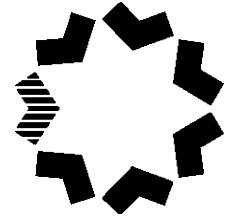


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MEDIA RELEASE

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Financial Incentives on Offer to Queensland Local Governments

The National Competition Council today urged Queensland Local Governments to take advantage of the financial incentives offered by the State Government for implementing water reform and the other National Competition Policy initiatives.

Queensland is one of the few States that shares with its local governments the payments received from the Commonwealth for implementation of National Competition Policy.

To assist Councils to implement the reforms and access these payments the Local Government Association of Queensland (LGAQ) has worked with the State Government to develop a special package called the Business Management Assistance Plan (BMAP). The Plan provides an incentive and a framework for local governments to implement the reforms. To gain the maximum payments under the Plan, local governments must have implemented reform or committed to it prior to March 2002.

The National Competition Policy water reforms aim to create an environmentally and economically sustainable water industry. The competitive neutrality reforms ensure that government-owned businesses do not have unfair competitive advantages over private sector competitors because of their public ownership.

The incentive payments offered by the Queensland State Government are an innovative and practical mechanism for assisting local governments with implementing changes which ultimately bring long term benefits to the community. BMAP is assisting smaller local governments to secure the maximum possible payments and demonstrates a genuine commitment by both the Queensland Government and the LGAQ to progress beneficial reform.

This week, following an invitation by the LGAQ, National Competition Council officers visited the Emerald and Jericho Shires and the Redcliffe and Cooloola

Councils to see first hand the progress being made with reform implementation and the positive effects of BMAP and of the incentive payments on offer. The visit helped the Council's understanding of the practical issues facing local government in implementing the National Competition Policy reforms.

The National Competition Council assesses the performance of State and Territory governments in meeting their agreed commitments under National Competition Policy and related reforms, including the Council of Australian Governments' Water Resource Policy. The Council reports to the Commonwealth Treasurer on these matters.

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