).
Energy Resource Consumption Levy Act	Part 2: Energy Resource Consumption Levy. Requirement for any bulk consumer of levy oil to register under the Act (s.7)	The Act/Registration arrangement is an administrative procedure designed to facilitate the collection of the Energy Resource Consumption Levy only. It does not operate in any way to restrict competition.  No evidence of restriction on competition in the Act.	Recommendation endorsed by Cabinet in July 1998.
Financial Institutions Duty Act	<ul style="list-style-type: none"> <li>• Registration as a Financial Institution for FID (s.12)</li> <li>• Certification as a Short Term Dealer (s.14)</li> </ul>	Licensing and registration requirements are considered necessary features of revenue legislation. Licensing creates no barriers to entry, or additional rights for licensees or registered persons. The fees paid operate as a cost of doing business, and therefore do not restrict competition.  No evidence of restriction on competition in the Act.	Recommendation endorsed by Cabinet in July 1998.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Outcome	Current Position
Financial Management Act	<p>Part 5: Funds Management:</p> <ul style="list-style-type: none"> <li>• Requirement to open the Northern Territory Government Account at a Bank (s.27) Treasurer's Direction Part 1, Section 2 further defines a Bank to include "any organisation providing financial services and includes banks, credit unions, building societies and similar organisations". The legal effect of the definition of a bank, as it applies to the <i>Financial Management Act</i> needs to be clarified.</li> <li>• Requirements for determining suitable financial institutions and instruments for investing Government funds (s.29(2)). Requirement for deposits to be made with a financial institution with a suitable published credit rating would exclude financial institutions without a published credit rating.</li> </ul>	<p>Anti-competitive effect of s.27 removed by the passage of the <i>Financial Institutions (Miscellaneous Amendments) Act 1997</i>.*</p> <p>S.29 of the Act constitutes a restriction on the investment of government funds (s.29 defines institutions/instruments that Territory funds can be invested in). This is arguably distorting the competitive conduct of firms in the financial sector. However, the benefits that accrue to both Government and the taxpayer, in terms of accountability, outweigh the relatively minor costs associated with the investment guidelines. This public benefit is ground for justification under clause 5(1) of the CPA.</p>	Recommendation endorsed by Cabinet in July 1998.
Grain Marketing Act	Establishes Board	Dissolution of the Grain Marketing Board will remove unfair competitive advantage in Australian Industry. The dissolution of the Grain Marketing Board will allow market forces to prevail and encourage rationalisation of the Northern Territory grain industry.	Recommendation endorsed by Cabinet. Act repealed 5 February 1997. Dissolution of Grain Marketing Board.
Pay-Roll Tax Act	Pay-Roll Tax Register (s.12)	<p>Licensing and registration requirements are considered necessary features of revenue legislation. Licensing creates no barriers to entry, or additional rights for licensees or registered persons. The fees paid operate as a cost of doing business, and therefore do not restrict competition.</p> <p>No evidence of restriction on competition in the Act.</p>	Recommendation endorsed by Cabinet in July 1998.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Outcome	Current Position
Territory Parks and Wildlife Conservation Act	Establishes parks and reserves and protects/conserves wildlife etc <ul style="list-style-type: none"> <li>• Licence to conduct scientific research or investigation (s.111)</li> <li>• Permit to Trade in Live Vertebrate Wildlife (s.33)</li> <li>• Permit to Take a Live Protected Animal (s.29)</li> <li>• Importing/Exporting of Vertebrate Wildlife of the Northern Territory (s.34)</li> </ul>	Appear to be no anti-competitive restrictions in this Act.	Review results considered by Cabinet in November 1998.  Cabinet endorsed outcome of Review.
Pet Meat Act	Licensing of slaughtering processing and storage of pet meat, standard of premises etc. <ul style="list-style-type: none"> <li>• Slaughter for Pet Meat (s.14)</li> <li>• Process of Pet Meat (s.18)</li> </ul>	Consultation with the meat industry undertaken to review proposals to incorporate the Act into the <i>Meat Industries Act</i> . Resulting recommendation to repeal the Act with the commencement of the <i>Meat Industries Act</i> .	Repealed with commencement of <i>Meat Industries Act</i> on 10 December 1997.
<i>Petroleum</i> (Prospecting and Mining) Act	Regulates exploration and recovery of petroleum in NT. Grants exclusive rights, technical and financial prescriptions. Possible Part IV concerns	Legislation review subsumed into wider review process.	<i>Petroleum (Prospecting and Mining) Act</i> repealed. Replaced by <i>Petroleum Act</i> .
Taxation (Administration) Act	<ul style="list-style-type: none"> <li>• Registration as an Accommodation House (s.80c)</li> <li>• Registration as a Lender (Div 13, s.72)</li> <li>• Registration of a Financial Institution for Electronic Debit Transaction Duty (s.29M)</li> <li>• Registration of Insurers (Div 6, s.40)</li> <li>• Registration of Life Insurers (Div 7, s.46)</li> </ul>	Licensing and registration requirements are considered necessary features of revenue legislation. Licensing creates no barriers to entry, or additional rights for licensees or registered persons. The fees paid operate as a cost of doing business, and therefore do not restrict competition.  No evidence of restriction on competition in the Act.	Recommendation endorsed by Cabinet in July 1998.
Mental Health Act	Provides for the care and treatment of the mentally ill.	General review undertaken. Resulting recommendation to repeal and replace with <i>Mental Health and Related Services Act</i> .  (NCP Review was included in wider review of the Act)	Act to be repealed and replaced by <i>Mental Health and Related Services Act</i> . The new Act will apply equally to private and government sectors, and take account of the need to meet national standards and accreditation requirements but will not restrict innovation or entry of goods and services provided standards are met.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Outcome	Current Position
Pawnbrokers Act	Pawnbroker's Licence (s.18)	Legislation review subsumed into wider review process.	Act repealed on 1 July 1998 and license provisions included in Pawnbrokers and Secondhand Dealers provisions of the <i>Consumer Affairs and Fair Trading Act</i> . Licensing provisions for Pawnbrokers and Secondhand Dealers have commenced.
Ozone Protection Act and Regulations	Environmental controls <ul style="list-style-type: none"> <li>• Licence to Buy/Sell a Controlled Substance (s.15)</li> </ul>	Review concluded that licensing requirement does not create any restrictions on the issuing of licenses to sell or purchase ozone depleting substances. Administratively licences are issued to anyone who has access to the equipment necessary to recover and recycle ozone depleting substances and employs at least one person who has undertaken the appropriate ozone awareness training. These requirements are imposed as a basic standard necessary to ensure protection of the ozone layer.  Licenses cost \$10 for up to 5 years and therefore imposition has no impact on the price of ozone depleting substances or the services offered by licences, creates no barriers to entry and therefore does not restrict competition.	Conclusion of review endorsed. Consequent decision to repeal Act.  Ozone Protection Provisions to be incorporated into regulations under the <i>Waste Management and Pollution Control Act</i> .
Stock (Artificial Breeding) Act/Regs	<ul style="list-style-type: none"> <li>• Use of imported semen (Reg 6)</li> <li>• Inseminator's Licence (Reg 17)</li> <li>• Unlicensed semen (Reg 20)</li> <li>• Semen collection/distribution (Reg 7)</li> <li>• Approved sires (s.5)</li> </ul>	Act could be seen as having anti-competitive provisions. Industry agrees with repeal of Act.	Act repealed by <i>Stock (Artificial Breeding) Repeal Act</i> .



Name of Legislation	Description of Legislation/restriction	Review Outcome	Current Position
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**1a. Review completed, reform outcome announced and yet to commence.**

<p>Dangerous Goods Act and Regulations</p>	<p>Sets requirements for the transport, storage and handling of dangerous goods. Business licences to manufacture, store, convey, sell, import or possess prescribed dangerous goods. (s.15-21)</p> <p>Operators licences for:</p> <ul style="list-style-type: none"> <li>• drivers of dangerous goods vehicles (Reg 56)</li> <li>• shotfirers (Reg 132)</li> <li>• gas fitters (Reg 172)</li> <li>• autogas fitters (Reg 202)</li> </ul>	<p>Legislation review subsumed into wider review process.</p>	<p>Act repealed and replaced by new <i>Dangerous Goods Act</i> assented to 30 March 1998.</p> <p>Cabinet approved drafting of new Regulations - September 1998. Draft regulations are being prepared and are expected to be tabled in April 1999.</p>
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Name of Legislation	Description of Legislation/restriction	Review Outcome	Current Position
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**2. Where the Review is completed and recommendations still being considered.**

Architects Act	<ul style="list-style-type: none"> <li>• Architect's Registration</li> <li>• Certifying Architects Registration (Part 3)</li> </ul>	<p>Review completed.</p> <p>Review report has not been passed to Cabinet pending national review.</p>	NT has agreed to participate in national review of legislation regulating Architects.
Cemeteries Act and Regulations	Provides for the establishment (s.6), maintenance and control of cemeteries. Approval for establishment of cemeteries by the Administrator. No clear guidelines on approvals - could be applied anti-competitively.	<p>Review undertaken.</p> <p>Recommendations will include an amendment to the Act to enable crematoriums to be established outside public cemeteries.</p>	Review results are being progressed for Cabinet approval.
Local Government Act, Regulations and By-Laws	Provides for constitution of municipalities and community government areas, the election of self-governing authorities to control municipalities and community government areas and provides for a similarity of power and function between self-governing authorities.	<p>General review undertaken.</p> <p>Review of Councils By-laws completed.</p>	Review results being progressed for cabinet approval.
Meat Industries Act	<p><i>Meat Industries Act</i> commenced 10 December 1997.</p> <p>Implements national standards and reforms</p>	Review coincided with national food industry standards review.	Review results being progressed for Cabinet perusal.
Fisheries Act	Permits and special permits s.16, 17	<p>Reviewed in tandem with national initiatives.</p> <p>A preliminary review was conducted in liaison with other jurisdictions at the beginning of 1998.</p> <p>Desliens Consultants commissioned to undertake a review which has now been completed. The result is now being considered within the Department of Primary Industry and Fisheries.</p>	Review results being progressed for Cabinet perusal.
Oil Refinery Agreement Ratification Act	Provides legislative basis for arrangements between Government and Mereneie. Contains possible restrictions on third parties.	Review completed. No impediments to competition identified.	Review results being progressed for Cabinet perusal.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Outcome	Current Position
Fisheries Regulations	<p>Licensing and management of fisheries.</p> <ul style="list-style-type: none"> <li>• Commercial Fishing Proposal Part 6: Div 2</li> <li>• Aquarium Licence Part 3: Div 12</li> <li>• Fish Traders Licence Various</li> <li>• Aquaculture Licence re: Waste Disposal s.171(f)</li> <li>• Licence to Process Fish s.59, 144</li> <li>• Permit to Import Fish or Aquatic Life s.26</li> <li>• Aquaculture Licence Part 10: Div 2</li> <li>• Commercial Fishing Licence Part 7: Div 1</li> <li>• Coastal Line Fishery Licence Part 8: Div 1; Coastal Net Fishery Licence Div 2; Bait Net Fishery Licence Div 3; Spanish Mackerel Fishery Licence Div 4; Shark Fishery Licence Div 5; Demersal Fishery Licence Div 6; Barramundi Fishery Licence Div 7; Mud Crab Fishery Licence Div 8; Mollusc Fishery Licence Div 9; Pearl Oyster Fishery Licence Div 10; Fixed Trap Fishery Licence Div 11; Aquarium Fishing/Display Div 12 Fishery Licence; Trepang Fishery Licence Div 13; Development Licence Div 14</li> <li>• Fish Trader/Processor Part 9: Div 2; Fish Retailer Div 3; Fish Broker Div 4</li> <li>• Aquaculture Licence Part 10: Div 2; Pearl Oyster Culture Industry Licence Div 3</li> <li>• Aboriginal Coastal Licence Part 11: Div 2; Fishing Tour Operator Licence Div 3; Aquarium Trader Licence Div 4; Net Licence Div 5</li> <li>• Timor Reef Fishery Licence Part 8: Div 15; Finfish Trawl Fishery Licence Div 16; Jigging Fishery Licence Div 17</li> </ul>	<p>Reviewed in tandem with national initiatives.</p> <p>A preliminary review was conducted in liaison with other jurisdictions at the beginning of 1998.</p> <p>Desliens Consultants commissioned to undertake a review which has now been completed. The result is now being considered within the Department of Primary Industry and Fisheries.</p>	<p>Review results being progressed for Cabinet perusal.</p>

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Outcome	Current Position
<p>Work Health Act and Occupational Health and Safety Regulations</p>	<p>Establishes Authority and sets requirements for occupational health and safety. Registration of the design of designated plant; pressure equipment, cranes and hoists, lifts, escalators and moving walks, amusement structures and scaffolding (Reg 93)</p> <p>Licensing of operators: pressure equipment operation, crane and hoist operators, industrial truck operation, scaffolding, rigging and asbestos removal (Reg 15)</p>	<p>Review finalised.</p> <p>Existing plant registration and operator licensing provisions were nationally considered and are to be retained.</p>	<p>Review results being progressed Cabinet perusal.</p>

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
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### 3. Where Review is commenced but not completed.

Classification of Publications, Films and Computer Games Act	Review of prohibition concerning the manufacture of 'X' style videos in NT	<b>Stage 1</b> by 30 June 1997 <b>Stage 2</b> by 30 June 1998 <b>Stage 3</b> by 30 June 1999	Proposed for Cabinet consideration mid 1999.
Commercial and Private Agents Licensing Act	<ul style="list-style-type: none"> <li>• Commercial Agent's Licence (s.5(a))</li> <li>• Process Server Licence (s.5(c))</li> <li>• Inquiry Agent's Licence (s.5(b))</li> <li>• Private Bailiff Licence (s.5(d))</li> </ul>	<b>Stage 1</b> by 30 June 1997 <b>Stage 2</b> by 30 June 1998 <b>Stage 3</b> by 30 June 1999	Draft NCP review completed. However, a comprehensive review of the Act is scheduled to commence February 1999 which will revisit NCP issues. NCP issues will be presented to Cabinet by June 1999.
Prostitution Regulation Act	The Act obliges escort agents to be licensed and to comply with a wide range of conditions that may be imposed by the licensing authority. Additionally sex workers who provide sex services under agency agreements with escort agents must have an appropriate certificate from the Commissioner of Police. Brothels are illegal.	<b>Stage 1</b> by 30 June 1997 <b>Stage 2</b> by 30 June 1998 <b>Stage 3</b> by 30 June 1999	There is a general review of the Act under-way and NCP issues will be addressed as part of the review. NCP issues are scheduled to be presented to Cabinet by June 1999.
Veterinarians Act	Establishes registration board. Registration as a veterinarian (Part 3, Div 2, s.13)	To be finalised by 30 June 1998	Review process initiated . An amendment bill has been prepared but further amendments are likely to be required because of recent restructuring within Department of Primary Industry and Fisheries.
Agricultural and Veterinary Chemicals (NT) Act	To apply certain laws of the Commonwealth relating to agricultural and veterinary chemical products as laws of the Northern Territory	National Review	The Northern Territory is party to a national review of the Act and complementary legislation in other jurisdictions. The report was to be released in December 1998. It appears that it has some formal steps yet to pass and should be released in February 1999.
Trade Development Zone Act	Licence to Operate in the Trade Development Zone (s.21,28)	To be finalised by 30 June 1997	Focus of the Trade Development Zone has been reviewed and significant changes implemented. The review process will therefore be recommenced.  Review results scheduled for Cabinet in March 1999.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Commercial Passenger (Road) Act	Tourist Vehicle Licence (s 52) Accreditation of commercial passenger operator (Part 3) Taxi Licensing (Part 4): <ul style="list-style-type: none"> <li>• taxi licence (Div 1)</li> <li>• substitute taxi licence (Div 2)</li> <li>• supplementary taxi licence (Div 3)</li> <li>• private hire car licence (s 32)</li> </ul> Motor Omnibus Licence (Part 6): <ul style="list-style-type: none"> <li>• pioneer routes (s.46)</li> <li>• urban service areas (s.47)</li> <li>• prohibiting a restricting service (s.49)</li> </ul> Tourist Vehicle Licence (s.52) Special Passenger Vehicle Licence (s.58)	To be finalised by 30 June 1998	NCP legislation review issues subsumed into a wider review of this legislation. Competition matters have been addressed in the Commercial Passenger (Road) Transport Amendment Act 1998 (commenced 01.01.99)
Marine Act Regulations (Pilotage) (Hire-and-Drive) (Examinations and Certificates)	<ul style="list-style-type: none"> <li>• Licensing of certain commercial operations (part V)</li> <li>• Certificate of Survey (s.79(a))</li> <li>• Permit for operation of Hire-and Drive Vessel (s.4)</li> <li>• Certificate of Competency (Coxswain) (Schedule 3)</li> <li>• Certificate of Competency (masterclass - all) (Reg 9)</li> </ul>	To be finalised by 30 June 1997	Draft report under consideration.
Motor Vehicles Act	<ul style="list-style-type: none"> <li>• Motor omnibus licence (s.10(2))</li> <li>• Pastoral Vehicle Permit (s.137B)</li> <li>• Driving Instructor's Licence (25B)</li> <li>• Commercial passenger vehicle licence</li> </ul>	To be finalised by 30 June 1997	Draft reports under consideration.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Electrical Workers and Contractors Act	Establishes Licensing Board <ul style="list-style-type: none"> <li>• Electrical Worker Licence</li> <li>• Electrical Contractor Licence</li> <li>• Electrical Fitter Licence</li> <li>• Electrical Linesman Licence</li> <li>• Electrical Cable Joiner Licence</li> <li>• Refrigeration Mechanic Licence</li> <li>• Instrument Fitter Licence</li> <li>• Registration of Apprentices</li> <li>• Permits for Electrical Work (Part 3 various divisions)</li> </ul>	To be finalised by 30 June 1997	In progress. Public submissions invited/closed - NCP review to be subsumed into a comprehensive general review of the Act to be conducted in 1999.  Note: Responsibility relocated from the Department of Lands, Planning and Environment to the Department of Industries and Business on 8/12/98.
Plumbers and Drainers Licensing Act	Advanced Tradesman's Licence (s.23) Journeyman Registration (s.22)	To be finalised by 30 June 1997	In progress. Public submissions invited/closed. NCP review to be subsumed into a comprehensive general review of the Act to be conducted in 1999. Note: Functional responsibility transferred from Dept. of Lands, Planning & Environment to Dept. of Industries and Business in March 1999.
Building Act	Provides for the establishment of technical standards for buildings, the registration of building practitioners and certifiers, the regulation of building matters (including the registration of building products) and granting of permits and establishes appeals processes.	To be finalised by 30 June 1997	Review process initiated.
Licensed Surveyors Act	Surveyors licensing	To be finalised by 30 June 1997.	Review process initiated.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Electricity Act	<p>An Act to control the generation and safe use of electricity</p> <p>Control over reselling of electricity - s.14(5) Part IV conflicts.</p> <p>Sale, resale prohibited without licence - s.27 affects competition, restricts entry.</p> <p>Prohibits certain uses of electricity - s.29 Part IV concerns.</p> <p>Price fixing in relation to licensee - s.30 Part IV concerns and possibly reduces contestability.</p> <p>Liability limitation (s.32) - possible competitive neutrality.</p> <p>Act binds the Crown (s.38).</p> <p>Regulation making powers (s.39).</p> <p><b>Licensing elements:</b></p> <ul style="list-style-type: none"> <li>• Authorisation of electrical inspectors (s.19);</li> <li>• electrical equipment controls;</li> <li>• appointment of licensees; and</li> <li>• By-laws for regulating standards and electrical supply s.21- 26.</li> </ul>	To be finalised by 30 June 1997	<p>Preliminary review completed.</p> <p>Power and Water Authority (PAWA) currently being reviewed. Following a briefing from PAWA, the Chief Minister has written to the NCC advising of the review and potential new legislation which is expected to be introduced in 1999.</p>



1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Power and Water Authority Act	<p>Establishes the Power and Water Authority and prescribes powers and responsibilities etc.</p> <p>Functions and powers of the Authority - <b>gives control of provision and supply etc of electricity in the Territory.</b></p> <p>Exemption from rates - <b>competitive neutrality issue.</b></p> <p>Price fixing regarding the Authority's agents - <b>possible pt IV conflict.</b></p> <p>Regulation making powers - <b>statutory power.</b></p> <p>Exemption from charges - <b>competitive neutrality issue</b> (s.14, 15, 19, 25(b) and 33)</p>	To be finalised by 30 June 1997	Power and Water Authority (PAWA) currently being reviewed. Following a briefing from PAWA, the Chief Minister has written to the NCC advising of the review and potential new legislation which is expected to be introduced in 1999.
Darwin Port Authority Act	<p>Establishes the Darwin Port Authority. Prescribes functions and powers. Monopoly powers. Licensing arrangements and Fees</p> <p>Issue of stevedoring licence. Charge for issue of renewal (Part II, s.17(p)(q))</p> <p>Control of shipping movements in port. (Part III, s.29)</p> <p>Application for stevedoring licence (s.38)</p> <p>Cancellation or suspension of stevedoring licence by Minister (s.39)</p> <p>Exemption from local government charges (Part IV, s.45)</p>	To be finalised by 30 June 1998	Review process initiated. Resolution of outstanding issues delaying completion.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Port By-Laws	Port management and control provisions. Prescribe changes for services Compulsory services and fees. Licensing issues. Compulsory pilotage for majority of vessels (Chapter V By-law 28) Fee for pilotage exemption certificates (By-law 36) Fee for renewal of pilotage exemption certificate (By-law 36 (c)) Fees for operating with exempt pilot (By-law 36 (f)) Pilotage Fees (By-law 52) Port dues (Navigation aids levy) (By-law 53)	To be finalised by 30 June 1998	Resolution of outstanding issues delaying completion.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Water Supply and Sewerage Act	<p>Relates to the provision of sewerage and water services and associated matters.</p> <p>Liability waivers (s.9) - <b>statutory powers above pt IV.</b></p> <p>Declaration of seweraged, water supply and water supply extension areas. (s.12/s.13) - <b>statutory powers above pt IV.</b></p> <p>Power to assess consumption (s.32) - <b>statutory powers above pt IV.</b></p> <p>Price fixing within declared area (s.33) - <b>pt IV concerns, reducing contestability.</b></p> <p>Appointment of inspectors at large (s.42) - <b>licensing issue.</b></p> <p>Regulation of various matters (s.38, 53, 57, 58, 59, 62, 64, 66 and 68) - <b>regulatory systems which may reduce contestability.</b></p> <p>Regulation making powers (s 76).</p>	To be finalised by 30 June 1997	Power and Water Authority (PAWA) currently being reviewed. Following a briefing from PAWA, the Chief Minister has written to the NCC advising of the review and potential new legislation which is expected to be introduced in 1999.
Gaming Machine Act 1995	Provides for licensing of gaming machines in community venues - establishes limits and controls on numbers of machines and locations.	To be finalised by 30 June 1998. Initiation of National Review of Gaming Industry noted.	Alder Report received mid December 1998. Public comment to be sought with outcomes known by March 1999.  Review results to Cabinet by June 1999.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Agent's Licensing Act	<ul style="list-style-type: none"> <li>• Real Estate Agent's Licence (s.11)</li> <li>• Agent's Representative Registration (s.12)</li> <li>• Conveyancing Agent's Licence</li> </ul>	<p><b>Stage 1</b> by 30 June 1997  <b>Stage 2</b> by 30 June 1998  <b>Stage 3</b> by 30 June 1999</p>	<p>NCP reviews of the <i>Agents Licensing Act</i>, initiated by the Attorney-General's Department have been conducted.</p> <p>Further review to be carried out, in particular with respect to de-regulation of agents representative registrations. Determination to be made as to whether public/industry consultation is necessary.</p>
Auctioneer's Act	<ul style="list-style-type: none"> <li>• Auctioneer's Licence (s.4)</li> <li>• Auctioneer's Clerk Licence (s.8E)</li> </ul>	<p><b>Stage 1</b> by 30 June 1997  <b>Stage 2</b> by 30 June 1998  <b>Stage 3</b> by 30 June 1999</p>	<p>Attorney-General's Department review of the current Auctioneers Act has been completed.</p> <p>A decision has been made at Ministerial level for the <i>Auctioneers Act</i> to be fully reviewed. NCP review will be tied into this process.</p>
Consumer Affairs and Fair Trading Act (NT Regs) and Amendment Act 1996	<p>Sundry fair play provisions re regulation of advertising, banning of potentially unsafe goods etc.</p> <ul style="list-style-type: none"> <li>• Travel Agent's Licence (Schedule 1)</li> <li>• Credit Providers Licence</li> <li>• Pawnbrokers and Second Hand Dealers Licence</li> <li>• Motor Vehicle Dealers Licence tow truck code</li> </ul>	<p><b>Stage 1</b> by 30 June 1997  <b>Stage 2</b> by 30 June 1998  <b>Stage 3</b> by 30 June 1999</p>	<p>Travel Agent's license provision subsumed into national review of legislation regulating travel agents.</p> <p>Review of other provisions initiated.</p>
Motor Vehicle Dealers Regulations	Motor Vehicles Dealers Licence Part X, Div 3, Sub Div A, s.132	<p><b>Stage 1</b> by 30 June 1997  <b>Stage 2</b> by 30 June 1998  <b>Stage 3</b> by 30 June 1999</p>	In progress.
Prices Regulation Act	<b>Provides for the appointment of Controller of Prices who can declare maximum prices for services and goods prescribed by the Administrator.</b>	<p><b>Stage 1</b> by 30 June 1997  <b>Stage 2</b> by 30 June 1998  <b>Stage 3</b> by 30 June 1999</p>	In progress.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Mine Management Act	Regulation of Occupational Health and Safety in Mining	To be finalised by 30 June 1997	Review not completed. Revised completion date of July 1999 when a report to Cabinet will be submitted.  A full-scale internal review of this legislation is currently being conducted that may result in a recommendation to Government to repeal existing legislation and replace with a new Act. Delays in the completion of the general review have been experienced.
Petroleum (Submerged Lands) Act	Regulates exploration and recovery of petroleum in NT territorial seas. Grants exclusive rights, technical and financial prescriptions.	To be finalised by 30 June 1999	Review results to Cabinet in last quarter 1999. General review of legislation to be conducted during 1998/99.
Uranium Mining (Environmental Control) Act	Controls uranium mining in the Alligator Rivers Region. Imposes restrictions, conditions, requirements that could discourage innovation, add to costs etc.	To be finalised by 30 June 1998	Internal review has commenced. Revised date of July 1999 for reporting to Cabinet.  Delay due to the conduct of other competition reviews taking longer than originally indicated on the timetable.
Firearms Act	<ul style="list-style-type: none"> <li>• Armourer's Licence (s.20)</li> <li>• Dealers Licence (s.17)</li> <li>• Shooters Licence- Security Firms (s.28, 29)</li> <li>• Shooting Gallery Licence (s.31)</li> </ul>	To be finalised in December 1998	Review results to Cabinet in February 1999.
Food Act	Provides standards for preparation and sale of food etc. Registration of a Food Vending Machine (s.13(6), 13(7))	To be finalised 30 December 1997	A national model for food legislation is being developed. Completion is expected by December 1999.
Medical Services Act	Provides rules for the conduct of medical services in public hospitals and nursing homes Entry conditions, pricing	To be finalised 30 December 1997	Review in progress.
Pharmacy Act	Establishes Registration Board Registration as a Pharmacist (s.19)	To be finalised 30 December 1997	Review deferred. National review proceeding in conjunction with review of Pharmaceutical Benefits Scheme. Completion expected 30 June 1999.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Nursing Act	Establishes Registration Board Registration as a: <ul style="list-style-type: none"> <li>• General Nurse</li> <li>• Child Welfare Nurse</li> <li>• Psychiatric Nurse</li> <li>• Mental Deficiency Nurse</li> </ul> Enrolment as a: <ul style="list-style-type: none"> <li>• Enrolled Nurse</li> <li>• Mothercraft Nurse</li> </ul> Application for Enrolment	To be finalised by 30 December 1996	Act to be repealed and replaced with Nursing Act 1999.  Potentially anti-competitive provisions of registration to be considered in subsequent review.
Health Practitioners and Allied Professionals Registration Act	Registration as a: <ul style="list-style-type: none"> <li>• Aboriginal Health Worker (s.24)</li> <li>• Chiropractor (s.35)</li> <li>• Occupational Therapist (s.38)</li> <li>• Osteopath (s.39)</li> <li>• Physiotherapist (s.40)</li> <li>• Psychologist (s.41)</li> </ul>	To be finalised 30 December 1997	Act to be repealed. Framework for new legislation to be prepared taking into account NCP issues, Mutual Recognition and Trans-Tasman Mutual Recognition implications. Completion now expected June 1999.
Poisons and Dangerous Drugs Act	Sets out controls for manufacture, wholesale, retail sales. Principally licensing issues: <ul style="list-style-type: none"> <li>• Possession of Medical Kit</li> <li>• Drugs (s.42)</li> <li>• Registration of a Pesticide(s.52A)</li> <li>• Pest Control Operator (s.55)</li> <li>• Registration as a Poisons Wholesaler (s.17)</li> <li>• Registration as a Poison's Retailer (s.23)</li> </ul> Possession of Poisons (Part 4, s.27)	To be finalised by 30 June 1997	A national review has commenced with completion targeted for June 1999. The national review is particularly considering: <ul style="list-style-type: none"> <li>• certificate of competency for pest controllers</li> <li>• prescribing of drugs by health professionals other than medical practitioners, eg, optometrists.</li> </ul>

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Dental Act	Establishes Registration Board and registration requirements Registration as a: <ul style="list-style-type: none"> <li>• Dental Hygienist</li> <li>• Dental Specialist</li> <li>• Dental therapist</li> <li>• Dentist (s.14 (a) to (d))</li> </ul>	To be finalised 30 December 1997	Framework for new legislation to be prepared taking into account NCP issues, Mutual Recognition and Trans-Tasman Mutual Recognition implications. Completion now expected June 1999.
Optometrists Act	Establishes Registration Board <ul style="list-style-type: none"> <li>• Registration as an Optometrist (s.29)</li> </ul>	To be finalised 30 December 1997	Issues of regulation of optical dispensers and prescription of drugs by optometrists to be considered. Completion now expected 30 June 1999.
Radiographers Act	Establishes Registration Board <ul style="list-style-type: none"> <li>• Registration as a Radiographer (s.11)</li> </ul>	To be finalised 30 December 1997	Reassessment of need for registration board and the present mechanism for issue of permits to other health professionals to undertake radiographic procedures to be considered. Expected completion date September 1999.
Medical Act	Establishes Medical Registration Board. <ul style="list-style-type: none"> <li>• Licence to be a Medical Practitioner (s.31)</li> </ul>	To be finalised 30 December 1997	Act reviewed. Issues of regulation of advertising and ownership of medical companies also to be resolved. Completion date in December 1999.
Community Welfare Act	Provides for the protection and welfare of children etc. Licensing of Child Care Centres (Div 2)	To be finalised by 30 December 1998	Review in progress. Completion date December 1999.
Radiation (Safety Control) Act	Registration of Irradiating Apparatus (s.29)	To be finalised by 30 December 1998	Review in progress. Completion date December 1999.
Public Health (Barbers' Shops) Regulations	Registration of a Barbers Shop (s.5)	To be finalised by 30 December 1998	Review in progress. Completion date December 1999.
Public Health (Shops, Eating-Houses, Boarding Houses, Hotels and Hostels) Regulations	<ul style="list-style-type: none"> <li>• Registration of a Boarding House (s.35, 36)</li> <li>• Registration of an Eating House (s.12,13)</li> </ul>	To be finalised by 30 December 1998	Review in progress. Completion date December 1999.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Hawkers Act	Provides for the licensing of hawkers (s.4)	To be finalised by 30 June 1998	Review results scheduled to go to Cabinet in February 1999. The Department of Housing and Local Government considers there are probably sufficient safeguards in recent consumer and fair trading legislation to enable repeal of this Act.
Places of Public Entertainment Act	Controls places of public entertainment - Public Entertainment Licence (s.6)	To be finalised by 30 June 1998	Review results scheduled to go to Cabinet in February 1999.
Housing Act	Establishes Housing Commission and provides for letting and sale of dwellings.	To be finalised in December 1998	Review results scheduled to go to Cabinet in February 1999.
Caravan Parks Act	Regulates caravan parks. Only applies to some parts of the Northern Territory. May create anti-competitive effects between controlled and uncontrolled areas.	To be finalised in July 1997	Review results to Cabinet in September 1999. The Department of Housing and Local Government is considering repeal of the Act in view of stronger sanctions existing pursuant to Power/Water, Planning, Fire and Health legislation for caravan parks. The NT Tourist Commission is now also conducting a review.
Private Hospitals and Nursing Homes Act	Provides for licensing of private hospitals and nursing homes.	To be finalised by 30 December 1998	Review in progress. Completion date December 1999.
Motor Accidents (Compensation) Act	Establishes a no-fault compensation scheme, prescribes rates of benefit, abolishes certain common law rights	To be finalised by 30 June 1997	An internal review of legislation governing Territory Insurance Office (TIO) which may be viewed as restricting competition in terms of NCP had been completed. However, following criticism by Economic Insights Pty Ltd of similar reviews conducted by TIO's counterparts in WA and Tasmania, TIO and NT Treasury are jointly considering an external review. The extent of such an external review will be determined once advice sought by NT Treasury from the Attorney-General's Department is received.



1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Territory Insurance Office Act	Establishes Territory Insurance Office to carry out certain insurance and related business and provide financial, business and other services. Confers monopoly on motor vehicle accident insurance, acts as the insurer of Territory assets and liabilities. Ministerial discretion on extent of financial activity (s.30) Government guarantee.	To be finalised by 30 June 1997	As above
Work Health Act and the Occupational Health and Safety Regulations	Workers Compensation claims management.	To be finalised by 30 June 1998	Territory Insurance Office is subject to provisions in this Act, although Act is administered by Work Health Authority (now Department of Industries and Business). Review process initiated.
Petroleum Act	Regulates exploration and recovery of petroleum in NT. Grants exclusive rights, technical and financial prescriptions. Possible Part IV concerns	To be finalised by 30 June 1998	<i>Petroleum Act</i> review to be completed February 1999. External review conducted by a consultant. Revised date of July 1999 for reporting to Cabinet.
Racing and Betting Act	Licensing issues <ul style="list-style-type: none"> <li>• Sports Bookmakers Licence (s.70, 89)</li> <li>• Racing Venue (s.37)</li> <li>• Registration of Race Clubs (s.46)</li> <li>• Registration of Trotting Clubs (s.53)</li> <li>• Registration of Greyhounds (s.58)</li> <li>• Totalisator Licence (s.111)</li> </ul>	To be finalised by 30 June 1998	Review delayed as a result of major organisational restructuring involving Racing, Gaming, Liquor and Real Estate Agent's Licensing activities. Enabling amendments to bring these functions within the control of the Department of Industries and Business are being prepared and will include changes in the manner in which the various Commissions associated with these activities are established and operate.  Review process initiated.
Racing and Betting Regulations	Regulates sports betting and bookmakers. <ul style="list-style-type: none"> <li>• Bookmaker's Clerk Registration (Div.6)</li> <li>• Bookmaker's Registration (s.102(2)(b)(ii))</li> </ul>	To be finalised by 30 June 1998	As above.
Totalisator Administration and Betting Act	Grants sole rights to this form of betting.	To be finalised by 30 June 1998	As above.

1996-2000 National Competition Policy Legislation Review - December 1998

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
Gaming Control Act and Regulations	Provides for regulation and control of gaming: <ul style="list-style-type: none"> <li>• Trade Lotteries (s.39 and Regs)</li> <li>• Approved Associations (s.38(2))</li> <li>• Foreign Lottery approval (s.40(2))</li> <li>• Casino Licence (s.16)</li> <li>• Use and Possession of a Gaming Machine in a Club or Hotel (s.49 (1)(a))</li> <li>• Supply and Lease of a Gaming Machine (s.49(1)(b))</li> <li>• Assembly and Repair of a Gaming Machine (s.49(1)(c))</li> <li>• Novelty Gaming Machine (Regs, Various)</li> <li>• Casino operatives licence (Part III Div 1, 2)</li> </ul>	To be finalised by 30 June 1997	As above.
Liquor Act	Provides for the regulation of the sale of alcohol. <ul style="list-style-type: none"> <li>• Licence for the Sale of Liquor (s.24)</li> <li>• Special Licences (s.57)</li> <li>• Wholesalers of Liquor (s.113A)</li> </ul>	To be finalised by 30 June 1998.	As above.

Name of Legislation	Description of Legislation/restriction	Review Process Objective	Current Position
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#### 4. When the timing of the Review is changed.

Mining Act	<p>Creates a regime for the valid grant of mining tenure in the NT, together with ongoing regulation</p> <ul style="list-style-type: none"> <li>• Miner's Right (s.9)</li> <li>• Exploration Licence (Div 2, s.16)</li> <li>• Exploration Retention Licence (s.38)</li> <li>• Mineral Leases (Part VI)</li> <li>• Mineral Claims (Part VII)</li> <li>• Extractive Mineral Lease (Part VIII)</li> <li>• Extractive Mineral Permit (Part VIII)</li> </ul>	To be finalised by 30 June 1997	<p>Review not commenced. Revised date July 1999 for completion. At that time a report to Cabinet will be prepared.</p> <p>A full-scale review of this legislation is proposed but commencement has been delayed pending the outcome of the Native Title amendments, which have been a priority issue.</p> <p>Competition review will now be conducted separately due to time constraints.</p>
Water Act	<p>Provides for the investigation, use, control, protection, management and administration of water resources, and for related purposes.</p> <ul style="list-style-type: none"> <li>• Grant of Drilling Licence (s.49)</li> <li>• Underground Waste Disposal Licence. (s.63)</li> <li>• Wastage Discharge Licence (s.74)</li> </ul>	To be finalised by 30 June 1997	<p>To be rescheduled. As part of the reform of Government Business Divisions, administrative responsibility for the <i>Water Act</i> has been transferred from the Power and Water Authority to the Department of Lands, Planning and Environment. Review to be rescheduled to fit the Department of Lands, Planning and Environment review work program and linked to COAG Water Reform agenda.</p>
Water Regulations	<ul style="list-style-type: none"> <li>• Water Investigation Permit (s.5)</li> <li>• Permit to Construct or Alter Water Works (s.6)</li> <li>• Bore Construction Permit (s.7)</li> <li>• Licence to Take/Use Surface Water (s.8)</li> <li>• Licence to Take Ground Water (s.9)</li> </ul>	To be finalised by 30 June 1997	As above

### 1.1.1 NORTHERN TERRITORY-SPECIFIC ISSUES IDENTIFIED IN THE “FRAMEWORK FOR SECOND TRANCHE ASSESSMENT” (NOVEMBER 1998)

**Legal Practitioners Act:** *demonstrate that current arrangements for legal professional indemnity insurance meet CPA principles.*

#### STATUS OF REFORM IMPLEMENTATION

The Legal Practitioners Act is to be added to the list of Acts that are to be subject to National Competition Policy reviews. The bulk of that review is expected to occur as part of the development of the national legal services market. However, the review of issues relating to indemnity insurance is likely to be a separate exercise which will be completed by the end of 2000.

#### SUPERANNUATION - LEGISLATION REVIEW

**Superannuation Act 1986:** *not listed on legislation review schedule, advise whether it contains restrictions on competition.*

#### STATUS OF REFORM IMPLEMENTATION

The *Superannuation Act 1986* establishes the Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS). NTGPASS provides current employees of the Northern Territory Government with a defined superannuation benefit. The actuarial estimate of this benefit is 13.2 per cent of salary. The benefits are significantly higher than the statutory minimum of 7 per cent of salary (rising to 9 per cent from 1 July 2002).

The Territory Government reviewed the NTGPASS in 1998 as part of its Planning for Growth initiative. As a result, NTGPASS is to be closed from 1 July 1999. All new employees will be free to choose any complying private superannuation fund into which the Territory will pay employer contributions.

## 1.2 COMPETITIVE NEUTRALITY: CLAUSE 3 OF THE CPA

### REFORM COMMITMENT

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

### STATUS OF REFORM IMPLEMENTATION

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

Implementation of competitive neutrality in the Northern Territory has principally been delivered through the commercialisation of Government Business Divisions (GBDs). This has been a two-stage process.

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

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

The list of GBDs operating in the Territory as at 1 April 1999 was:

1. Darwin Port Authority
2. Power and Water Authority
3. TAB
4. Darwin Bus Service
5. NT Housing
6. Government Printing Office
7. NT Fleet
8. NT Construction Agency
9. International Project Management Unit
10. Information Technology Management Services
11. Territory Wildlife Park

In 1998, as part of its Planning for Growth reform initiative, the Territory Government announced the commencement of Stage 2 of GBD reform. In addition, a major review of the Power and Water Authority, the Territory's most significant GBD, was initiated during 1998 (refer to section on Structural Reform).

Stage 2 of GBD reform focuses on three key areas:

- community service obligations;
- capital structures and dividends; and
- performance monitoring.

The Territory Government's CSO policy has been tightened and made more transparent to ensure that Government is getting value for money and that GBDs are compensated for the CSOs they are directed to provide. This has been achieved by establishing a process for:

- each CSO to be negotiated between a purchasing Agency and GBD provider and, wherever possible, funded on an agreed unit price basis; and
- as part of the Budget, annually reviewing the amounts of each CSO being purchased to determine value for money and to justify the outlays against competing alternatives.

A transparent CSO policy ensures government business activities are not financially disadvantaged relative to private sector competitors. In addition, by identifying and costing CSOs, non-commercial functions of GBDs can be separated from commercial functions.

The Government's dividend policy for GBDs has been refined. Ordinary dividends are to be based on a benchmark of 50 per cent of after-tax profit, but with scope for a higher or lower figure depending on factors such as the liquidity and capital requirements of the GBD. There is also provision for the payment of special dividends in certain circumstances.

To tie in with the revised dividend arrangements, it is expected that the appropriateness of the existing capital structures of GBDs will be reviewed during 1999. The intention is to ensure GBD's capital structures broadly reflect structures observed in private sector firms delivering similar services. This should facilitate both competition and comparisons with like businesses interstate or in the private sector.

In addition, changes to the performance monitoring regime for GBDs are currently being implemented. A key element of the revised regime will be an annual GBD performance report to be prepared by Treasury and submitted to the Government. The report will include a time series of relevant economic, financial and non-financial performance indicators, and analysis and interpretation of the indicators. The indicators reported will include several measures that are more market based (such as economic rate of return and shareholder value added). Consistent reporting on GBD performance by Treasury will enable GBDs to have autonomy in deciding which performance indicators to include in their own annual reports.

The Territory Government is pro-active in dealing with competitive neutrality issues. The Northern Territory Tourist Commission is establishing a tourism wholesaling operation known as Territory Discoveries, aimed at increasing tourism activity in the Territory. The wholesale operations are regarded as a significant business activity that would be in competition with private sector providers. Accordingly, the Territory Government is establishing Territory Discoveries as a GBD to ensure it complies with competitive neutrality and is not unfairly advantaged in competing with the private sector.

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

## **COMPLAINTS HANDLING AND IMPLEMENTATION OF RECOMMENDATION OF COMPLAINTS MECHANISMS**

The Northern Territory Treasury currently handles all complaints regarding breaches of the Territory's competitive neutrality policies. As at 31 December 1998 Treasury had received no complaints.

However, on 22 March 1999, a formal competitive neutrality complaint was received from the Australian Council of Tour Wholesalers. The complaint relates to the business operations of the Northern Territory Tourist Commission (NTTC). As noted in the previous section, to address competitive neutrality issues, the Government is establishing the NTTC's business operations as a GBD. The complaint is currently being considered.

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

#### REFORM COMMITMENT

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

#### COMPETITION PRINCIPLES AGREEMENT 1995

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



## STATUS OF REFORM IMPLEMENTATION

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

In 1998 the Territory Government commenced a comprehensive review of PAWA. The review covered all aspects of PAWA including: its future direction; structure; operations; governance arrangements; the separation of regulatory and commercial functions; and development of appropriate regulatory arrangements, including an electricity network access regime.

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

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

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

The Government's initial response to the MLFR report was announced on 1 December 1998. The Government has decided to give PAWA the opportunity to achieve significant efficiency improvements under government ownership. The aim is to achieve a financial improvement amounting to \$30 million per annum after three years. However, if the efficiency improvements are not achieved, privatisation will be revisited.

In response to the review of PAWA, reforms are proceeding in several areas.

- The consultant's findings in relation to opportunities to improve efficiency are being implemented.
- Electricity tariffs for commercial customers are to become progressively cost reflective over the next three years. The reductions commenced in April 1999.
- Territory-based arrangements are being developed to progressively open the electricity generation and retail markets to competition, commencing in 2000.
- There is to be greater private sector involvement in service delivery by PAWA. In addition, competitive bids are to be sought whenever PAWA's electricity, water and sewerage systems require significant augmentation. This process has already commenced.
- Regulatory functions performed by PAWA are to be transferred to relevant government agencies. The process has commenced with, for example, electrical inspectors and associated staff currently being transferred to the Department of Industries and Business. The functions of water resource management and regulation were transferred to the Department of Lands, Planning and Environment in 1996.
- An interdepartmental committee headed by NT Treasury has been established to consider the extent and form of economic regulation of electricity, water and sewerage services that would be appropriate in the Territory. The regulatory arrangements will

include a Territory-based access regime to enable third parties to access electricity transmission and distribution networks in order to permit competition.

- On 1 March 1999, PAWA's business was reorganised along product lines comprising: power generation; transmission and distribution networks; retail services; water and sewerage services; Aboriginal essential services, and internal support services. Within PAWA, this effectively separates the natural monopoly elements of transmission and distribution from the contestable elements of power generation and retail services. The reorganisation will add to transparency in costs and is an essential prerequisite for the introduction of competition.
- PAWA's current management advisory board structure is to be given greater commercial focus by establishing it as an executive board.
- As a GBD, PAWA is also subject to the full range of reforms under Stage 2 of GBD reform (refer to Competitive Neutrality section). These reforms focus on refining community service obligations (CSOs), dividend policy, capital structures and performance monitoring. From 1999-00, PAWA's CSOs will be fully funded from the Budget.

It is anticipated that completion of the reform program will take two to three years.

**1.3.1 NORTHERN TERRITORY - SPECIFIC ISSUES IDENTIFIED IN THE “FRAMEWORK FOR THE SECOND TRANCHE ASSESSMENT” NCC, (NOVEMBER 1998)**

Electricity: Demonstrate that CPA clause 4 obligations are met (see Part 3).

**STATUS OF REFORM IMPLEMENTATION**

The foregoing section on Structural Reform of PAWA is intended to address this matter.

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

### **REFORM COMMITMENT**

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

### **STATUS OF REFORM IMPLEMENTATION**

The Northern Territory has no prices oversight arrangements in place. However, as discussed in section 1.3, the extent and form of economic regulation of electricity, water and sewerage services that would be appropriate in the Territory is currently being considered.

## **PART 2: THE CONDUCT CODE OBLIGATIONS**

### **REFORM COMMITMENT**

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

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

### **STATUS OF REFORM IMPLEMENTATION**

The Northern Territory Attorney-General's Department has conducted a survey of all NT Government Departments and Agencies to identify legislative provisions which may be reliant upon S.51 of the *Trade Practices Act 1994* - as described above.

Survey responses indicated that no NT legislation contained provisions reliant upon S.51 of the *Trade Practices Act 1974* - as described above. The Northern Territory has advised the ACCC of the findings of the survey.

**2.1.1 NORTHERN TERRITORY - SPECIFIC ISSUES IDENTIFIED IN THE  
“FRAMEWORK FOR SECOND TRANCHE ASSESSMENT” (NCC, NOVEMBER  
1998)**

**REFORM COMMITMENT**

*Commitment under clause 2(1)*

No information available to the Council to date.

*Further action required to demonstrate compliance*

Identify any new legislation reliant on section 51(1) and confirm notification to the ACCC in accordance with clause 2(1). Notifications should be to the satisfaction of the ACCC. Demonstrate that any such legislation meets CPA clause 5(5).

*Commitment under clause 2 (3)*

No information available to the Council to date.

*Further action required to demonstrate compliance*

Identify all legislation, if any, falling under clause 2(3) and confirm it was notified to the ACCC by 20 July 1998. Notification should be to satisfaction of the ACCC.

**STATUS OF REFORM IMPLEMENTATION**

- implemented (see previous page)

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

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

**3.1 ELECTRICITY**

**REFORM COMMITMENT**

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

**STATUS OF REFORM IMPLEMENTATION**

As the NT is not part of the National Electricity Market, there are no electricity reform obligations arising under Part 3 of the assessment framework for the NT.

## 3.2 GAS

### REFORM COMMITMENT: THE NATIONAL GAS ACCESS CODE

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

The Territory has introduced the national framework for third party access to natural gas pipelines. This occurred through the *Gas Pipelines Access (Northern Territory) Act*, which was passed in April 1998 and commenced on 2 September 1998. In addition, consequential amendments were required to the *Energy Pipelines Act* and *Petroleum (Submerged Lands) Act*. The amendments to the legislation were included in the *Statute Law Revision Act*. The Act was passed during November 1998, while the consequential amendments commenced on 13 January 1999.

The Northern Territory will seek endorsement for its Third Party Access Regime via a written application to the National Competition Council. The application is in its final stages of preparation, before being formally submitted.

In addition, the Territory is in the process of refining its regulatory regime. In particular, negotiations are continuing on the terms of agreement for the appointment of the Australian Competition and Consumer Commission ("ACCC") as the Northern Territory regulator for the local gas distribution system. The ACCC is already the regulator of the transmission system. It is anticipated that the appointment of the ACCC as the NT Regulator of the distribution system will commence on 1 July 1999.

### REFORM COMMITMENT: COAG AGREEMENT ON FREE AND FAIR TRADE IN GAS – CLAUSE 10

*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 [date subsequently varied].*

The NCC has sought information regarding the Territory's compliance with clause 10 of the 1994 COAG Agreement on free and fair trade in gas.

As advised in the Northern Territory's 1996 Annual Report on the Implementation of NCP, there are no publicly owned natural gas distribution systems in the Territory.

In addition, with respect to private sector natural gas systems, the National Gas Access Code requires separation or ring fencing of transmission and distribution activities. As noted above, the Territory has implemented the Code through the *Gas Pipelines Access (Northern Territory) Act*.



### **3.2.1 NORTHERN TERRITORY - SPECIFIC ISSUES IDENTIFIED IN THE "FRAMEWORK FOR SECOND TRANCE ASSESSMENT (NCC, NOVEMBER 1998)**

Privatisation and structural reform activity has seen full separation of most vertically integrated transmission and distribution activities in the public sector, in accordance with the commitments set out in the 1994 COAG agreement on gas reform. Ring fencing of gas transmission and distribution activities in the private sector has been completed in most jurisdictions.

The Council is aware of two exceptions in South Australia and the Northern Territory. South Australia's Riverland Pipeline System (transmission) is owned by Envestra Ltd and operated by Epic Energy Ltd. Envestra Ltd also owns and operates the State's gas distribution networks. In the Northern Territory, NT Gas Pty Ltd (AGL owned) operates both gas transmission services and gas distribution services to Darwin. The company's gas distribution role commenced in 1996.

The Council seeks information from South Australia and the Northern Territory with the objective of determining whether the pipeline systems in those jurisdictions satisfy COAG commitments on structural reform.

#### **STATUS OF REFORM IMPLEMENTATION**

- see previous page

### **3.3 WATER**

#### **REFORM COMMITMENT**

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

#### **STATUS OF REFORM IMPLEMENTATION**

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

ELEMENT OF STRATEGIC FRAMEWORK FOR WATER REFORM	NORTHERN TERRITORY POSITION
<b>3 In relation to pricing:-</b>	
<b>(a) In general:-</b>	
(i) The adoption of pricing regimes based on the principles of consumption-based pricing, full-cost recovery and desirably the removal of cross-subsidies which are not consistent with efficient and effective service, use and provision. Where cross-subsidies continue to exist, they must be made transparent.	<ul style="list-style-type: none"><li>• Since 1995, the Power &amp; Water Authority has significantly increased the volumetric charges for water; by 15% for government customers and 30% for non-government customers.</li><li>• Marsden-Jacob cross subsidy report is being examined for application in the Northern Territory.</li></ul>
(ii) That where service deliverers are required to provide water services to classes of customer at less than full cost, the cost of this be fully disclosed and ideally be paid to the service deliverer as a community service obligation.	<ul style="list-style-type: none"><li>• Community service obligations for combined water supply, sewerage and electricity operations are disclosed in the annual reports of the Power &amp; Water Authority to be \$47.1M in 1997; rising to \$51.4M in 1998 (Annual Report 1997-98, p. 43).</li></ul>
<b>(b) Urban water services:-</b>	
(i) The adoption by no later than 1998 of charging arrangements for water services comprising an access or connection component together with an additional component or components to reflect usage where this is cost-effective.	<ul style="list-style-type: none"><li>• The Power &amp; Water Authority introduced two-part tariffs for water supply with effect from 1 July 1998. (<i>NT Government Gazette No G25 of 1 July 1998</i>)</li></ul>
(ii) That in order to assist jurisdictions to adopt the aforementioned pricing arrangements, an expert group, on which all jurisdictions are to be represented, report to COAG at its first meeting in 1995 on asset valuation methods and cost-recovery methods and cost-recovery definitions, <i>and</i>	<ul style="list-style-type: none"><li>• The Power &amp; Water Authority contributed to the report of the expert group.</li></ul>

<b>ELEMENT OF STRATEGIC FRAMEWORK FOR WATER REFORM</b>	<b>NORTHERN TERRITORY POSITION</b>
<p><b>(b)</b> Urban water services continued:-</p> <p>(iii) that supplying organisations, where they are publicly owned, aiming to earn a real rate of return on the written-down replacement cost of their assets, commensurate with the equity arrangements of their public ownership.</p>	<ul style="list-style-type: none"> <li>• The Power &amp; Water Authority asset valuation project is expected to be completed by the end of April 1999.</li> <li>• With the introduction of two-part tariffs for water supply, the Power &amp; Water Authority is moving to a position of obtaining a positive Rate of Return.</li> <li>• WSAA Facts show an increasing Rate of Return for combined water and sewerage operations.</li> </ul>
<p><b>(c)</b> Metropolitan bulk-water suppliers :-</p> <p>(i) To charge on a volumetric basis to recover all costs and earn a positive real rate of return on the written-down replacement cost of their assets.</p>	<ul style="list-style-type: none"> <li>• Metropolitan bulk-water suppliers do not operate in the Northern Territory.</li> </ul>
<p><b>(d)</b> Rural water supply:-</p> <p>(i) That where charges do not currently fully cover the costs of supplying water to users, agree that charges and costs be progressively reviewed so that no later than 2001 they comply with the principles of full-cost recovery with any subsidies made transparent consistent with 3(a)(ii) above.</p> <p>(ii) To achieve positive real rates of return on the written-down replacement costs of assets in rural water supply by 2001, wherever practicable.</p> <p>(iii) That future investment in new schemes or extensions to existing schemes be undertaken only after appraisal indicates it is economically viable and ecologically sustainable.</p>	<ul style="list-style-type: none"> <li>• In 2001 it is expected that there will be continued funding and transparent reporting of community service obligations for provision of Aboriginal Essential Services, comprising in 1998: water supply to 85 rural and remote communities, water supply support to 400 outstations.</li> <li>• The test of practicability may limit the achievement of positive real rates of return for the majority of rural community water supplies which are supported as community service obligations.</li> <li>• Economic viability for the majority of cases will remain dependent on community service obligation funding.</li> <li>• Ecological sustainability is assessed for all water supply developments and extensions.</li> </ul>

<b>ELEMENT OF STRATEGIC FRAMEWORK FOR WATER REFORM</b>	<b>NORTHERN TERRITORY POSITION</b>
<p><b>(d)</b> Rural water supply continued:-</p> <p>(iv) Where trading in water could occur across State borders, that pricing and asset valuation arrangements be consistent.</p> <p>(v) Where it is not currently the case, to the setting aside of funds for future asset refurbishment and/or upgrading of government-supplied water infrastructure, <i>and</i></p> <p>(vi) In the case of the Murray-Darling Basin Commission, to the Murray-Darling Basin Ministerial Council putting in place arrangements so that out of charges for water funds for the future maintenance, refurbishment and/or upgrading of the headworks and other structures under the Commission's control be provided.</p>	<ul style="list-style-type: none"><li>• No instances of cross-border trading are envisaged.</li><li>• Established process of 3 year forward budgeting for Capital Works Programming suits the type and scale of public water infrastructure in the Northern Territory.</li><li>• Not applicable.</li></ul>
<p><b>(e) Groundwater</b></p> <p>That management arrangements relating to groundwater be considered by ARMCANZ by early 1995 and advice from such consideration be provided to individual jurisdictions and the report provided to COAG.</p>	<ul style="list-style-type: none"><li>• Assistance was given to preparation of the report to ARMCANZ and work continues through the National Groundwater Committee to develop implementation strategies for groundwater management.</li></ul>

**ELEMENT OF STRATEGIC FRAMEWORK  
FOR WATER REFORM**

**NORTHERN TERRITORY POSITION**

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

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

- Water allocation systems are provided at regional scale in the form of declared allocation (or share) of assessed water resources to sectors of beneficial use - with beneficial use sectors being identical to the environmental value categories currently used in the National Water Quality Management Strategy.
- Regional water allocation plans have been in place for the greater Darwin region, Katherine local area and Ti Tree Basin since the early 1990s.
- Review of the Ti Tree Basin allocation plan will be completed in May 1999; review of the greater Darwin regional plan will be completed in 1999; extension of Katherine local area plan to wider regional scale will be completed in 1999; allocation planning for the Alice Springs region will be completed in 2000.
- Entitlements are provided in the form of licences under the Water Act to take surface water or groundwater.
- All (non riparian right) surface water extraction must be licensed; all bore extractions exceeding 15 L/sec must be licensed and all bores in declared groundwater management areas must be licensed.
- Surface water and groundwater extraction licences are granted within assessed sustainable yield of water resources as set by regional allocation plans.
- All licences specify ownership and limits to extraction volume but do not separate entitlement from land nor specify reliability, transferability or quality.
- Amendments to Regulations under the Water Act are under consideration to allow trading of licences.

ELEMENT OF STRATEGIC FRAMEWORK FOR WATER REFORM	NORTHERN TERRITORY POSITION
<b>4 In relation to water allocations or entitlements continued:-</b>	
<b>(b)</b> Where they have not already done so, States would give priority to formally determining allocations or entitlements to water, including allocations to the environment as a legitimate user of water.	<ul style="list-style-type: none"><li>• The Water Act is expected to be amended later in 1999 to allow formal declaration of regional water allocation plans.</li><li>• The administrative arrangements and consultative processes to support formal declaration of water allocations have been trialed successfully in the Ti Tree Basin.</li><li>• Trials will continue during 1999 in the Darwin and Katherine areas, leading to formal declaration of water allocations.</li></ul>
<b>(c)</b> In allocating water to the environment, member governments would have regard to the work undertaken by ARMCANZ and ANZECC in this area.	<ul style="list-style-type: none"><li>• The Northern Territory was heavily involved in the work initially undertaken by ARMCANZ and ANZECC and is working to implement the National Principles for Providing Water for Aquatic Ecosystems; both through the formulation of regional water allocation plans and in research to establish scientific methods to determine environmental water requirements.</li></ul>
<b>(d)</b> That the environmental requirements, wherever possible, will be determined on the best scientific information available and have regard to the inter-temporal and inter-spatial water needs required to maintain the health and viability of river systems and groundwater basins. In cases where river systems have been over-allocated, or are deemed to be stressed, arrangements will be instituted and substantial progress made by 1998 to provide a better balance in water resource use including appropriate allocations to the environment in order to enhance/restore the health of river systems.	<ul style="list-style-type: none"><li>• Scientific information based on Northern Territory conditions is not currently available. However, research has commenced and is expected to expand significantly in the next 5 years.</li><li>• There are no over-allocated or stressed systems - rivers and groundwaters - in the Northern Territory. However, the areas of most likely future (5-10 years) development pressure are the research targets.</li></ul>

**ELEMENT OF STRATEGIC FRAMEWORK  
FOR WATER REFORM**

**NORTHERN TERRITORY POSITION**

**4 In relation to water allocations or entitlements continued:-**

- (e) In undertaking this work, jurisdictions would consider establishing environmental contingency allocations which provide for a review of the allocations 5 years after they have been determined.
- (f) Where significant future irrigation activity or dam construction is contemplated, appropriate assessments would be undertaken to, inter alia, allow natural resource managers to satisfy themselves that the environmental requirements of the river systems would be adequately met before any harvesting of the water resource occurs.

- The water allocation planning trial nearing completion in the Ti Tree Basin sets aside 20% of assessed water resources as an environmental contingency allocation, within a 10 year plan, matched by capped licensing, to be reviewed after 5 years.
- Reviews of the greater Darwin regional plan and extension of the Katherine area plan in 1999 will incorporate environmental contingency allocations in a similar manner to that trialed in the Ti Tree Basin.
- The principle of adequately meeting environmental water requirements of river systems is accepted but will be subject to the outcomes of consultatively based regional water allocation planning which may result in environmental water provisions not always meeting environmental water requirements.
- Significant future irrigation with Ord Stage 2 carries no environmental water allocation issues for Northern Territory rivers.
- The only planned significant dam construction may occur in 2025 for Darwin water supply; the appropriate assessments for environmental water requirements will be undertaken as part of ongoing regional water allocation planning.



<b>ELEMENT OF STRATEGIC FRAMEWORK FOR WATER REFORM</b>	<b>NORTHERN TERRITORY POSITION</b>
<b>5 In relation to trading in water allocations or entitlements:-</b>	
<b>(a)</b> That water be used to maximise its contribution to national income and welfare, within the social, physical and ecological constraints of catchments.	<ul style="list-style-type: none"><li>• The central planning and management vehicles are regional water resource strategies (e.g. Ti Tree) which are completely in keeping with the principles of ESD.</li></ul>
<b>(b)</b> Where it is not already the case, trading arrangements in water allocations or entitlements be instituted once the entitlement arrangements have been settled. This should occur no later than 1998.	<ul style="list-style-type: none"><li>• Water allocations will not be tradable in the Northern Territory since they will take the form of formally declared regional plans.</li><li>• Trading arrangements for licences (entitlements) are currently being developed in consultation with water users and, following minor changes to Regulations under the Water Act expected in 1999, will result in trade being possible.</li><li>• There are, however, very limited markets in the Northern Territory for trading in water licences, with no competition for access to water due to widely dispersed, small scale, privately owned and operated irrigation developments, the vast majority of which draw on groundwater and all of which are licensed within sustainable yield limits of the water resource.</li><li>• There is no need for trading in the Northern Territory from a water resource management perspective, since no systems are over-allocated.</li></ul>
<b>(c)</b> Where cross-border trading is possible, that the trading arrangements be consistent and facilitate cross-border sales where this is socially, physically and ecologically sustainable.	<ul style="list-style-type: none"><li>• No cross-border developments exist.</li><li>• Ord Stage 2 should establish a totally privately operated cross-border irrigation scheme after year 2000 - work is in progress with the Western Australian Government to ensure consistent arrangements.</li></ul>

<b>ELEMENT OF STRATEGIC FRAMEWORK FOR WATER REFORM</b>	<b>NORTHERN TERRITORY POSITION</b>
<b>5 In relation to trading in water allocations or entitlements:-</b>	
(d) That individual jurisdictions would develop, where they do not already exist, the necessary institutional arrangements, from a natural resource management perspective, to facilitate trade in water, with the proviso that in the Murray-Darling Basin the MDBC be satisfied as to the sustainability of proposed trading transactions.	<ul style="list-style-type: none"><li>• All aspects of water resource management are provided through a single statute - the Water Act - which is administered solely by the Natural Resources Division of the Department of Lands, Planning &amp; Environment.</li><li>• Amendments expected in 1999 to Regulations under the Water Act for surface water and groundwater extraction licences will facilitate trade in water.</li></ul>
<b>6 In relation to institutional reform:-</b>	
(a) That where they have not already done so, governments would develop administrative arrangements and decision-making processes to ensure an integrated approach to natural resource management.	<ul style="list-style-type: none"><li>• Natural Resources Division of the Department of Lands, Planning and Environment was established in 1998 to ensure an integrated approach to natural resource management for sustainable development.</li><li>• Land Resources Coordination Group at CEO level integrates planning between the Department of Lands, Planning &amp; Environment, Department of Primary Industry &amp; Fisheries and the Parks &amp; Wildlife Commission of the Northern Territory.</li><li>• Regional Natural Resource Strategies (e.g. Ti Tree) and Integrated Catchment Management Plans (e.g. Mary River) are developed and implemented with full landholder and government agency participation.</li></ul>
(b) To the adoption, where this is not already practised, of an integrated catchment approach to water resource management and set in place arrangements to consult with the representatives of local government and the wider community in individual catchments.	<ul style="list-style-type: none"><li>• Mary River ICM Plan and Ti Tree Regional Water Resource Strategy are best practice approaches.</li><li>• Advisory Committees representative of catchment community and industry oversight the development, implementation and review of plans and strategies.</li></ul>

**ELEMENT OF STRATEGIC FRAMEWORK  
FOR WATER REFORM**

**NORTHERN TERRITORY POSITION**

**6 In relation to institutional reform:-**

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| <p>(c) To the principle that, as far as possible, the roles of water resource management, standard setting and regulatory enforcement and service provision be separated institutionally.</p> <p>(d) That this occur, where appropriate, as soon as practicable, but certainly no later than 1998.</p> <p>(e) The need for water services to be delivered as efficiently as possible and that ARMCANZ, in conjunction with the Steering Committee on National Performance Monitoring of Government Trading Enterprises, further develop its comparisons of inter-agency performance, with service providers seeking to achieve international best practice.</p> <p>(f) That the arrangements in respect of service delivery organisations in metropolitan areas in particular should have a commercial focus, and whether achieved by contracting-out, corporatised entities or privatised bodies this be a matter for each jurisdiction to determine in the light of its own circumstances.</p> <p>(g) To the principle that constituents be given a greater degree of responsibility in the management of irrigation areas, for example, through operational responsibility being devolved to local bodies, subject to appropriate regulatory frameworks being established.</p> | <ul style="list-style-type: none"> <li>• Power &amp; Water Authority is the sole service provider; the Department of Lands, Planning &amp; Environment is the resource manager and regulator; there is Ministerial separation between the agencies.</li> <li>• Some further regulatory functions may be established with the possible introduction of a new Regulator for pricing, competition, standards, etc.</li> <li>• Separation of resource manager/regulator and service provider has been in place since 1997.</li> <li>• Power &amp; Water Authority uses WSAA Facts as a performance measure for Darwin-based metropolitan services.</li> <li>• This will be extended to include Alice Springs non-metropolitan services.</li> <li>• Power &amp; Water Authority has set targets over the next three years based on the recent Scoping Study by Merrill Lynch Fay Richwhite which highlighted the issues for commercial focus.</li> <li>• Reform Implementation Working Group now in place with the specific objective of improving working practices to achieve efficiencies.</li> <li>• There are no (publicly funded/operated) irrigation areas in the Northern Territory and none are likely in the foreseeable future.</li> <li>• Private investment is expected to continue as the sole agent of irrigation development.</li> </ul> |
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**ELEMENT OF STRATEGIC FRAMEWORK  
FOR WATER REFORM**

**NORTHERN TERRITORY POSITION**

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

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| <p><b>(a)</b> To the principle of public consultation by government agencies and service deliverers where change and/or new initiatives are contemplated involving water resources.</p> <p><b>(b)</b> That where public consultation processes are not already in train in relation to recommendations (3)(b), (3)(d), (4) and (5) in particular, such processes will be embarked upon.</p> <p><b>(c)</b> That jurisdictions individually and jointly develop public education programs in relation to water use and the need for, and benefits from, reform.</p> <p><b>(d)</b> That responsible water agencies work with education authorities to develop a more extensive range of resource materials on water resources for use in schools.</p> <p><b>(e)</b> That water agencies should develop, individually and jointly, public education programs illustrating the cause and effect relationship between infrastructure performance, standards of service and related costs, with a view to promoting levels of service that represent the best value for money to the community.</p> | <ul style="list-style-type: none"><li>• The principle is positively accepted and acted upon through direct consultation by Department of Lands, Planning &amp; Environment with industry groups such as NT Horticulture Association, NT Irrigation, Grain &amp; Fodder Growers Association as well as through public meetings in Katherine and Ti Tree.</li><li>• Alice Springs Water Committee, a community-based environmental consultative group, on which the Power &amp; Water Authority is a member, has been active in water conservation and demand management for over 5 years.</li><li>• Power &amp; Water Authority is active in setting curricula in relation to water issues for primary and junior secondary students.</li><li>• The annual focus of effort for the Department of Lands, Planning &amp; Environment has been National Waterweek for the past 5 years.</li><li>• Power &amp; Water Authority participates in the annual Rural Shows circuit (Alice Springs, Katherine, Darwin) with displays and information regarding water use.</li></ul> |
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**ELEMENT OF STRATEGIC FRAMEWORK  
FOR WATER REFORM**

**NORTHERN TERRITORY POSITION**

**8 In relation to the environment:-**

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| <p>(a) That ARMCANZ, ANZECC and the Ministerial Council for Planning, Housing &amp; Local Government examine the management and ramifications of making greater use of wastewater in urban areas and strategies for handling stormwater, including its use, and report to the first Council of Australian Government meeting in 1995 on progress.</p> <p>(b) To support ARMCANZ and ANZECC in their development of the National Water Quality Management Strategy, through the adoption of a package of market-based and regulatory measures including the establishment of appropriate water quality monitoring and catchment management policies and community consultation and awareness.</p> <p>(c) To support consideration being given to establishment of landcare practices that protect areas of river which have high environmental value or are sensitive for other reasons.</p> <p>(d) To request ARMCANZ and ANZECC, in their development of the National Water Quality Management Strategy, to undertake an early review of current approaches to town wastewater and sewage disposal to sensitive environments, noting that action is underway to reduce accessions to water courses from key centres on the Darling River system.</p> | <ul style="list-style-type: none"> <li>• Northern Territory participated in the ARMCANZ review of the CSIRO wastewater and stormwater management report.</li> <li>• Watching brief maintained on the more detailed work now in train with CSIRO on urban water cycle.</li> <li>• Beneficial Use Declarations Program continues under the Water Act in accordance with the National Water Quality Management Strategy.</li> <li>• Extensive community involvement is central to the Beneficial Use declaration program.</li> <li>• Waste discharge licensing, monitoring programs and development of catchment management strategies proceed from Beneficial Use declarations.</li> <li>• Landcare and Waterwatch groups are expanding throughout the Northern Territory and are associated in many cases with river and stream protection.</li> <li>• No comment.</li> </ul> |
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**ELEMENT OF STRATEGIC FRAMEWORK  
FOR WATER REFORM**

**NORTHERN TERRITORY POSITION**

- 9 In relation to water and related research, member governments would:-**
- (a) Give higher priority to the research necessary to progress implementation of the strategic framework, including consistent methodologies for determining environmental flow requirements.
- (b) To greater coordination and liaison between research agencies to more effectively utilise the expertise of bodies such as LWRDC, MDBC and other State and Commonwealth organisations.

- 11 research proposals for the Daly River Catchment are currently under development for commencement in 1999 - increasing agricultural development is expected in this catchment over the next 5 to 10 years.
- 5 research proposals for the Darwin Rural Area are under development for commencement in 1999 - this area is under increasing development pressure for horticulture and rural residential use, all based on private bore supplies with potential in aggregate to impact on groundwater sustained ecosystems in the next 5 to 10 years.
- Effective research links have been established with local research agencies including the Environmental Research Institute of the Supervising Scientist and the CRC for Tropical Savannas.

### **3.4 ROAD TRANSPORT**

#### **REFORM COMMITMENT**

At present the COAG road reform program comprises six modules, which are to be implemented and operational by June 2001. Delays in the road reform implementation program have led to a suggestion that COAG agree to a revised reform program and timetable. COAG has not yet done so.

#### **STATUS OF REFORM IMPLEMENTATION**

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

National Competition Policy - National Road Transport Reforms

No	Reforms	National Target	Reform Criteria	Northern Territory progress at 31 December 1998
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**First Tranche Assessment**

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

1	<b>Dangerous Goods</b>	March 99	Jurisdictions have in place and are applying legislation consistent with the national model. <ul style="list-style-type: none"> <li>• Adoption of the Australian Dangerous Goods Code and adoption of regulatory framework.</li> <li>• Licensing</li> <li>• Enforcement mechanisms</li> </ul>	NT adopted Australian Dangerous Goods Code (ADG6) by notice in <i>Northern Territory Gazette</i> on 30 September 1998. NT Dangerous Goods Regulations amendment to be drafted by April 1999.  <b>NT implemented reform.</b>
2	<b>National Heavy Vehicle Registration Scheme</b>	Dec 99	Jurisdictions have in place and are applying legislation consistent with the national model. Key element is introduction of nationally uniform procedures for registering Heavy Vehicles.	NT <i>Motor Vehicles Amendment Act</i> commenced 9 Feb 1999.  <b>NT implemented reform.</b>



National Competition Policy - National Road Transport Reforms

No	Reforms	National Target	Reform Criteria	Northern Territory progress at 31 December 1998
3	<b>Driver Licensing</b>	Dec 99	<p>Jurisdictions have in place and are applying legislation consistent with the national model. Key elements include:</p> <ul style="list-style-type: none"> <li>• uniform practices for the issue, renewal of driver licences;</li> <li>• introduce uniform practices for the mutual recognition of licences and offences;</li> <li>• introduce uniform driver licence classes;</li> <li>• introduce nationally agreed medical guidelines for light and heavy vehicle drivers;</li> <li>• internal and external review of decisions made by the licensing authority;</li> <li>• uniform exemptions to allow international and interstate visitors to drive on their overseas and interstate licences;</li> <li>• introduce core demerit points.</li> </ul>	<p>Northern Territory <i>Motor Vehicles Amendment Act</i> commenced 9 Feb 1999.</p> <p><b>NT implemented reform.</b></p> <p>Note: The NT is yet to introduce a national demerit points scheme. The Government will assess the introduction of the scheme at a later time (refer Eighth Assembly, First Session, 6 October 1998, Parliamentary Record No 10: 2nd reading speech by Hon B Coulter on amendments to <i>Motor Vehicle Act</i>).</p> <p>The administrative guidelines for management, use and release of vehicle registration and driver licensing information and formalisation of an internal review process scheduled for implementation by 3 May 1999.</p>
4	<b>Vehicle Operations</b>	June 99	<p>Jurisdictions have in place and are applying legislation consistent with the national model. Key elements include:</p> <ul style="list-style-type: none"> <li>• Mass &amp; Loading Regulations;</li> <li>• Oversize/Overmass (OSOM);</li> <li>• Restricted Access Vehicles Regulations (RAV).</li> </ul>	<p>Amendments to Road Transport Reform (Mass and Loading) Regulations – Approved by Ministerial Council for Road Transport on 12 Sept 1996. NT commenced NRTC regulation requirements on 16 August 1995 via Northern Territory <i>Motor Vehicles Act</i> (gazettals) and amendments to the NT <i>Motor Vehicles (Standards) Regulations</i> for the permit fees.</p> <p>Oversize &amp; Overmass Vehicles and Restricted Access Vehicles Regulations – progressive implementation via existing discretionary powers under <i>Motor Vehicles Act</i>. Oversize and Overmass Permit Guidelines published in August 1998.</p> <p><b>NT implemented reform.</b></p>

National Competition Policy - National Road Transport Reforms

No	Reforms	National Target	Reform Criteria	Northern Territory progress at 31 December 1998
5	<b>Heavy Vehicle Standards</b>	-	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <ul style="list-style-type: none"> <li>• Dimensions</li> <li>• Ratings</li> <li>• Mutual Recognition</li> </ul>	<p>NT is applying via variations by gazettal using discretionary powers under Northern Territory <i>Motor Vehicles Act. Motor Vehicles (Standards) Regulations</i> amendments gazetted on 5 May 1993. Will be formalised as part of combined Heavy and Light Vehicles Standards.</p> <p><b>NT implemented reform.</b></p>
6	<b>Truck Driving Hrs</b>	-	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <ul style="list-style-type: none"> <li>• Introduce standard driving hours;</li> <li>• Introduce Transitional Fatigue Management Scheme;</li> <li>• Introduce national driver log book</li> </ul> <p>[All drivers of trucks over 12 tonnes gross, except those operating in NT and WA will need to comply with new laws]</p>	<p>Ministerial Council for Road Transport (MCRT) has agreed the driving hours regulations do not apply to operations solely within WA or the NT.</p> <p>The Northern Territory adopted a Fatigue Management Code of Practice, under the Northern Territory <i>Work Health Act</i>, by notice in the <i>Northern Territory Gazette</i> on 30 September 1998.</p> <p>National Road Transport Commission supported the Northern Territory approach to fatigue management in a press release on 1 October 1998.</p> <p><b>NT implemented reform.</b></p>
7	<b>Bus Driving Hrs</b>	-	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <ul style="list-style-type: none"> <li>• Introduce standard driving hours;</li> <li>• Introduce two-up driving hours;</li> <li>• Apply to buses with a seating capacity of more than 12 people.</li> </ul>	<p>MCRT has agreed the driving hours regulations do not apply to operations solely within WA or the NT.</p> <p>The Northern Territory adopted a Fatigue Management Code of Practice, under the <i>Northern Territory Work Health Act</i>, by notice in the <i>Northern Territory Gazette</i> on 30 September 1998.</p> <p>National Road Transport Commission supported the Northern Territory approach to fatigue management in a press release on 1 October 1998.</p> <p><b>NT implemented reform.</b></p>

National Competition Policy - National Road Transport Reforms

No	Reforms	National Target	Reform Criteria	Northern Territory progress at 31 December 1998
8	<b>Common Mass and Loading Rules</b>	-	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <p>Key reforms include:</p> <ul style="list-style-type: none"> <li>• National rules for mass limits;</li> <li>• Axle mass spacing schedule up to 42.5 tonne GVM;</li> <li>• Tri-Tri B-Doubles.</li> </ul>	<p>NT commenced NRTC regulation requirements on 16 August 1995 via gazettal of variations using discretionary powers under Northern Territory <i>Motor Vehicles Act</i>.</p> <p>NT <i>Motor Vehicles (Standards) Regulations</i> change gazetted 16 August 1995.</p> <p><b>NT implemented reform.</b></p>
9	<b>One Driver/One Licence</b>	July 99	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <p>Key reforms include:</p> <ul style="list-style-type: none"> <li>• Introduce National Driver Licence Checking System;</li> <li>• Introduce Multiple Licence Advice Tracking System (MLATS);</li> <li>• Introduce Demerit Points Exchange Scheme (DPX);</li> <li>• National driver licence classes.</li> </ul>	<p>NT implemented by changes to policies and procedures and MOVERS computer system via existing <i>Motor Vehicles Act</i>.</p> <ul style="list-style-type: none"> <li>• National Driver Licence Checking System – November 1996</li> <li>• Multiple Licence Advice Tracking System (MLATS) – snapshots 1996, 1997 and 1998</li> <li>• Demerit Points Exchange Scheme (DPX) – 17 August 1993.</li> <li>• National driver licence classes – 1 July 1997</li> </ul> <p><b>NT implemented reform</b></p>
10	<b>Improved Network Access</b>	Mar 99	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <p>Key reforms include:</p> <ul style="list-style-type: none"> <li>• Increasing access and simplifying process through use of route gazettal along lines of RAV Regulations.</li> </ul>	<p>Road Train Routes in Northern Territory updated August 1998. In place by agreement with Industry. No legislation required.</p> <p><b>NT implemented reform.</b></p>
11	<b>Common Pre-Registration Standards</b>	-	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <p>Key reforms include:</p> <ul style="list-style-type: none"> <li>• Mutual recognition of interstate vehicles;</li> <li>• Adoption of National Heavy Vehicle Standards.</li> </ul>	<p>NT requirements consistent with national standards.</p> <p><b>NT implemented reform.</b></p> <p>Consolidation of standards is currently being finalised in consultation with industry.</p>
12	<b>Common Roadworthiness Standards</b>	-	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <p>Key reforms include:</p> <ul style="list-style-type: none"> <li>• Adopt roadworthiness standards &amp; guidelines;</li> <li>• Mutual recognition of defect clearance.</li> </ul>	<p>NT standards consistent with national standards.</p> <p><b>NT implemented reform.</b></p> <p>NT accepting other jurisdictions' clearance of defective vehicles and also clearing vehicles on behalf of other jurisdictions since 1990.</p>

National Competition Policy - National Road Transport Reforms

No	Reforms	National Target	Reform Criteria	Northern Territory progress at 31 December 1998
13	<b>Enhanced Safe Carriage and Restraint of Loads</b>	July 99	Jurisdictions have in place and are applying legislation consistent with the national model. Key reforms include: <ul style="list-style-type: none"> <li>• Adopt regulations and usage of Load Restraint Guide</li> </ul>	National Load Restraint Guide adopted in the NT <i>Traffic Regulations (129)</i> as in force 1 August 1995.  <b>NT implemented reform.</b>
14	<b>Adoption of National Bus Driving Hrs</b>	-	Adopt new regulations for buses including two-up driving hours.	MCRT has agreed the driving hours regulations not apply to operations solely within WA or the NT.  The Northern Territory adopted a Fatigue Management Code of Practice, under the <i>Northern Territory Work Health Act</i> , by notice in the <i>Northern Territory Gazette</i> on 30 September 1998.  <b>NT implemented reform.</b>
15	<b>Interstate Conversions of Drivers Licence</b>	July 99	Jurisdictions have in place and are applying legislation consistent with the national model. Key reforms include: <ul style="list-style-type: none"> <li>• Introduce reciprocal conversion arrangements for licence holders who move interstate (no testing; no licence fee)</li> </ul>	Implemented in NT using discretionary powers under existing NT <i>Motor Vehicles Act</i> . Policy and procedures in place and commenced on 1 July 1997. NT allows credits of unexpired portion of interstate driver's licences.  <b>NT implemented reform.</b>
16	<b>Alternative Compliance</b>	-	Agreement to support development of alternative compliance regimes.	Alternative compliance package was endorsed in Australian Transport Council (ATC) 8 <sup>th</sup> meeting, 14 November 1997. See ATC8/19.  <b>NT supports</b> and has applied these principles in NT Mass Management Scheme on 12 Nov 1996 and NT Maintenance Management Scheme for buses on 4 Oct 1995. National Mass Management Scheme also available in NT.
17	<b>Short Term Registration</b>	-	Only for National Heavy Vehicle Registration Scheme. Key reforms include: <ul style="list-style-type: none"> <li>• Availability of 3 and 6 month registration.</li> </ul>	Policies and procedures in place and commenced on 1 July 1996.  <b>NT implemented reform.</b>

National Competition Policy - National Road Transport Reforms

No	Reforms	National Target	Reform Criteria	Northern Territory progress at 31 December 1998
18	<b>Driver Offences/Licence Status</b>	-	<p>Jurisdictions have in place and are applying legislation consistent with the national model.</p> <p>Key reforms include:</p> <ul style="list-style-type: none"> <li>• To the extent consistent with Commonwealth Privacy Principles to check licence class of the person, its status and number of demerit points.</li> </ul>	<p>Information (with driver's consent) available on application. Form and procedure for easier application being developed.</p> <p><b>NT implemented reform.</b></p> <p>Note: The administrative guidelines for management, use and release of vehicle registration and driver licensing information scheduled for implementation by 3 May 99.</p>
19	<b>NEVDIS</b>	-	<ul style="list-style-type: none"> <li>• MOU between Austroads and each jurisdiction</li> <li>• Service Access Agreement between ISSC</li> <li>• NEVDIS Service Access Agreement between Austroads and each jurisdiction</li> <li>• Inter-jurisdictional MOU</li> <li>• Complete initial phase of NEVDIS</li> </ul>	<p>Service Access Agreement between IBM Gopal Services Australia and the Territory signed on 2 Aug 1996.</p> <p>NEVDIS Service Access Agreement between Austroads and Territory signed on 15 October 1998.</p> <p>Inter-jurisdictional MOU 14 October 1998.</p> <p>NEVDIS on line in the NT for driver licences on 5 November 1998.</p> <p><b>NT implemented reform.</b></p>