ISBN 0-9581457-0-9

This work is subject to copyright. Apart from any use as permitted under the Copyright Act 1968, the work may be reproduced in whole or in part for study or training purposes, subject to the inclusion of an acknowledgement of the source. Reproduction for commercial use or sale requires prior written permission from AusInfo. Requests and inquiries concerning reproduction and rights should be addressed to the Manager, Legislative Services, AusInfo, GPO Box 1920, Canberra, ACT, 2601.

Inquiries or comments on this report should be directed to:

Communications Officer National Competition Council 12 / 2 Lonsdale Street MELBOURNE VIC 3000

Ph: (03) 9285 7474 Fax: (03) 9285 7477 Email: info@ncc.gov.au

An appropriate citation for this paper is:

National Competition Council 2002, Assessment of governments' progress in implementing the National Competition Policy and related reforms, Volume two: Water reform, August 2002, AusInfo, Canberra.

The National Competition Council

The National Competition Council was established on 6 November 1995 by the *Competition Policy Reform Act 1995* following agreement by the Commonwealth, State and Territory governments.

It is a federal statutory authority which functions as an independent advisory body for all governments on the implementation of the National Competition Policy reforms. The Council's aim is to 'help raise the living standards of the Australian community by ensuring that conditions for competition prevail throughout the economy which promote growth, innovation and productivity'.

Information on the National Competition Council, its publications and its current work program can be found on the internet at www.ncc.gov.au or by contacting NCC Communications on (03) 9285 7474.

Table of contents

Abbreviations

1	Introduction	1.1
	The water industry and its impacts	1.1
	Implementation of the reform framework	1.3
	The reforms	1.4
	Economic outcomes	1.11
	Future developments	1.13
	2002 NCP assessment framework	1.14
	Summary of assessment	1.16
2	New South Wales	2.1
	Consumption-based pricing	2.1
	Trade waste	2.7
	Full cost recovery – rural price paths	2.9
	Institutional reform	2.15
	Water allocations and property rights	2.16
	Provision for the environment	2.38
	Progress report issues	2.59
3	Victoria	3.1
	Full cost recovery: urban	3.1
	Full cost recovery: rural	3.3
	Rural dividend payments	3.8

	Community service obligations	
	and cross-subsidies	3.11
	Water allocations and property rights	3.14
	Provision for the environment	3.24
	Progress report issues	3.43
4	Queensland	4.1
	Full cost recovery: urban	4.1
	water boards	4.3
	Consumption-based pricing	4.6
	Trade waste charges	4.9
	Provision for the environment	4.12
	Public consultation	4.33
	Progress report issues	4.36
5	Western Australia	5.1
	Provision for the environment	5.1
	Environment and water quality: Integrated catchment management	5.3
	Environment and water quality: National water quality management strategy	5.5
	Progress report issues	5.12
6	South Australia	6.1
	Pricing and cost recovery	6.1
	Consumption-based pricing	6.5
	New rural schemes	6.9
	Provision for the environment	6.14
	Environment and water quality: Integrated catchment management	6.21
	Environment and water quality: National water quality management strategy	6.23

	Public consultation	6.27
	Progress report issues	6.28
7 '	Tasmania	7.1
	Full cost recovery: urban	7.1
	Consumption-based pricing	7.9
	Water allocations and property rights	7.14
	Provision for the environment	7.18
	Environment and water quality: Integrated catchment management	7.28
	Progress report issues	7.31
8	Australian Capital Territory	8.1
	Full cost recovery: urban	8.1
	Consumption-based pricing	8.4
	Progress report issues	8.6
9	Northern Territory	9.1
	Provision for the environment	9.1
	Public education	9.4
	Progress report issues	9.6
10	Murray-Darling Basin Commission	10.1
	Pricing and cost recovery: rural	10.1
	Trade	10.4
	Progress report issues	10.7
Аp	pendix A: List of submissions	A.1
References		R.1

Abbreviations

ACT Australian Capital Territory

ACTEW ACTEW Corporation

ANZECC Australian and New Zealand Environment and

Conservation Council

ARMCANZ Agriculture and Resource Management Council of Australia

and New Zealand

BMAP Business Management Assistance Program

CoAG Council of Australian Governments

CRR Committee on Regulatory Reform (CoAG)

CSO Community service obligation

EBIT Earnings before interest and tax

EBITDA Earnings before interest, tax, depreciation and amortisation

EPA Environmental Protection Agency

ESC Essential Services Commission

EWP Environmental water provision

EWR Environmental water requirements

GDP Gross Domestic Product

GPOC Government Prices Oversight Commission (Tasmania)

IPART Independent Pricing and Regulatory Tribunal

ICRC Independent Pricing and Regulatory Commission (ACT)

MDBC Murray-Darling Basin Commission

NCC National Competition Council

NCP National Competition Policy

PAWA Power and Water Authority

PC Productivity Commission

QCA Queensland Competition Authority

ROR Rate of return

ROP Resource Operations Plan

SCARM Standing Committee on Agriculture and Resource

Management

TERs Tax-equivalent regimes

WRP Water Resource Plan

WSAA Water Services Association of Australia