



NORTHERN TERRITORY OF AUSTRALIA

**NORTHERN TERRITORY
2000 ANNUAL REPORT**

ON THE

**IMPLEMENTATION OF
NATIONAL COMPETITION POLICY**

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NORTHERN TERRITORY 2000 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 clause 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.

The Annual Report has been broken into chapters covering each priority area identified in the Third Tranche Assessment Framework document. Information on legislation reviews that have not been completed or that have not been considered by the Northern Territory Government is provided in line item format.

Where a legislation review has been completed and is identified in the Third Tranche Assessment Framework as a priority area, detailed information on the review has been provided. In some cases this information is provided in the form of the review report. Copies of review reports are located in the appendices at the end of the report.

Chapter 1 - Competitive Neutrality

Full Coverage of Significant Businesses

In the Northern Territory competitive neutrality has principally been implemented through the commercialisation of all significant government business operations, referred to as Government Business Divisions (GBDs).

The GBDs operating in the Territory as at 31 March 2001 are:

1. Power and Water Authority
2. Darwin Port Corporation
3. Darwin Bus Service
4. Territory Housing Business Services
5. Government Printing Office
6. NT Fleet
7. NT Construction Agency
8. Information Technology Management Services
9. Territory Wildlife Parks (including Territory Wildlife Park and Alice Springs Desert Park)
10. Territory Discoveries

The Northern Territory TAB, which was formerly a GBD, was recently sold to the Queensland TAB (TABQ). Additional information is contained in Chapter 19.

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

In 2000, the Government established commercial boards for the Territory's two most significant GBDs (Power and Water Authority and Darwin Port Corporation).

Community Service Obligations (CSOs)

The Territory Government has published a formal policy statement on CSOs. This policy requires a rigorous approach to the identification and costing of CSOs within a purchaser-provider framework and the introduction of performance measures to promote greater accountability in the delivery of CSO funded services.

All CSO related financial information, including details of the purchaser department and the provider GBD, are reported each year in *Northern Territory Budget Paper No. 3, Issues in Public Finance*.

Competitive Neutrality Complaints

The Northern Territory Treasury currently handles all complaints regarding breaches of the Territory's competitive neutrality policy. As at 31 December 2000, Treasury had received one formal complaint.

As reported in the Territory's 1998 Annual Report, on 22 March 1999 the Australian Council of Tour Wholesalers submitted a complaint against the business operations of the Northern Territory Tourist Commission (NTTC). To address competitive neutrality issues, the Government established Territory Discoveries, a provider of tourism wholesaling services, as a GBD.

Chapter 2 - Electricity

As the Northern Territory is not part of the National Electricity Market, there are no formal electricity reform obligations on the Territory.

However, the Territory has undertaken significant reform of its electricity supply industry arrangements over the past two years.

Following completion of a strategic review of the Power and Water Authority (PAWA) in late 1998, the Government developed arrangements: to permit competition in the Territory's electricity market; to apply economic regulation to the electricity industry; and to transfer regulatory and policy functions from PAWA.

Following passage of the necessary legislation, the market for electricity supply in the Territory was opened to competition on 1 April 2000. Under the arrangements, new suppliers are able to use PAWA's networks to deliver electricity to customers. Choice of supplier commenced on 1 April 2000 for customers using at least 4 GWh a year and was extended down to customers using at least 3 GWh a year in October 2000. Contestability will be progressively extended to other customers (down to 750 MWh) by 1 April 2002. By then, in terms of electricity sales, around 45% of the market will be open to competition.

The use of PAWA's networks is governed by a formal Electricity Networks (Third Party Access) Code and related legislation. To provide certainty for new suppliers and for PAWA, the Government applied to the NCC in December 1999 for a recommendation on certification of the Access Code as an effective regime under Part IIIA of the *Trade Practices Act*. The Government is continuing to work with the NCC to finalise a number of changes to the arrangements to meet the requirements for certification.

As part of the arrangements, the Territory Government established an independent economic regulator, the Utilities Commission in March 2000. The Commission licences suppliers, administers the Access Code, and regulates network prices and service standards.

Electricity industry regulatory and policy functions previously performed by PAWA have been transferred to relevant government agencies. For example, licensing functions have been transferred to the Utilities Commission and electrical inspection and safety functions to the Department of Industries and Business. In addition, certain powers previously granted only to PAWA have been extended to other electricity operators to enable them to operate effectively.

More detailed information on the reforms and copies of the relevant legislation and Access Code have been provided to the Council as part of the certification process.

Chapter 3 - Gas

Access Reform Progress

As reported in the 1999 Annual Report, the Territory implemented the *Gas Pipelines Access (Northern Territory) Act* (the Act) and consequential amendments in late 1998.

However, the application to the National Competition Council (NCC) for certification of the access regime was delayed due to complications in developing relevant legislation. The application to the NCC was further delayed pending resolution of the impact on the Code of the High Court "*Wakim*" decision affecting "cross vesting". The Court decision resulted in all jurisdictions having to re-assess their own legislation and propose suitable amendments. These changes in turn required the approval of all relevant Ministers. Ministers have now approved the proposed amendments to the Territory legislation and the Act will be amended accordingly during 2001.

A further delay in submitting the application for certification arose in April 2000 following a request from Envestra Limited to the NCC for the lifting of 'coverage' by the Act of the following natural gas pipelines owned by Envestra in central Australia. These are:

- the Palm Valley to Alice Springs (transmission) pipeline; and
- the Alice Springs gas distribution network.

The effect of revocation is to remove a pipeline from regulation under the National Gas Pipelines Access Code (the Code). In effect, the owner of the pipeline is relieved of any obligation to grant access to third parties under the Code.

On 6 July 2000, the NCC released its recommendation that "coverage" of each of these pipelines be revoked. The NCC was satisfied that regulated access to the pipelines under the Code would not promote competition or confer a net public benefit. The Territory Minister subsequently approved the revocation of the 'coverage'.

The outcome of this decision is that currently no domestic gas distribution network in the Territory is 'covered' by the Code. This has resulted in the local regulator, the ACCC (appointed pursuant to Section 9 of the Act) having no duties to perform in the Territory for the time being.

Following the resolution of both the proposed amendments to the Act arising from the '*Wakim*' decision and the lifting of 'coverage' in response to the Envestra request, the application to the NCC for certification of the Territory access regime has been finalised.

The Territory Government approved the Application for Certification in late January 2001. The application was then formally submitted to the NCC for consideration. On 23 March 2001, the NCC placed advertisements in Territory and national newspapers soliciting public comment on the Territory's application.

The Northern Territory is a member of NGPAC (National Gas Pipelines Advisory Committee). The Territory has actively participated in NGPAC meetings and contributed to the development of an on-going set of Code amendments and finalisation of the Regulations.

Derogations and Retail Contestability

The Territory has not legislated for any derogations under Clause 12 of the 1997 CoAG Gas Agreement. Furthermore, given that the Territory has only one significant gas retail customer (Power and Water Authority), retail contestability arrangements are not considered relevant to the Territory at this point in time.

Legislation Review

For updated information on legislation reviews please see Chapter 4 – Water and Chapter 14 – Mining.

This chapter details the Territory's progress in implementing the 1994 CoAG water reform framework.

Reform Commitment: Pricing & Cost Recovery

Consumption Based Pricing: Two-Part Tariff

The Northern Territory Power and Water Authority (PAWA) currently charges for standard water services under a two-part tariff:

- a daily access charge (relating to cross sectional area of the customer's meter): and
- a volumetric charge relating to the customer's consumption.

Metropolitan Bulk Water Suppliers: Internal Charges

PAWA's accounts currently include monthly depreciation charges for Bulk Water, as is the case for all other business units. The depreciation charge is based on the Recoverable Amount Valuation as required by accounting standards.

From 1 July 2001, transfer charging between PAWA business units will incorporate depreciation based on Written Down Replacement Cost (WDRC) and a return on the WDRC of assets employed. That is, internal transfer charges from Bulk Water to Water Distribution and from Water Distribution to Retail will incorporate operational costs, allocated overheads, depreciation charges and a return on assets.

Metropolitan Water Suppliers: Trade Waste Charges

PAWA plans to introduce trade waste management and charging from 1 July 2001. Where cost effective, trade waste charges will be based on volumetric discharge and pollutant load. Where volumetric and pollutant load measurement are not readily achievable, the customer will be charged a fixed trade waste charge based on estimated volumetric discharge.

Full Cost Recovery: Compliance with COAG Pricing Guidelines

PAWA is not yet earning a positive return on water and sewerage assets in all urban centres. To assist in the achievement of full cost recovery, the Authority undertook a full asset revaluation for 1999-00. As a result, new assets are now added at actual costs and depreciated annually while all assets are revalued on a two to three year cycle. Asset consumption costs are calculated for pricing purposes on a written down replacement cost basis. Asset consumption costs are also calculated on a replacement-annuity basis for measurement against the lower band CoAG cost recovery requirements. For accounting purposes, asset consumption costs are also calculated with respect to the Recoverable Amount Valuation. These methodologies are applied uniformly to water and sewerage charges.

The comprehensive asset revaluation and the move to a written down replacement cost method for the calculation of depreciation charges has resulted in a far more accurate determination of the Authority's capital costs. It has also resulted in a more reliable assessment of the operating results of PAWA's water and sewerage operations and will assist in the future development of more cost reflective charges.

The Government approved a 5 per cent increase in water and sewerage charges for 2000-01. The achievement of full cost recovery has been the primary objective in the recent development of a financial model for calculating future price paths. Under the recently introduced *Water Supply and Sewerage Services Act*, future price paths are subject to determination by the Regulatory Minister with independent advice to be provided by the Utilities Commission. These reforms, coupled with other structural changes being implemented at PAWA, are expected to result in a significant improvement in PAWA's financial performance for water and sewerage services.

PAWA is subject to the Territory's competitive neutrality policy framework and makes tax-equivalent and dividend payments to the Government.

Arrangements for the Allocation of Costs to Functional Areas for Vertically Integrated Providers

PAWA's revised ledger structure permits the ring fencing of costs across headworks, bulk water, reticulation and retail services business units. Full costs are allocated to relevant business units and internal charges applied accordingly. The ledger structure also permits the identification of internal bulk water charges pre and post treatment. External bulk water charges are determined on the basis of pre or

post treatment charges plus any additional costs incurred in delivery. The ledger framework and accounting system also allow for the automatic allocation of capital costs across business units.

PAWA's ledger framework and accounting system provide for the full ring fencing of costs and hence will facilitate cost reflective internal charging from 1 July 2001.

Rural Water Pricing Consistent with the Outcomes of the 14 January 1999 Tripartite Meeting

There are no publicly funded irrigation water supply services provided in the Northern Territory. Aboriginal Essential Services, which are primarily remote area services, are funded as a Community Service Obligation.

Cross Subsidies

Commonwealth, Territory and Local Government customers currently pay an additional 7c/kL water volumetric charge over domestic and commercial customers. The Territory Government moved to reduce this cross subsidy in 2000-01. Government customers were exempted from the 5 per cent water volumetric tariff increase applied to commercial and domestic customers from 1 July 2000. Future price pathway submissions to the Regulatory Minister will be based on the phased elimination of the cross-subsidy.

Community Service Obligations

PAWA is subject to the Northern Territory Government's formal CSO Policy Statement. For more information on CSO policy see the Competitive Neutrality Chapter.

PAWA currently receives CSO funding for maintaining uniform water and waste water charges across the Territory and for the provision of water and sewerage services on remote Aboriginal communities. The CSOs are a function of access and equity policies of the Territory Government. The cost of the CSOs is reported annually in the Territory's Budget Papers.

New Rural Schemes

The Territory Government does not currently provide, and is not planning to provide, irrigation services or other rural water supply schemes.

Reform Commitment: Institutional Reform

Institutional Role Separation

For the second tranche and subsequent supplementary assessments, the Council found that the Territory had made significant progress in implementing CoAG institutional reform commitments. However, the Council was concerned that PAWA retained a number of regulatory functions.

The *Water Supply and Sewerage Services Act*, enacted on 1 January 2001, introduced a licensing system for all water and waste water providers and extended the role of the Utilities Commission to the water and sewerage industries. The Act also transferred price setting powers and responsibility for determining service and supply conditions to the Regulatory Minister. The Utilities Commission is responsible for licensing, monitoring service standards and providing independent advice to the Regulatory Minister on pricing matters, service standards and CSOs. The Council's February 2001 supplementary assessment found that the provisions of the *Water Supply and Sewerage Services Act* satisfied the CoAG institutional role separation requirement.

Performance Monitoring and Best Practice

PAWA provides annual performance indicator information on metropolitan services to the Water Services Association of Australia for inclusion in its benchmarking reports. Information for the Alice Springs area has also been provided for inter-jurisdictional Non Major Urban performance monitoring reports.

Commercial Focus for Metropolitan Service Providers

PAWA is established as a Government Business Division and is subject to the Territory Government's competitive neutrality policy statement. PAWA continues to develop and refine its commercial focus. More recent structural reforms include the creation of a commercial board, management and accounting separation into product lines, the allocation of costs to relevant business units and the development of cost reflective internal charges.

Also, the structural reforms, which underpinned the introduction of the *Water Supply and Sewerage Services Act*, were primarily aimed at improving the operational efficiency and commercial focus of PAWA as well as promoting compliance with CoAG water reform and Competition Principles Agreement commitments.

Irrigation Scheme Management

All irrigation development in the Northern Territory is, and will continue to be, funded and managed by the private sector.

Reform Commitment: Allocation And Trading

Water Allocation

As acknowledged during the second tranche assessment, the Territory has established a comprehensive system of water entitlements backed by a separation of water property rights from land title and specification of entitlements in terms of ownership, reliability, volume, transferability and, if appropriate, quality. Water allocation planning is undertaken through an integrated regional resource management process encompassing groundwater, surface water, demand requirements and environmental needs.

Water Property Rights

The *Water Act* and Regulations provide the legislative basis for the granting of water entitlements as required by the CoAG Framework. Subject to the Act, property rights and the rights to the use, flow and control of all water are vested in the Territory and those rights are exercisable by the Minister on behalf of the Territory.

Stockwater and limited domestic use rights are held by virtue of occupation of land. All other use of surface water and groundwater requires the grant (upon application) of a property right in the form of a licensed entitlement. Licences are separate from land title, clearly specify ownership and set conditions to be met including volumetric limits on extractive use, recording and reporting rates of use, methods of application and purpose of use. Penalties apply for breach of licence conditions. Licences are issued only after accounting for environmental needs. It is considered at this stage that all environmental water needs are being met throughout the Territory.

Water Control Districts are established on the basis of existing or potential competition for water resources. Water allocation plans may be declared for surface and ground waters conjunctively within Water Control Districts. These plans are established through extensive community consultation so as to ensure that water is always allocated to the environment and that all consumptive use is within the estimated sustainable yield after accounting for environmental allocations. Water resource management, including trading of entitlements, must be in accordance with a water allocation plan. Water allocation plans are currently being developed on a priority needs basis for four of the Territory's six Water Control Districts.

Water advisory committees oversee the implementation and review of water allocation plans and advise Government on their effectiveness in maximising economic and social benefits within ecological constraints. The water allocation plans must be reviewed at no more than five year intervals. Advisory Committees represent community, industry, environmental and cultural interests in the sustainable management of water resources in the Water Control District.

Provision for the Environment: Contingency Allocations

Surface water extraction in the Top End is limited to no more than 20 per cent of streamflow at any time. Surface water extraction is generally not viable in the Arid Zone, but up to 5 per cent of overland flow diversion may be permitted for stockwater supplies.

Groundwater extraction licences are limited so that groundwater-dependent ecosystems are protected where known. In the Top End, this generally limits groundwater extraction to no more than 20 per cent of the recharge rate. In the Arid Zone, aquifers tend to be deeper and, generally, licences are limited so that no more than 80 per cent of aquifer storage will be depleted over at least one hundred to two hundred years.

The contingent environmental allocations described above are taken into account with each grant or renewal of a water extraction licence.

Formal Water Provisions Consistent with ARMCANZ and ANZECC National Principles

In the absence of scientific methods for determination of environmental water requirements in the Territory, it is considered that the contingent allocations for the environment as described above provide a conservative sustainable balance between the environment and other uses. As scientific information becomes available from research currently underway in the Territory, the contingent environmental allocations will be reviewed.

Formal declarations of water allocation plans are being progressed for the four priority regions of water use in the Territory. As a precautionary principle, regional water allocation plans include contingent environmental allocations as described above and, in addition, reserve some 20 per cent of the remaining water resource from consumptive use allocation.

Specification of Property Rights, Including the Review of Dormant Rights

Property rights are clearly specified in respect of surface and groundwater extraction licences issued under the *Water Act*. The requirement for all licence holders to regularly report usage means that the scope for the allocation of dormant rights (dozer/sleeper licences) is minimised in the Territory.

Implementation of the Endorsed Second Tranche Allocation Programs

No river or groundwater systems in the Territory have been over allocated or are deemed to be stressed.

Contingent "environmental flow" allocation has been released for public comment for the Ti Tree Region through the regional strategy which is currently with the Ti Tree Water Advisory Committee for final comment and public consultation. A much longer than anticipated consultation phase has put the likely declaration of water allocations some twelve months behind schedule, but this has been justified by the high level of acceptance and understanding from the regional community. It is hoped that the declaration will be made by June 2001.

Environmental flow research is progressing on schedule in the Katherine Region. Competing priorities have caused some delay in the assessment of regional water balances that are necessary for sustainable yield estimation for the complex interaction of groundwater and streamflow in this region. A first draft water balance is now complete and will be refined over the next three to six months, following which a draft water allocation plan is expected to be completed. Formal declaration of a water allocation plan should then be possible by the end of 2002, allowing adequate time for public consultation through a Water Advisory Committee.

Work to define the water allocation plan for the Darwin Region is progressing with public release expected in July 2001. Formal declaration is expected within twelve months after allowing for public consultation.

Further groundwater resource investigations have been undertaken to aid in establishing the regional water balance and yield potential of the Alice Springs area; with consequent delay of some six months in the preparation of the regional water allocation plan and management strategy. Limited public consultation has commenced and it is envisaged that the water allocation plan will be declared in mid-2002.

Water Trading: Developments since the Second Tranche Assessment

The National Competition Council's June 2000 supplementary assessment found that the provisions of the *Water Act* established an appropriate framework for water allocation and trade.

The Territory lacks the mix of scarcity and resource demand that is necessary for the establishment of efficient water trading markets. Commercial water user operations in the Territory are of comparatively small scale and dispersed over a large geographical area. Hence, market fragmentation and relatively low resource scarcity pose a barrier to effective trade in water entitlements in the Territory.

Since amendment to the *Water Act* in June 2000 to allow for trading in water extraction licences, the underlying market conditions have not changed. Consequently, there has been no trade in licensed entitlements to date.

Cross-Border Trade

In principle agreement has been reached with Western Australia for that jurisdiction's arrangements in water rights trading to apply throughout the Territory sector of Stage 2 of the Ord Irrigation Project. No other cross-border water resource development schemes are foreshadowed within the next ten years.

Restrictions on Trade

Given the geographically dispersed nature of developed water resources in the Territory, the *Water Act* limits trade in water entitlements to individual Water Control Districts.

The Council's June 2000 supplementary assessment found that the Territory's legislative framework for water allocation and trading was consistent with the COAG water reform commitments.

Reform Commitment: Environment and Water Quality

Coordinated Resource Management

The Natural Resources Division of the Northern Territory Department of Lands, Planning and Environment is the lead agency for delivery of regional natural resource management strategies and integrated catchment management throughout the Territory. The Division administers water resource beneficial use declarations, allocation planning and waste discharge and water extraction/diversion licensing. Also, the Department provides land development capability assessment, erosion control, sustainable grazing and pastoral clearing control functions.

Furthermore, the Division provides primary natural resource management input to the determination of land use objectives, land use structure plans and development control plans, which are established by the Department under the *Planning Act*.

Broader coordination of regional natural resource management planning is provided through the Inter Departmental Land Resource and Environment Subcommittee. This committee consists of the Chief Executive Officers from the Department of Lands, Planning and Environment (chair), Parks and Wildlife Commission of the Northern Territory, Department of Primary Industry and Fisheries and the Department of Mines and Energy.

A key function of the Land Resource and Environment Subcommittee is to set priorities and monitor the work program of the Natural Resources Division. The committee ensures inter-agency coordination of regional weeds management strategies, bushfire control, mine wastewater management and site rehabilitation and decommissioning, and regional conservation planning for biodiversity conservation.

Additional responsibilities carried by the Natural Resources Division include 'one-stop-shop' administration of the National Heritage Trust and the delivery support and facilitation services for Landcare and Waterwatch throughout the Territory.

Catchment Bodies

Catchment management bodies have been established as Water Advisory Committees under the *Water Act*, with membership and terms of reference set as relevant to the catchment management issues. Such committees are operating for the delivery of the Rapid Creek Catchment Management Plan in suburban Darwin; the Mary River Integrated Catchment Management Plan adjacent to Kakadu National Park; and for water allocation planning and management of sustainable irrigation in the Ti-Tree Groundwater Basin in Central Australia.

The Minister for Lands, Planning & Environment appoints members to Water Advisory Committees on the basis of ensuring all regional stakeholder interests are represented and relevant expertise is available to assist the committee's decisions and provision of advice to Government. Wherever possible, community, landcare, environmental and industry groups and associations (and local government if present in the region) and relevant Territory Government agencies are invited to provide the Minister with nominations for the committee. Small regional populations ensure transparency of all Ministerial appointments.

Statutory Basis and Enforcement Mechanisms

Formal statutory declaration under the *Water Act*, to initiate and revise water allocation plans, establishes public accountability as the primary mechanism to encourage the achievement of regional natural

resource management plans and strategies. As required, all necessary actions to ensure ecologically sustainable development are applied through the range of regulatory regimes available within the agencies represented on the Land Resource and Environment Subcommittee. The provision of field advice and extension services to landowners seeks to further maximise sustainable land and water use.

Evaluation and Review of Catchment Processes

Declaration of water resource beneficial uses (environmental values), the identification of threats to those beneficial uses, instituting appropriate licensing to limit water quality impacts, promoting consumptive use within sustainable levels and monitoring the condition of regional water resources provide the overall framework for effective catchment management in the Territory.

Involving the community through Landcare and Waterwatch groups, and requiring waste discharge and water extraction licence holders to monitor and report their levels of impact, allow all stakeholders to evaluate and review the effectiveness of catchment management processes.

Landcare Practices to Protect High Value Rivers

Landcare groups operate over 70 per cent of the Territory and include 66 per cent of pastoralists as active members. Stock exclusion practices are used to protect the Victoria, Roper and Mary Rivers. Revegetation of riparian corridors, weed eradication, erosion control, bank stabilisation and wildfire management are practised by Landcare groups in the catchments of the Howard River, Rapid Creek and Ludmilla Creek. Waterwatch is also very active, with over eighty groups now monitoring over one hundred and fifty sites in twelve catchments throughout the Territory.

National Water Quality Management Strategy

Water quality management in the Territory is provided through the *Water Act* by means of statutory declaration of beneficial uses. The categories of beneficial use defined in the Act are consistent with the framework of environmental values in the National Water Quality Management Strategy. Furthermore, the declarations refer each beneficial use to the relevant water quality guidelines in the strategy.

The Administrator declares beneficial uses, on the recommendation of the Minister for Lands, Planning and Environment. This demonstrates the highest level political commitment to the National Water Quality Management Strategy. To date, declarations have been completed for surface water quality management in twelve catchments and have commenced in four others. Declarations are also complete for four regional groundwater systems, and in train for three others. Declarations have also been completed for six coastal areas in the Territory, covering the three ports and three areas of major environmental and cultural value.

The declarations completed and in train cover all regions in which current development has some potential to impact on water quality. Two other catchments to be declared in the near future will complete the coverage for currently planned regional development in the Territory.

The most immediate on-ground action to flow from the declaration of beneficial uses for water quality management is the imposition of licences to control all point source waste discharge. Waste discharge licences require the discharger to monitor and report the quality of receiving waters and limit water quality impacts beyond the immediate contact zone so that beneficial uses are maintained. Independent random auditing of water quality is also carried out by government agencies as a check on data supplied by dischargers.

Seventeen licences are currently in place and control all known point waste discharge sources, covering, in the main, mines and sewerage treatment plants but also including an aquaculture operation and a marina on Darwin Harbour.

The declaration of beneficial uses also provides a clear framework for integrated catchment management and regional planning. An integrated management strategy is nearing completion to ensure the long-term maintenance of beneficial uses that have been declared for Darwin Harbour. Following from the relative success of this exercise, it is proposed that strategic management processes be extended to Gove Harbour. A start has recently been made on the declaration of beneficial uses for Mary River Catchment, and beneficial uses for Ti-Tree Region will be part of the water allocation plan to be declared by around June 2001. Beneficial uses have already been declared in accordance with the Rapid Creek Catchment Management Plan.

PAWA is moving to introduce the Drinking Water Quality Management Framework into major and regional water supplies in the Territory. PAWA is also a member of the Cooperative Research Centre (CRC) for Water Quality and Treatment and intends to participate in a number of research programs. The Authority has developed a sewerage strategy for Darwin and Alice Springs, including options for wastewater reuse. There has been public consultation through open forum and the Public Environmental Report for the Ludmilla Wastewater treatment facility. The Authority has a draft Territory wide policy on effluent reuse.

Local Industry Guidelines or Codes of Practice Consistent with the National Water Quality Management Strategy (NWQMS)

The guidelines and modules of the NWQMS have to date been found satisfactory in their own right for water quality management in the Territory. There has been no need to develop local modules.

Participation in the Development of Remaining Modules of the NWQMS

PAWA led the assessment of the National Health and Medical Research Council (NHMRC) and Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ) trial of the proposed Drinking Water Quality Management Framework in Katherine. PAWA is also a member of the Cooperative Research Centre (CRC) for Water Quality and Treatment and intends to contribute to a number of the research programs.

The Territory has also actively contributed to the revised Australian and New Zealand Guidelines for Fresh and Marine Water Quality 2001, as well as contributing towards the completion of Guidelines for Water Quality Monitoring and Reporting, Guidelines for Sewerage Systems Sludge (Biosolids) Management and Guidelines for Sewerage Systems Overflows.

Reform Commitment: Public Consultation And Education

Consultation Prior To Change

A process of public consultation was followed in securing public and customer input to the development of the *Water Supply and Sewerage Services Act*. The new Act requires licensees to establish performance standards and report to customers against these standards. It is proposed that the annual report to customers will include information on current charge levels, the CoAG reform requirements and the implications, if any, for future prices.

Consultation on water allocation and trading was conducted during the lead up to the second tranche assessment in each of the main irrigation regions of the Territory, namely Darwin, Katherine and Ti-Tree. This contact with irrigators established a general understanding of the reforms but it was considered that the development of regional water resource strategies was necessary for the proposed reforms to be effective.

Consequently, effort was directed toward intensive consultation for the Ti-Tree Regional Water Strategy, for which a draft allocation plan was available. Three meetings were held with the Ti-Tree Water Advisory Committee in the latter half of 2000. These meetings, two of which were open to the public, were useful in establishing wider understanding of the water allocation plan and the practicalities of trading in water entitlements. Ti-Tree Regional Water Strategy is now with the Water Advisory Committee to manage the final round of public consultation.

For the Darwin and Katherine regions, work has concentrated on improving the assessment of sustainable yields and determining regional water balances. The focus on this assessment, which is the prerequisite for sound water allocation planning, has progressed to the point that draft allocation plans and regional strategies are expected to be released for public consultation within the next twelve months.

PAWA conducted consultation meetings with representatives from government agencies and industry groups and associations throughout the Territory during the development of the Trade Waste Management Program. The Program is to apply from 1 July 2001. PAWA also proposes to fund a full time liaison position within the Northern Territory Chamber of Commerce and Industry during the Program's implementation phase.

Public Education Programs

The Department of Lands, Planning and Environment delivers a Territory wide public education program. The Natural Resources Division of the Department employs a full time staff member to develop public education programs for water conservation.

The introduction of the 'WaterWise' program to the Territory is the current initiative under development. The program is to be piloted in 2001 as a joint venture of the Department, the Arid Lands Environment Centre and a senior high school in Alice Springs. It is based on the Western Australian 'WaterWise' model but will take into account particular environmental and social considerations that are unique to the Territory.

The program aims to educate school children about water issues, generate positive changes in water use and conserve water. These aims will be met through the development of specific educational and learning material and demonstrated water saving action within the school. Recognition that the program aims and outcomes have been met will be given in the form of accreditation to successful schools.

Alice Springs is the initial target for roll out of the program following the pilot in 2001 on the basis that per capita water consumption in the area is the highest of all major Territory population centres. The progressive introduction of 'WaterWise' programs to other regional centres will springboard on the success hoped to be achieved in Alice Springs.

Legislation Review

Water Supply and Sewerage Act

A review of the *Water Supply and Sewerage Act* has been completed. To ensure compliance with the Territory's COAG water reform commitments and to incorporate the findings of the review, the Act was repealed and replaced with the *Water Supply and Sewerage Services Act*, which came into effect from 1 January 2001.

Water Act

The review of the *Water Act* and Regulations was conducted in accordance with National Competition Council endorsed guidelines. The review found that the anti-competitive provisions of the Act were justified on the basis of ecologically sustainable development, regional economic development and consumer protection. Government endorsed the findings of the review, which recommended no change to the Act.

Power and Water Authority Act

A copy of the review report is located at Appendix 1.

The NT Government endorsed the following recommendations from the review of the Power and Water Authority Act:

- The retention of the single supplier model for provision of water and sewerage services in defined geographical areas in the Territory.
- The transfer of regulatory functions, including price regulation, relating to water and sewerage services from the Power and Water authority and the Minister for Essential Services to the Minister responsible for the utilities commission.
- The introduction of a requirement for the single supplier of water and sewerage services within a defined geographical area to hold a licence to operate issued by the Utilities Commission.
- The establishment of a requirement for a licensed supplier of water and sewerage services to comply with service and supply conditions approved by the regulatory minister.
- In future the adoption by the Regulatory Minister of procedures for regulating the prices of water and sewerage services provided by PAWA equivalent to those now in operation with respect to non-contestable electricity customers (under the Electricity Reform Act 2000).
- and authorised the drafting of amendment bills to the Water Supply and Sewerage Act and consequential amendments to the PAWA Act.

National Competition Policy Road Transport Reform Progress

The Northern Territory has implemented, is in the process of implementing or is exempt from aspects of the reform package endorsed by the Australian Transport Council for the third tranche assessment. Reform implementation progress, as at 31 March 2001, is as follows.

Australian Road Rules

Fully implemented in December 1999.

Combined Truck and Bus Driving Hours Regulation

Australian Transport Council Ministers agreed to formally exempt the Northern Territory from this reform commitment. The Territory has implemented alternative fatigue management arrangements, which are more relevant to Territory conditions.

Combined Vehicle Standards

Draft regulations have been prepared and are currently being refined by Department of Transport and Works officials prior to introduction in 2001.

Consistent On-road Enforcement for Roadworthiness

Reforms fully implemented. Regulations were amended in November 2000 to introduce nationally consistent defect notice forms.

Second Heavy Vehicle Charges Determination

Implementation complete. Charges introduced 1 September 2000.

Ultra-low Floor Bus Axle Mass Increase

Increase gazetted by Registrar under Motor Vehicle Regulations on 30 November 2000.

Outstanding Second Tranche Issues

The Territory has one outstanding reform commitment from the second tranche assessment. The Territory was required to implement a driver demerit point scheme consistent with the national framework or obtain an exemption from this aspect of the CoAG agreed road transport reforms.

In December 2000, the Northern Territory Minister for Transport and Infrastructure Development wrote to the Commonwealth Minister for Transport and Regional Services, in his role as the Chair of the Australian Transport Council, seeking the necessary exemption from the national driver demerit points scheme. A response has not yet been received from the Chair regarding this application.

Status of Outstanding Legislation Reviews**Legislation previously listed**

Name of Legislation	Agency	Description/Restrictions	Status as at 31 December 2000
Dangerous Goods Act and regulations	Department of Industries and Business	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) Operators licences for: <ul style="list-style-type: none"> • drivers of dangerous goods vehicles (Reg 56) • shotfirers (Reg 132) • gas fitters (Reg 172) • autogas fitters (Reg 202) 	Act to be repealed and replaced by new <i>Dangerous Goods Act 1998</i> .

Legislation not previously listed

Name of Legislation	Agency	Description/Restrictions	Status as at 31 December 2000
Dangerous Goods Act 1998 and regulations	Department of Industries and Business		In February 1998 this Act was passed, covering the transport of dangerous goods and other matters pertaining to dangerous goods. No further reporting is required in relation to this Act. Draft regulations are being prepared.

Department of Transport and Works

Northern Territory Rail Safety Act

The Rail Safety Act imposes safety standards for the construction, operation and maintenance of railway lines in the Territory. The Act was introduced by the Northern Territory Government in response to the repeal of Commonwealth legislation (the *Australian National Railways Commission Act* and the *Tarcoola to Alice Springs Railway Act*) which covered railway operations in the Northern Territory.

With the repeal of these Acts, the Northern Territory was left with no legislative cover for railway operations and an alternative was urgently required. Several alternatives were considered by the Government:

- apply the Australian Rail Safety Standard;
- introduce an alternative set of safety standards;
- apply the *Rail Safety Act* from another jurisdiction; or
- require rail owners and operators to be self-regulating with no covering Government legislation.

Adoption of the national safety regime was considered to provide the greatest public benefit because:

- All current rail owners and operators on the Kulgera – Alice Springs section of railway (and probably all future owners and operators) are also (or will be) owners and/or operators over the Tarcoola – Kulgera section of railway in South Australia.

The national rail safety regime applies to the Tarcoola - Kulgera section of railway through operation of South Australian rail safety legislation. Adoption of the national regime in the Territory would therefore minimise safety compliance costs for the current rail owners and operators.

- One of the key messages delivered by the rail industry at the 1997 Rail Summit was that there were too many differing standards in the national rail industry and that this was seriously inhibiting the industry's ability to compete with other transport modes.

Introduction of an alternative safety regime would be contrary to this outcome and to the whole spirit of regulatory reform which has been seeking to develop uniform national regulatory regimes.

- The introduction of a non-standard safety regime may raise the risk profile for rail owners and operators because insurers and financiers would need to assess the risk profile for railways operating under a relatively unknown safety regime. This would result in rail owners and operators facing potentially higher insurance premiums and finance charges thereby reducing their ability to compete with other transport modes.
- The Australian Rail Safety Standard was developed in consultation with the rail industry and in accordance with modern performance based regulatory practice whereby rail owners and operators are required to gain and maintain accreditation by demonstrating that their plans and operations comply.
- Application of another jurisdiction's Act was not considered a viable option because none of the State Acts have been written with a view to being applied in another jurisdiction. The Northern Territory would also still need to introduce enabling legislation.

The *Rail Safety Act* was assented to in December 1998.

The National Competition Policy review of the *Rail Safety Act* was carried out in 2000, the main elements of this review are as follows:

The Department of Transport and Works carried out the review with the results being reviewed by the Northern Territory National Competition Policy Steering Committee. The review terms of reference were consistent with National Competition Council endorsed guidelines. An internal review was considered appropriate because:

- the *Rail Safety Act* is part of a national arrangement for administering rail safety, which has been developed nationally in consultation with industry;
- the national rail safety standard (AS 4292), which is called up by the Act, was developed by the national rail industry (through its national organisations, the Railways of Australia prior to 1994 and the Australasian Railway Association thereafter) and Standards Australia, the first part of the Standard was published in 1995; and
- all of the current, and likely future, rail owners and operators in the Northern Territory (other than the tourist operators) are also owners and operators in South Australia and are accredited under South Australian rail safety legislation.

Review Findings

The review identified the provisions of the *Rail Safety Act* that impose quality controls, restrict inputs to the production process and apply entry requirements as representing restrictions on competition. The review also noted that, while the Act places conditions on market entry, it does not restrict entry.

The review found that the public benefits of the rail safety regime embodied in the *Rail Safety Act* are greater than the costs and therefore recommended no change to the legislation. It was found that public benefits associated with the reduced incidence of rail accidents, potentially lower finance and insurance costs and relatively lower compliance costs for interstate operators were likely to exceed the associated administrative burden on government and economic costs incurred through imposing distortions on competition.

Alternative, less restrictive regimes (including negative licensing and co-regulation) were assessed as being less effective in achieving the objectives of the legislation. This outcome was also based on the recognition that the Act allows railway owners and operators to apply alternative safety regimes on the condition that the Australian Rail Safety Standards apply where necessary.

The Northern Territory Government endorsed the recommendations of the review in November 2000.

Status of Outstanding Legislation Reviews

Legislation previously listed

Name of Legislation	Agency	Description/Restrictions	Status as at 31 December 2000
Marine Act and Regulations	Department of Transport & Works	Licensing of certain commercial operations (part V) Certificate of Survey (s.79(a)) Permit for operation of Hire-and Drive Vessel (s.4) Certificate of Competency (Coxswain) (Schedule 3) Certificate of Competency (masterclass - all) (Reg 9)	The review process was completed in early January 2001. The Northern Territory Government will consider the review report early 2001. Hire and Drive Regulations With respect to the hire-drive regulations, the review considered this issue and determined that the Marine (Hire and Drive Vessel) Regulations were specifically drafted to ensure, as far as practically possible, the safety of all persons hiring a hire-drive vessel and contained no anti-competitive elements.

Darwin Port Corporation

The review of the Darwin Port Corporation's legislation has been completed and covered the following legislation:

- *Darwin Port Authority Act (now Darwin Port Corporation Act)*
- *Port By-Laws*
- *Harbourcraft By-Laws*
- *Darwin Port Authority Amendment Act (provided for the change in name to the Darwin Port Corporation Act)*

The review report has been submitted to Government, with a decision in early 2001 which outlined the Government's response to the review and report.

Terms of Reference

- to examine anti-competitive elements in accordance with the National Competition Policy Agreement and National Competition Policy Review Guidelines;
- to identify the objective of the legislation;
- confirm that all anti-competitive elements of the above legislation were identified and analysed;
- determine whether the restrictions on competition are in the public interest and to make recommendations for their future;
- develop and implement a strategy for stakeholder consultation; and
- report on the review findings and subsequent recommendations.

Details of review body

The Corporation commissioned an independent consultant to undertake the review and prepare a report. The Corporation had a joint steering committee consisting of a representative from Northern Territory Treasury, the Department of Transport and Works and a Corporation representative.

Consultative mechanisms

The consultation process involved either personal or telephone interviews with a range of Port users and stakeholders as well as relevant officers within the Corporation and other Northern Territory Government agencies by the consultant.

Recommended outcomes and Response

Section(s)/By-Law	Report Recommendations	Response
Darwin Port Corporation Act Section 17(p) – licencing of the business of stevedoring	Repeal: provision unused since at least 1983, and alternative means exist to achieve same purpose as licencing.	Recommendation not accepted. Whilst no new licences have been granted since 1983, the licensing provisions are considered to provide the most cost effective means of monitoring environmental and health and safety standards for stevedoring operations at the Darwin Port. As a result of the review, the licence fee has been reduced from \$10 000 to an administrative fee. It is considered that this will significantly lower barriers to entry to the stevedoring industry whilst minimising environmental and health and safety risks.
Darwin Port Corporation Act Section 17(q) – levy of fees for issue of stevedoring licence	Repeal as consequence of recommendation regarding 17(p).	As above.
Darwin Port Corporation Act Section 38, 39 – issues relating to stevedoring licensing	Repeal as consequence of recommendation regarding 17(p).	As above.
Darwin Port Corporation Act Section 45 - exemption from local government rates and charges	Remove exemption on competitive neutrality grounds.	Recommendation noted. The exemption is to be removed. Legislation to be amended during 2001.
Harbour Craft By-Laws – Part XI – Vessels engaged in commercial activities	Repeal on the basis that sufficient legislative mechanisms for marine safety are provided through the <i>Marine Safety Act</i>	Recommendation accepted. Legislation to be amended during 2001.
Port By-Law 34 Pilotage exemption; discretion aspect	Amend Act to remove ministerial discretion in granting exemptions from pilotage requirements and to specify necessary criteria for exemption.	Recommendation accepted. Legislation to be amended during 2001.
Port By-Law 53A- levy of fees for stevedore's licence	Repeal as consequence of recommendation 17(p).	Refer above.
Darwin Port Corporation Act s20 - provides a partial exemption from Corporations Law	Amend Legislation to minimise any competitive advantage derived through exemption from certain provisions of the Corporations Law.	Recommendation noted. Issue will be addressed, in consultation with Northern Territory Treasury, as part of the Government Business Division reform process. It is intended that reforms will be implemented prior to 30 June 2002.

Chapter 8 – Agriculture and related activities

Status of Outstanding Legislation Reviews**Legislation previously listed**

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Meat Industries Act 1997	Department of Primary Industry and Fisheries	Meat Industries Act commenced 10 December 1997. It implements national standards and reforms.	Review completed. Due to be considered by Government in March 2001.
Agriculture and Veterinary Chemicals Act	Department of Primary Industry and Fisheries	To apply certain laws of the Commonwealth relating to agricultural and veterinary chemical products as laws of the Northern Territory	National Review. SCARM 'Control of Use' Taskforce progressing consideration and action as result of NCP review.

Department of Primary Industry and Fisheries

Veterinarians Act

This review report has previously been provided to the National Competition Council.

The Review of the Veterinarians Act was considered by Government in April 2000. Government accepted the review of the Veterinarians Act and noted the proposed actions to provide for an additional consumer representative on the Veterinary Board, to provide that the President of the Board need not be the Chief Inspector of Stock or a veterinarian, and to remove the restriction on veterinarians advertising fees.

Territory Health Services

Food Act

Model food legislation is to be adopted in line with the inter-governmental agreement signed on 3 November 2000. The model legislation has been subject to a national review. A preliminary meeting of relevant agencies has taken place to discuss issues regarding the administration and enforcement of the national food laws.

Chapter 9 – Forestry and Fisheries

Status of Outstanding Legislation Reviews**Legislation previously listed**

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Fisheries Act and Fisheries Regulations	Department of Primary Industry and Fisheries	Permits and special permits s.16, 17 Licensing and management of fisheries. Commercial Fishing Proposal Part 6: Div 2 Aquarium Licence Part 3: Div 12 Fish Traders Licence Various Aquaculture Licence re: Waste Disposal s.171(f) Licence to Process Fish s.59, 144 Permit to Import Fish or Aquatic Life s.26 Aquaculture Licence Part 10: Div 2 Commercial Fishing Licence Part 7: Div 1 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 Fish Trader/Processor Part 9: Div 2; Fish Retailer Div 3; Fish Broker Div 4 Aquaculture Licence Part 10: Div 2; Pearl Oyster Culture Industry Licence Div 3 Aboriginal Coastal Licence Part 11: Div 2; Fishing Tour Operator Licence Div 3; Aquarium Trader Licence Div 4; Net Licence Div 5 Timor Reef Fishery Licence Part 8: Div 15; Finfish Trawl Fishery Licence Div 16; Jigging Fishery Licence Div 17	Review has been completed. Due to be considered by Government in April 2001.

Legislation not previously listed

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Fisheries Amendment Act 1997	Department of Primary Industry and Fisheries		Integrated with Fisheries Act and Regulations review.

Forestry Code of Practice

The Northern Territory decided not to develop a Regional Forestry Agreement. Instead it has drafted a Forestry Code of Practice. This is a policy instrument and does not have a legislative basis. The initiative has been developed by industry, government agencies and environmental interests to ensure best practice is followed in the forestry industry. The Code of Practice will be important in meeting export permit requirements in the future. NCP is being considered as part of the development of the Code. It is scheduled for completion in the second half of 2001.

Status of Outstanding Legislation Reviews

Legislation previously listed

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Mine Management Act	Department of Mines and Energy	Regulation of Occupational Health and Safety in Mining.	<p>To be repealed and replaced by the new <i>Mining Management Act</i> (combining the essential elements of both the Mine Management Act and Uranium Mining (Environmental Control) Act).</p> <p>The cognate Mine Management Bill and Mining Amendment Bill were introduced into the February 2001 sittings of the Legislative Assembly. The Bill has been developed following review and extensive public consultation.</p> <p>A NCP review will be conducted on the new bill prior to passage of the new legislation.</p>
Uranium Mining (Environmental Control) Act	Department of Mines and Energy	Controls uranium mining in the Alligator Rivers Region. Imposes restrictions, conditions, requirements that could discourage innovation, add to costs etc.	As above.
Mining Act	Department of Mines & Energy	<p>Creates a regime for the valid grant of mining tenure in the NT, together with ongoing regulation.</p> <p>Miner's Right (s.9) Exploration Licence (Div 2, s.16) Exploration Retention Licence (s.38) Mineral Leases (Part VI) Mineral Claims (Part VII) Extractive Mineral Lease (Part VIII) Extractive Mineral Permit (Part VIII)</p>	A review is being conducted and a draft report prepared. Completion of the Review is confirmed as September 2001.

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Petroleum Act	Department of Mines & Energy	Regulates exploration and recovery of petroleum in NT. Grants exclusive rights, technical and financial prescriptions.	The conduct of this review is continuing.
Petroleum (Submerged Lands) Act	Department of Mines & Energy	Regulates exploration and recovery of petroleum in NT territorial seas. Grants exclusive rights, technical and financial prescriptions.	National review completed, endorsed by ANZMEC Ministers. Amendments to be developed by Commonwealth mid 2001. State and Territory mirror Commonwealth legislation.

Legislation not previously listed

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Merlin Project Agreement Ratification Act	Department of Mines and Energy	<p>The Merlin Project Agreement between the company and the Government and ratifying legislation is required for the operational aspects of the mine due to the special characteristics of diamonds which differ from most other minerals. This is due to diamonds being small in size and potentially high in value.</p> <p>The agreement and legislation provide a mechanism for levying royalties on mine production and imposing more stringent security provisions on the mine site than apply elsewhere on mines in the Northern Territory.</p>	The review has not commenced.

Department of Mines & Energy

Energy Pipelines Act

The *Energy Pipelines Act* establishes the regulatory framework for the construction, operation and maintenance of energy pipelines in the Territory. The review of the Act was completed and submitted to Government in September 2000. The review found that the anti-competitive provisions of the Act were justified in the public interest and hence recommended no change.

Terms of Reference

- (a) Clarify the objectives of the legislation;
- (b) Identify the nature of the restrictions on competition;
- (c) Analyse the likely effect of the restriction on competition and on the economy generally;
- (d) Assess and balance the costs and benefits of the restrictions;
- (e) Consider alternative means for achieving the same result including non-legislative approaches.

The potential impact of the Act on competition is rated low or '*lightly restrictive*' compared with other more significant legislation administered by the Department.

Review Process

An internal review was conducted with the opportunity for public comment. The CEO approved the Terms of Reference. Letters were sent to identified stakeholders and advertisements placed in appropriate local newspapers with Territory coverage inviting comment on the review. An independent Review Committee was appointed with membership drawn from the central agencies to ensure transparency and independent assessment of the process.

The review identified licensing provisions and entry requirements, the application of safety and environmental standards, requirements for minimum technical qualifications for pipeline operator employees and other restrictions on production processes as representing restrictions on competition. The review team assessed the potential impact of the anti-competitive provisions as low or '*lightly restrictive*'.

Review Findings

The Review assessed the restrictions on competition, inherent in the *Pipelines Energy Act*, as imposing net public benefits on the wider community. It was considered that the potential public safety and environmental benefits derived from regulating the construction and operation of energy pipelines were likely to exceed direct enforcement, industry compliance and broader economic costs.

The review also found that less stringent regulatory approaches, such as negative licensing, co-regulation and self-regulation, were unlikely to achieve the objectives of the Act more efficiently than the existing legislative framework.

Oil Refinery Agreement Ratification Act

The Act imposes certain conditions on the Mereenie Joint Venture (MJV) partners in respect of investigating the possibility of constructing an oil refinery in Alice Springs to process local crude oil. Following investigation during the mid-1980's, the proposed refinery was found to be uneconomic due to a number of factors including: the quality of the crude oil; limited local market; and fluctuations in world prices. The legislation has in effect languished since that time.

The review was completed and submitted to Government in September 2000. It was recommended that no change be made, acknowledging that while the usefulness of the Act is no longer relevant, repeal is not justified in terms of the National Competition Principles. It was recommended that repeal be best dealt with at the time of the renewal of the Central Australian Mereenie petroleum leases are due to be re-negotiated in 2002/2003.

Terms of Reference

- (a) Clarify the objectives of the legislation;
- (b) Identify the nature of the restrictions on competition;
- (c) Analyse the likely effect of the restriction on competition and on the economy generally;
- (d) Assess and balance the costs and benefits of the restrictions;
- (e) Consider alternative means for achieving the same result including non-legislative approaches.

Its potential impact on competition was assessed as low or '*lightly restrictive*' compared with other more significant legislation administered by the Department.

Review Process

An internal departmental review was conducted with the CEO approving the Terms of Reference and the Departmental Board of Management acting in the capacity of a review body. An independent steering committee was appointed to provide a sufficient level of transparency and independent assessment of the review process. Membership was drawn from the Department of Mines and Energy, Treasury, Attorney-General's and the Office of Resource Development.

This was an internal review as the Act was assessed as having only "*very slight*" anti-competitive restrictions. There was no direct discussion with the MJV as the partner's views are well known to the Department through constant contact between the two over other petroleum matters. The MJV informal response was neutral on the issue of repeal or continuation and saw no anti-competitive elements in the legislation.

Review Findings

While the Act and Agreement represent measures that are potentially anti-competitive, their retention was found to be justified in terms of achieving the regional development objectives of the legislation. However, the repeal of the Act was advocated on the basis of lack of relevance.

Chapter 11 - Health and Pharmaceutical Services

Status of Outstanding Legislation Reviews**Legislation previously listed**

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Health Practitioners and Allied Professionals Registration Act	Territory Health Services	Provides for the registration of: <ul style="list-style-type: none"> • Aboriginal Health Worker • Chiropractor • Occupational Therapist • Osteopath • Physiotherapist • Psychologist and the regulation of these occupations.	Independent review completed April 2000. Government due to consider review outcomes in March 2001.
Dental Act	Territory Health Services	Provides for the registration of Dentists and the regulation of the practice of dentistry.	Independent review completed April 2000. Government to consider review outcomes in March 2001
Medical Act	Territory Health Services	Provides for the registration of medical practitioners.	Independent review completed April 2000. Government to consider review outcomes in March 2001
Optometrists Act	Territory Health Services	Provides for the registration of Optometrists and the regulation of the practice of optometry.	Independent review completed April 2000. Government to consider review outcomes in March 2001
Poisons and Dangerous Drugs Act	Territory Health Services	Regulates the manufacture, sale, supply, storage, possession and use of poisons and dangerous drugs	National review of Drugs, Poisons and Controlled Substances Legislation completed and presented to the Australian Health Ministers Conference (AHMC) in December 2000. The Australian Health Ministers' Advisory Council, in consultation with the Agriculture and Resource Management Council of Australia and New Zealand, is currently preparing a proposed response for consideration by AHMC.

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Pharmacy Act	Territory Health Services	Provides for the registration of Pharmacists and the regulation of the practice of pharmacy.	National Review completed and forwarded to CoAG Senior Officials Working Group for consideration. Senior Officials Working Group yet to report to CoAG.
Radiation (Safety Control) Act	Territory Health Services	Controls and regulates the possession, use, transport and storage of radioactive substances and irradiating apparatus.	National NCP review of radiation control legislation commenced in August 2000 and is expected to be complete in March 2001.
Radiographers Act	Territory Health Services	Provides for the registration of Radiographers and the regulation of the practice of radiography.	Independent review completed April 2000. Government due to consider review outcomes in February 2001.

Legislation not previously listed

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Nursing Act 1999	Territory Health Services	Provides for the registration of nurses and the regulation of the practice of nursing.	Independent review completed April 2000. Cabinet due to consider review outcomes in March 2001.
Poisons and Dangerous Drugs Act (Prescribing Rights)	Territory Health Services	Regulates the authorisation of supply of controlled substances for therapeutic purposes.	An independent review commenced in September 2000. An issues paper is due for public release in February 2001.
Therapeutic Goods and Cosmetics Act	Territory Health Services	The Act regulates the manufacture, distribution, labeling and advertising of therapeutic goods and certain articles of food, to make provision in relation to standards for therapeutic goods and cosmetics and goods for veterinary use only, and for related purposes.	National review of Drugs, Poisons and Controlled Substances Legislation completed and presented to the Australian Health Ministers Conference (AHMC) in December 2000. The Australian Health Ministers' Advisory Council, in consultation with the Agriculture and Resource Management Council of Australia and New Zealand, is currently preparing a proposed response for consideration by AHMC.

Department of Local Government

Cemeteries Act

A review of the *Cemeteries Act* and Regulations was completed in August 2000. In undertaking the internal review, the Department of Local Government invited comments from individually identified stakeholders. Public notices of the review were also placed in Territory newspapers. The review's terms of reference were consistent with NCP guidelines.

The review noted that sections 13A, 14 and 15 unduly restrict competition. Section 13A stipulates that burials be undertaken by those holding a licence to do so, though such licences have previously been issued on an annual basis. The review reasoned that licences should also be issued on a per-burial basis, in the case of persons closely associated with the deceased (eg family member). Sections 14 and 15 limit the operation of crematoriums to public cemeteries, effectively establishing a public monopoly. It was concluded that a more beneficial outcome would be to allow competition, on the proviso that businesses receive public health approval from the relevant Minister. The review recommended amendments to sections 13A, 14 and 15 of the Act, to allow the granting of "one-off" licences for individuals undertaking the burial of family or close associates, and allow the establishment of crematoriums outside of public cemeteries.

The review report was considered by the Government during September 2000 and its recommendations were implemented with the passing of the *Cemeteries Amendment Act 2000* on 29 November 2000.

Territory Health Services

Medical Services Act

An independent review was completed by the Centre for International Economics in April 2000. The review steering committee included officers from the Departments of the Chief Minister, Treasury and Health. A copy of the final review report is attached at Appendix 2.

Government noted the outcomes of the review. However, no amendments will be made to the Act, pending the outcomes of a separate ongoing review of medical services framework legislation. Given that the Act is NCP compliant in its current form, it is not in the public interest to devote scarce resources to amending the Act when such amendments may well be superseded in the foreseeable future.

Private Hospitals and Nursing Homes Act

An independent review was completed by the Centre for International Economics in April 2000. The review steering committee included officers from the Departments of the Chief Minister, Treasury and Health. A copy of the final review report is attached at Appendix 3.

Government proposes to implement all of the review recommendations, but one - the Government has delayed giving further consideration to splitting the legislation into separate Acts, pending the outcomes of an ongoing review of medical services framework legislation. It is not in the public interest to make amendments to the Act (which are not necessary for NCP compliance) when such amendments may well be superseded in the foreseeable future.

Public Health Act and Regulations

An independent review was completed by the Centre for International Economics in April 2000. The review steering committee included officers from the Departments of the Chief Minister, Treasury and Health. A copy of the final review report is attached at Appendix 4.

Government accepted the review recommendation that no amendment be made to the Act, pending the adoption of replacement legislation. Any new legislation will be subject to a regulatory impact assessment to ensure compliance with NCP.

Status of Outstanding Legislation Reviews**Legislation not previously listed**

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Legal Practitioners Act	Attorney-General's Department	The Act provides for regulation of legal practitioners. It also contains various regulatory controls over the providers of indemnity insurance that may be provided to legal practitioners.	Review due to be completed in December 2001.
Legal Practitioners (Incorporation) Act	Attorney-General's Department	An Act to Consolidate and amend the law relating to the incorporation of legal practices.	Review due to be completed in December 2001.

Chapter 13 – Other Professional and Occupational Licensing

Status of Outstanding Legislation Reviews**Legislation previously listed**

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Auctioneer's Act	Department of Industries and Business	Auctioneer's Licence (s.4) Auctioneer's Clerk Licence (s.8E)	Review is currently underway.

Department of Industries and Business

Agent's Licensing Act

Please refer to Appendix 5 for copies of the Issues Paper and Final Report.

The Government approved the recommendations contained in the Report in November 2000.

The Centre for International Economics had suggested that an investigation be made “of the possibility of tendering out sole rights to deliver realty education.” The establishment of a mandated sole-provider has not been supported at this time. The use of monies from the Fidelity Fund for educational purposes and the best method of delivery of those educational services is to be considered in a wider assessment of the purposes of the Fund.

To this end, Government has approved a wider non-NCP specific review of the Act, including the preferred structure for the administration of this Act.

Commercial & Private Agents Act

Please refer to Appendix 6 for copies of the Issues Paper and Final Report.

The Government approved the recommendations made in the Report and approved legislation to transfer the licensing function from the Local Court to the Commissioner for Consumer Affairs, and to introduce fixed three-year licences in lieu of indefinite licences. The legislation was enacted in 2000. It awaits commencement.

Motor Vehicle Dealers Regulations

Please refer to Chapter 14 – Fair Trading Legislation and Consumer Legislation and to the copies of the Issues Paper and Final Report for the Review of the Consumer Affairs and Fair Trading Act located at Appendix 7.

Chapter 14 – Fair Trading Legislation and Consumer Legislation

Status of Outstanding Legislation Reviews**Legislation previously listed**

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Consumer Affairs and Fair Trading Act: Travel Agents Provision	Department of Industries and Business	Travel Agents Licence.	The final report has been distributed for public comment. The responses are to be considered by the Ministerial Council for Consumer Affairs.

Department of Industries and Business

Consumer Affairs and Fair Trading Act

Tow Truck Operators; Pawnbrokers and Second-hand dealers; Motor Vehicle dealers; door-to-door sales and credit providers provisions

Please refer to Appendix 7 for copies of the Issues Paper and Final Report.

In November 2000, the Government approved the recommendations contained in the Report except in relation to Part 8 and, in relation to Part 10, that the requirements for the approval of Motor Vehicle Dealer Managers be removed.

Part 8: (Fair Reporting)

The review team recommended the Part be repealed, but such action be deferred until a report on the databases is received and the implications for the fair reporting provisions are determined.

This was not supported as Part 8 entitles Northern Territory residents to wider information that may be held about them other than just credit information. There are negligible costs to business in providing the information or access to the information. Accordingly, it was considered that the incremental benefits of the provision outweigh the additional costs of providing access to non-credit related information.

Part 10: Motor Vehicle Dealers.

The recommendation that the requirement for licensees to submit annual reports be removed was supported but instead, the Commissioner will be given the power to inspect and copy financial records and may require the licensee to submit to (and pay for) an audit of the operations as required.

The review team recommended that the requirements for licensing motor vehicle dealer managers be removed. This was not supported. The costs to industry are low (\$50 for a manager's licence), while potential costs to consumers associated with not having a designated responsible person on site could be significant. Also, the licensing of motor vehicle dealer managers allows for the screening of motor vehicle dealers and helps provide confidence to consumers that the person is reputable.

Chapter 15 – Finance, Insurance and Superannuation Services

Status of Outstanding Legislation Reviews

Legislation previously listed

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Work Health Act and Work Health (Occupational Safety) Regulations	Department of Industries and Business	<p>Establishes Authority and sets requirements for occupational health and safety. Registration requirements for 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>Workers compensation claims management.</p>	A full public review has been conducted by the Centre for International Economics. The Centre completed its Report in September 2000. The report is currently under consideration.

Financial Services

While the Commonwealth is responsible for much of the regulation of the financial sector, the Territory Government has a relatively minor regulatory role in areas such as licensing and registration. Much of the legislation applying to financial operations in the Territory has been reviewed with the results reported in previous annual reports to the National Competition Council.

The Northern Territory Government has conducted reviews of the three pieces of legislation that have relevance to the financial sector, namely the *Building Societies Act and Regulations*, the *Financial Institutions Duty Act* and the *Financial Management Act*. The guiding principle underpinning the reviews was that legislation should not restrict competition unless:

- the benefits of restrictions on competition to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

Review Outcomes

Building Societies Act and Regulations

The Act imposed licensing and registration requirements on Building Societies operating in the Territory. The legislation was repealed on 27 May 1998. Non-bank financial institutions in the Territory are regulated under Commonwealth legislation, including the *Australian Securities and Investment Commission Act* and the *Australian Prudential Regulation Authority Act*.

Financial Institutions Duty Act

The Act requires the registration of financial institutions and the certification of short-term dealers by the Northern Territory Government for the purposes of collecting Financial Institutions Duty. The review found that the registration and certification requirements were legitimate administrative arrangements for revenue collection purposes and did not represent significant barriers to market entry. Accordingly, the review recommended no change to the legislation. Government endorsed the review in July 1998.

Financial Management Act

The *Financial Management Act* (FMA) provides the legislative framework for the Territory Government's financial management. Northern Territory Treasury reviewed the FMA in 1997. Government subsequently approved the review in July 1998.

The review identified Sections 27 and 29 of the FMA as representing potential restrictions on competition. The anti-competitive effect of Section 27 (requiring the Government to hold an account with a specified financial institution) was removed with the passing of the *Financial Institutions (Miscellaneous Amendments) Act*.

Section 29 provides the Treasurer with the authority to invest funds on behalf of the Territory, provided these investments are in:

- securities of, or guaranteed by State, Territory or Commonwealth Governments;
- securities in statutory bodies guaranteed by State, Territory or Commonwealth Governments; and/or
- a body corporate or bank that has an approved credit rating.

The review found that the investment guidelines, embodied in Section 29, are comparable to the investment guidelines of any financial institution, except that they are given authority in law as opposed to being an internal organisational mandate. The guidelines were considered necessary to ensure the prudent investment of taxpayer funds.

The benefits, which accrue to both Government and the taxpayer in terms of reduced risk exposure, accountability, transparency, certainty and a better than market return on investment were assessed as outweighing the relatively minor costs associated with prescriptive, low risk investment guidelines. As such, Section 29 of the *Financial Management Act* was found to confer a net public benefit.

General Insurance

Territory Insurance Office Act

The *Territory Insurance Office Act* establishes the Territory Insurance Office (TIO) and regulates its operations. The TIO and Northern Territory Treasury undertook a joint review of the *Territory Insurance Office Act* in mid 1999.

The review identified a number of provisions of the Act that were considered to represent potential restrictions on competition:

Section 5(a), which established TIO as the insurer of assets and prospective liabilities of the Territory and statutory corporations;

Section 5(c), which designated TIO as the sole administrator of the Territory's compulsory motor accident compensation scheme; and

Section 30, which provides a government guarantee on TIO's deposits and contracts of insurance.

The review found that other provisions of the Act that may restrict competition were adequately addressed through the application of competitive neutrality principles to the TIO.

In relation to sections 5(a) and 5(c), the review recommended the Act be amended to remove the potential restrictions on competition. The Government accepted the review's findings and the necessary amendments were passed during the Legislative Assembly sittings in November 2000.

The review found that the government guarantee (Section 30) conferred a competitive advantage on the TIO as it can borrow funds at a rate based on the Territory Government's risk profile. The review identified two potential options:

- evaluate the value of the guarantee and impose a commensurate guarantee fee on the TIO; or
- repeal Section 30 so the guarantee no longer applies.

The review determined that the repeal of section 30 would have little effect on the market perception of TIO's risk as it would continue to operate under government ownership. Consequently, in order to address competitive neutrality concerns, it was recommended that TIO pay the Government for the value of the guarantee. A consultant (Westpac Risk Advisory) was subsequently appointed to assess the monetary value of the guarantee. The consultant's report is expected to be finalised by the end of March 2001 for subsequent consideration by the Government.

Compulsory Motor Accident Compensation

Motor Accidents (Compensation) Act

The Northern Territory Government operates a no fault, compulsory motor accident compensation scheme. The scheme is established under the *Motor Accidents (Compensation) Act* (MACA). The Territory Insurance Office is the administrator of the scheme with premiums and benefit levels being set by government.

In August 2000, the Northern Territory Treasury commissioned Taylor Fry Consulting Actuaries and Professor Stephen King to review the *Motor Accidents (Compensation) Act* together with part V and section 137B of the *Motor Vehicles Act*.

The review was overseen by a steering committee comprised of Northern Territory Treasury, Attorney General's and Department of Transport and Works officials. As input to the review, public comments were invited via advertisements in Territory newspapers. Also, the review was conducted in accordance with standard terms of reference for National Competition Policy legislation reviews.

The review was finalised in late 2000 and Government is expected to consider the review report in the near future.

Superannuation

The Northern Territory reviewed its public sector superannuation arrangements in 1998. The Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS) and the Northern Territory Supplementary Superannuation Scheme (NTSSS) were closed to new entrants on the 10 August 1999. All new employees are free to choose any complying superannuation fund.

Chapter 16 – Retail Trading Arrangements

Status of Outstanding Legislation Reviews**Legislation previously listed**

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Liquor Act	Department of Industries and Business	Provides for the regulation of the sale of alcohol. Licence requirement for the Sale of Liquor (s.24) Special Licences (s.57) Wholesalers of Liquor (s.113A)	Draft review report is currently being finalised. Will be released for public comment.

General Education Services

The *Northern Territory Education Act* was not listed for review at the time the National Competition Policy Agreements were signed in 1995. The Northern Territory Department of Education therefore has no progressive timeline in place for review of the Act.

The decision not to list the Act for review is currently under assessment and the Department has agreed to advise in due course of its position in relation to this.

Vocational Education and Training

The Northern Territory Employment and Training Authority Act (1999) was reviewed to reflect the then current policy of national recognition and mutual decision making by all state and territory training authorities. Reference at the time was made to National Competition Policy and the current legislation was deemed to not have any impediments to national competition. This was done even though the Northern Territory Employment and Training Authority Act was not listed for a specific review against National Competition Policy.

Chapter 18 – Social Regulation with Implications for Competition

Status of Outstanding Legislation Reviews

Department of Industries and Business

Gaming Control Act and Regulations

A full public review of the Gaming Control Act and Regulations is underway. The Review Steering Committee is made up of representatives from the Northern Territory Attorney-Generals' Department, the Department of Industries and Business and the Department of the Chief Minister. Reviews are being conducted by the Policy and Legislative Development Unit, the Planning and Strategic Development Division in the Department of Industries and Business.

Terms of Reference

1. The review of the Gaming Control Act and Regulations shall be conducted in accordance with the principles for legislation review set out in the Competition Principles Agreement. The underlying principle for such a review is that legislation should not restrict competition, unless it can be demonstrated that:
 - The benefits of the restriction to the community as a whole outweigh the costs; and
 - The objective of the legislation can only be achieved by restricting competition.
2. Without limiting the scope of the review, the review is to:
 - Clarify the objectives of the legislation;
 - Identify the nature of the restrictive effects on competition;
 - Analyse the likely effect of the identified restriction on competition and the economy generally;
 - Assess and balance the costs and benefits of the restrictions identified; and
 - Consider alternative means for achieving the same results, including non-legislative approaches.
3. When considering the matters referred to in clause 2 of these terms of reference, the review should also:
 - Identify any issues of market failure which need to be, or are being, addressed by the legislation; and
 - Consider whether the effects of the legislation contravene the competitive conduct rules in Part IV of the Trade Practices Act 1974 and the Northern Territory Competition Code.
4. The review shall consider and take account of relevant regulatory schemes in other Australian jurisdictions and any recent reforms, or reform proposals, including those arising out of National Competition Policy (NCP) reviews conducted in those jurisdictions.
5. The review shall consult with and take submissions from industry, consumers and the wider community.

Status of review

Issues Papers being finalised, taking account of recent gambling policy changes and such NCP matters as the Gambling Discussion Paper (October 2000) and the Third Tranche Assessment Framework (February 2001).

Gaming Machine Act and Gaming Machine Regulations

The Act provides for the licensing of gaming machines in community venues - establishes limits and controls on numbers of machines and locations.

A full public review of the *Gaming Machine Act and Gaming Machine Regulations* is underway. The Review Steering Committee is made up of representatives from the Northern Territory Attorney-Generals' Department, the Department of Industries and Business and the Department of the Chief Minister.

Reviews are being conducted by the Policy and Legislative Development Unit, the Planning and Strategic Development Division in the Department of Industries and Business.

Terms of Reference

1. The review of the Gaming Machine Act and Gaming Machine Regulations shall be conducted in accordance with the principles for legislation review set out in the Competition Principles Agreement. The underlying principle for such a review is that legislation should not restrict competition, unless it can be demonstrated that:
 - The benefits of the restriction to the community as a whole outweigh the costs; and
 - The objective of the legislation can only be achieved by restricting competition.
2. Without limiting the scope of the review, the review is to:
 - Clarify the objectives of the legislation;
 - Identify the nature of the restrictive effects on competition;
 - Analyse the likely effect of the identified restriction on competition and the economy generally;
 - Assess and balance the costs and benefits of the restrictions identified; and
 - Consider alternative means for achieving the same results, including non-legislative approaches.
3. When considering the matters referred to in clause 2 of these terms of reference, the review should also:
 - Identify any issues of market failure which need to be, or are being, addressed by the legislation; and
 - Consider whether the effects of the legislation contravene the competitive conduct rules in Part IV of the Trade Practices Act 1974 and the Northern Territory Competition Code.
4. The review shall consider and take account of relevant regulatory schemes in other Australian jurisdictions and any recent reforms, or reform proposals, including those arising out of National Competition Policy (NCP) reviews conducted in those jurisdictions.
5. The review shall consult with and take submissions from industry, consumers and the wider community.

Status of review

Issues Papers being finalised, taking account of recent gambling policy changes and such NCP matters as the Gambling Discussion Paper (October 2000) and the Third Tranche Assessment Framework (February 2001).

Racing and Betting Act & Racing and Betting Regulations

A full public review of the *Racing and Betting Act & Racing and Betting Regulations* is underway. The Review Steering Committee is made up of representatives from the Northern Territory Attorney-Generals' Department, the Department of Industries and Business; and the Department of the Chief Minister. Reviews are being conducted by the Policy and Legislative Development Unit, the Planning and Strategic Development Division in the Department of Industries and Business

Terms of Reference

1. The review of the Racing and Betting Act and Regulations shall be conducted in accordance with the principles for legislation review set out in the Competition Principles Agreement. The underlying principle for such a review is that legislation should not restrict competition, unless it can be demonstrated that:
 - The benefits of the restriction to the community as a whole outweigh the costs; and
 - The objective of the legislation can only be achieved by restricting competition.

2. Without limiting the scope of the review, the review is to:
 - Clarify the objectives of the legislation;
 - Identify the nature of the restrictive effects on competition;
 - Analyse the likely effect of the identified restriction on competition and the economy generally;
 - Assess and balance the costs and benefits of the restrictions identified; and
 - Consider alternative means for achieving the same results, including non-legislative approaches.
3. When considering the matters referred to in clause 2 of these terms of reference, the review should also:
 - Identify any issues of market failure which need to be, or are being, addressed by the legislation; and
 - Consider whether the effects of the legislation contravene the competitive conduct rules in Part IV of the Trade Practices Act 1974 and the Northern Territory Competition Code.
4. The review shall consider and take account of relevant regulatory schemes in other Australian jurisdictions and any recent reforms, or reform proposals, including those arising out of National Competition Policy (NCP) reviews conducted in those jurisdictions.
5. The review shall consult with and take submissions from industry, consumers and the community.

Totalisator Administration and Betting Act

Status at as 31 December 2000

The Act has been repealed and replaced by the new *Totalisator Licensing and Regulation Act*, which was passed and commenced in July 2000.

Territory Health Services

Community Welfare Act

Provides for the protection and welfare of children etc. and the licensing of Child Care Centres (Div 2).

Status at as 31 December 2000

Independent Review completed in April 2000. The Northern Territory Government is due to consider outcomes in February 2001.

NT Treasury

Sale of NT TAB Act

Totalisator Licensing and Regulation Act

Background

A review of Northern Territory parimutuel wagering legislation commenced in the latter half of 2000 and was finalised in February 2001. The review included the *Sale of the NT TAB Act* and the *Totalisator Licensing and Regulation Act*. The review report is yet to be considered by Government. Accordingly, a brief overview of the legislation and the review process is provided below while information on the review's findings and the Government's response will be included in next year's annual report.

Northern Territory Parimutuel Wagering Legislation

The *Sale of the NT TAB Act* provided the legislative basis for the sale of the business operations and assets that constituted the NT TAB. The Act triggered the enactment of the *Totalisator Licensing and Regulation Act*, which establishes the regulatory arrangements for parimutuel wagering in the Territory. Essentially, the *Totalisator Licensing and Regulation Act* defines the powers and functions of the Northern Territory Licensing Commission with respect to the parimutuel wagering industry.

Review Process

The review of the *Sale of the NT TAB Act* and the *Totalisator Licensing and Regulation Act* was undertaken by the Centre for International Economics (CIE). The review was overseen by an independent steering committee comprised of representatives from Northern Territory Treasury, the Department of the Chief Minister and the Department of Industries and Business.

The terms of reference for the review and the format of the review report are based on National Competition Council endorsed guidelines. An advertisement calling for public submissions to the review was placed in all major Territory newspapers while key stakeholders were contacted directly for review input.

The recently finalised review report is expected to be submitted to Government for approval shortly.

Chapter 19 – Planning, Construction and Development

Status of Outstanding Legislation Reviews**Legislation previously listed**

Name of Legislation	Agency	Description/Restrictions	Status at as 31 December 2000
Architects Act	Department of Lands, Planning and Environment	Architect's registration. Certifying Architects Registration	Commonwealth Commissioned Productivity Commission to conduct national review. National Review report completed 8 August 2000 and publicly released 16 November 2000. Northern Territory is participating in an intergovernmental working group to develop a joint response to the Productivity Commission Review and report to CoAG Senior Officials.
Building Act	Department of Lands, Planning and Environment	Provides for the establishment of technical standards for buildings, the registration of practitioners and certifiers, the regulation of building matters (including the registration of building products) and granting of permits and establishes appeals processes.	NCP review outcomes to be incorporated in general review of Act now underway.

Department of Lands, Planning and Environment

Licensed Surveyors Act

The review report and Government's response have been previously provided to the National Competition Council as requested.

Planning Act

The review report and Government's response have been previously provided to the National Competition Council as requested.

Department of Industries and Business

Electrical Workers and Contractors Act

Please refer to Appendix 8 for copies of the issues paper and the Final Report.

In November 2000, the Government approved the recommendations contained in the report. The necessary amendments are to be made following a review of the administrative structures supporting the Act.

Plumbers and Drainers Licensing Act

Please refer to Appendix 9 for copies of the issues paper and the Final Report.

The Government has approved the recommendations contained in the report.

Chapter 20 – Other Third Tranche Obligations

New Legislation

In the Northern Territory, all formal proposals regarding new legislation are required to include analysis of any anti-competitive provisions. Where anti-competitive provisions are identified the relevant Government agency is required to undertake a comprehensive review of the proposed legislation.

National Standards Setting

The Northern Territory will cover this matter following the Council's assessment of the compliance report to be provided by the Commonwealth Office of Regulation Review.

Conduct Code obligations

1. Section 111(4) of the *Electricity Reform Act* provides:

“The Regulations may provide that any act or thing, or kind of act or thing, of or relating to an electricity entity or a related body corporate of an electricity entity is authorised for a particular period for the purposes of Part IV of the *Trade Practices Act 1974* of the Commonwealth.”

2. Section 118(4) of the *Water Supply and Sewerage Services Act* provides:

“The Regulations may provide that any act or thing, or kind of act or thing, of or relating to a licensee or a related corporation of a licensee is authorised for a particular period for the purposes of Part IV of the *Trade Practices Act 1974* of the Commonwealth. “

3. Section 13 of the *Year 2000 Information Disclosure Act 1999* provides:

“(1) Section 45 of the Competition Code of the Territory does not apply in relation to –

- (a) a contract or arrangement made –
 - (i) after the commencement of this section; and
 - (ii) before 1 July 2001; or
- (b) an understanding arrived at –
 - (i) after the commencement of this section; and
 - (ii) before 1 July 2001,

to the extent to which the contract, arrangement or understanding provides for the disclosure and/or exchange of information, by any or all of the parties to the contract, arrangement or understanding, for the sole purpose of facilitating any or all of the following:

- (c) the detection of problems relating to Year 2000 processing;
- (d) the prevention of problems relating to Year 2000 processing;
- (e) the remediation of problems relating to Year 2000 processing;
- (f) awareness of the consequences or implications, for the supply of goods or services, of problems relating to Year 2000 processing;
- (g) contingency planning, risk management, remediation efforts or other arrangements for dealing with consequences or implications referred to in paragraph (f);
- (h) awareness of the consequences or implications, for the activities or capabilities of a person, of problems relating to Year 2000 processing;

- (j) contingency planning, risk management, remediation efforts or other arrangements for dealing with consequences or implications referred to in paragraph (h).
- (2) Section 45 of the Competition Code of the Territory does not apply in relation to –
- (a) a contract or arrangement proposed to be made –
 - (i) after the commencement of this section; and
 - (ii) before 1 July 2001; or
 - (b) an understanding proposed to be arrived at –
 - (i) after the commencement of this section; and
 - (ii) before 1 July 2001,

to the extent to which the proposed contract, arrangement or understanding would provide for the disclosure and/or exchange of information, by any or all of the parties to the proposed contract, arrangement or understanding, for the sole purpose of facilitating any or all of the following:

- (c) the detection of problems relating to Year 2000 processing;
- (d) the prevention of problems relating to Year 2000 processing;
- (e) the remediation of problems relating to Year 2000 processing;
- (f) awareness of the consequences or implications, for the supply of goods or services, of problems relating to Year 2000 processing;
- (g) contingency planning, risk management, remediation efforts or other arrangements for dealing with consequences or implications referred to in paragraph (f);
- (h) awareness of the consequences or implications, for the activities or capabilities of a person, of problems relating to Year 2000 processing;
- (j) contingency planning, risk management, remediation efforts or other arrangements for dealing with consequences or implications referred to in paragraph (h)."

The Competition Code is the Northern Territory version of Part IV of the *Trade Practices Act 1974*.

In respect of the provisions of the *Electricity Reform Act* and the *Water Supply and Sewerage Services Act*, no regulations have been made that state that they authorise acts or things for the purposes of Part IV of the *Trade Practices Act 1974*. Accordingly, the view is taken that there is no requirement to notify the Australian Competition and Consumer Commission of the making of these laws.

In respect of the *Year 2000 Information Disclosure Act 1999*, it appears that, due to an administrative oversight, there was no giving of the notice to the ACCC with 30 days as required by clause 2(1) of the Conduct Code Agreement. The Northern Territory notified both the ACCC and the NCC on 9 April 2001.

Non priority legislation review areas – review incomplete or not considered by NT Government

The following provides an update on legislation reviews that are not yet complete or that have not yet been considered by the Northern Territory Government and that are not identified as Third Tranche priority areas. Legislation that was not listed in the Northern Territory's review program in 1996 has now been reported in this Annual Report.

Legislation previously listed

Name of Legislation	Agency	Description/Restrictions	Status as at 31 December 2000
Trade Development Zone Act	Trade Development Zone Authority	Licence to Operate in the Trade Development Zone (s.21,28)	The review of the Trade Development Zone Act is still underway.
Places of Public Entertainment Act	Department of Local Government	Controls places of public entertainment – Public Entertainment Licence (s.6)	Review expected to be finalised in March 2001.

Legislation not previously listed

Name of Legislation	Agency	Description/Restrictions	Status as at 31 December 2000
Companies (Trustees and Personal Representatives) Act	Attorney-General's Department	The Act enables certain companies to act as trustees and personal representatives.	Review is due to be completed in March 2001.
Public Trustees Act	Attorney-General's Department		Review is due to be completed in May 2001.
Hotel Keepers Act	Department of Industries and Business	The Act regulates the liabilities and rights of hotelkeepers.	Draft report being finalised.
Private Security Act	Department of Industries and Business	Provides for the regulation of the provision of security services and for related purposes.	Final report being prepared.
Procurement Act and Regulations	Department of Industries and Business	Provides for the procurement of supplies for the purposes of the Territory and Agencies, and for related purposes.	Review report drafted and further amendments being made.
Retirement Villages Act and Regulations	Department of Industries and Business	Regulates the operation of retirement villages and to confer on the courts powers in respect of certain matters relating to retirement villages and for related purposes.	Review underway.

Name of Legislation	Agency	Description/Restrictions	Status as at 31 December 2000
Trade Measurement Act	Department of Industries and Business	Makes provision with respect to trade measurement in the Northern Territory as part of the scheme for uniform trade measurement legislation throughout Australia.	National Review. The report is to be considered by Standing Committee on Consumer Affairs Commissioners.
Trade Measurement (Administration) Act	Department of Industries and Business	Makes provision with respect to the administration of the <i>Trade Measurement Act</i> , and for related purposes.	Review contingent on outcome of Trade Measurement Act.
Adoption of Children Act	Territory Health Services	Governs the adoption of children within the Northern Territory. It restricts market entry by limiting the organisation and approval of adoptions to the Minister or persons approved by the Minister (s.74)	Review due to commence early 2001.
Tobacco Act	Territory Health Services	Restricts the packaging, sale and supply of tobacco products, all functions which potentially restrict competition.	Review due to commence early 2001.
Cooperatives Act	Department of Industries and Business	Provides a legislative framework for the formation, registration and management of co-operatives that enables flexibility in the operation of co-operatives and promotes the development of co-operatives.	Draft report being finalised.
Kava Management Act	Department of Industries and Business	Prohibits and regulates the cultivation, manufacture, production, possession and supply of kava, to encourage responsible practices and procedures in relation to the possession, supply and consumption of kava and for related purposes.	Consultation complete, report being prepared.
Residential Tenancy Act	Department of Industries and Business	Regulates the relationship of landlord and tenant under residential tenancy agreements.	Draft report being finalised.

Territory Health Services has identified the following legislation, which was not previously listed for review, as containing anti-competitive provisions, but believes that the potential restrictions on competition inherent in the Acts are supported by strong public benefit cases. Accordingly, Territory Health Services considers that a National Competition Policy reviews of the legislation is not warranted.

Human Tissue Transplant Act

The Act gives effect to the recommendations of a 1977 Australian Law Reform Commission Report entitled *Human Tissue Transplant** and is modelled on a draft Bill attached to that report. All Australian States and Territories have enacted similar legislation.

The implicit objectives of the Act appear to be a) to protect the health and safety of the community against the unauthorised removal, use of, and trade in, human tissue; and b) to protect medical practitioners from legal action arising from the legitimate removal and use of human tissue for therapeutic or scientific purposes.

The Act is clearly anti-competitive in that it prohibits trading in human tissue. This prohibition seems to be based on two factors:

- the basic principle in Australian health care of equal access to medical care for all, regardless of capacity to pay; and
- that most Australians would find the concept of buying priority access to donor organs ethically repugnant.**

The “market” for human tissue, particularly major organs, is characterised by a very strong demand and weak supply. Approximately 5-30% of those on waiting lists do not live to receive an organ transplant.#

The allocation of organs for transplant in Australia and New Zealand is undertaken in a coordinated fashion by several non-profit organisations including the Red Cross Blood Service and the South Australian Organ Donation Agency, in conjunction with state health authorities. Patients are matched to organs and tissues based on a number of factors including blood group and tissue typing, height and weight, medical urgency and time on the waiting list.###

The prima facie case for the retention of the anti-competitive features of the Act is strong.

The current system of resource (i.e. organ) allocation ensures the most efficient use of a scarce resource. That is, it maximises the benefits of donated tissue to the community by ensuring that recipients are selected principally according to medical outcomes, rather than on capacity to pay.

No realistic alternatives are available. An unrestricted human tissue market would likely result in an inequitable and inefficient allocation of resources and thus fail to protect the interests of the majority of potential consumers and the community as a whole. A loosening of the restrictions to allow regulated trading would be likely to incur significant administrative and enforcement costs with little or no benefit to the community as a whole. Either of these alternative approaches would also compromise the uniformity of approach to regulation of human tissue transplant in Australia.

Given the strength of the prima facie case that a) the restrictions are clearly in the public interest; and b) there are no realistic alternatives to achieving the objectives of the Act, the Northern Territory does not propose to further assess the Act against NCP criteria.

* Summary of the Australian Law Reform Commission Human Tissue Transplants Report, AustLII online database,

<http://www.austlii.edu.au/au/other/alrc/publications/reports/20years/vol2/Humantissuetransplants.html>

** Ethical issues raised by allocation of transplant resources – Ethical issues in organ donation Discussion Paper No. 3, National Health and Medical Research Council

Ethical issues raised by allocation of transplant resources – Ethical issues in organ donation Discussion Paper No. 3, National Health and Medical Research Council, p2.

Australian Red Cross Blood Service, <http://www.organ.redcross.org.au/how.html>

Notifiable Diseases Act

The Act provides for the declaration, treatment and containment of notifiable diseases. The implicit objectives of the Act appear to be a) to protect public health by facilitating the prevention of the spread of serious communicable disease; and b) to encourage blood donation by providing limited protection to blood donors, the Red Cross Blood society, hospitals and health care professionals against legal actions relating to transmission of blood borne disease.

Mandatory notification of serious infectious disease and endowment of a public office holder with significant powers to ensure effective containment of infectious disease are features of public health law in most, if not all, jurisdictions in the developed world.

There are no medical pathology companies based in the Territory. Whilst some testing and diagnosis is carried out by government health services laboratories, the vast bulk (approx. 95%) is undertaken by private interstate pathology businesses (Queensland Medical Laboratories in Brisbane and Western Diagnostics in Perth).

The notification requirements of the Act potentially restrict competition as they impose administrative costs on medical practitioners, pathology businesses and government. The costs incurred by business, which with the increasing use of electronic notification are unlikely to be of such a magnitude as to materially restrict competition (In 1998, the total number of notifications was 4, 157), are likely to be passed on to consumers through higher prices. Government costs are ultimately borne by taxpayers. The benefits (protection of public health through prompt notification and containment of serious infectious disease), which are shared by the community as a whole, clearly outweigh the costs.

The Act also empowers the Chief Health Officer to declare an area to be an 'isolation area' and control the movement of people and goods into and out of the area and within the area. These provisions have the potential to impose significant costs on business. However, the Act provides that any losses that result directly from an order under the Act by the Chief Health Officer are compensable by the Crown. Disagreements over the amount of compensation payable can be heard by the Local Court. Regardless of the compensatory mechanism, the benefits to the community as a whole of the exercise of the Chief Health Officer's powers are likely to significantly exceed the costs.

The Act provides limited legal protection to the Australian Red Cross Blood Service (ARCBS) in relation to infection through blood products, which is not made available to other organisations. This protection is, prima-facie, potentially anti-competitive in that it provides a competitive advantage. However, as the ARCBS is the sole provider of blood products in Australia and is funded largely by Commonwealth and State Governments, the restriction is potential rather than actual in nature.

There are no realistic alternatives to the current legislative approach. The importance of ensuring prompt reporting and the ability to implement effective containment responses to infectious disease control weigh heavily against the introduction of a non-mandatory notification scheme or reduction of the Chief Health Officers powers.

Given the strength of the prima facie case that a) the restrictions are clearly in the public interest; and b) there are no realistic alternatives to achieving the objectives of the Act, the Northern Territory does not propose to further assess the Act against NCP criteria.

Cancer Registration Act

The Act establishes a Registrar to record and, where appropriate, disseminate information relating to the incidence of cancer in the Territory. Such information is of significant epidemiological value. The notification provisions of the Act potentially restrict competition by imposing administrative costs on pathology businesses. However, given that these costs are not of such a magnitude as to materially restrict competition (In 1997, the total number of reported cases of cancer was 413), the Northern Territory does not propose to further assess the Act against NCP criteria.

Non priority legislation review areas – review complete and considered by NT Government**Legislation previously listed****Attorney-General's Department*****Classification of Publications, Films and Computer Games Act***

The Act is part of a national scheme which provides for the classification of films, videos, computer games and publications. It contains provisions which regulate the sale of such materials. Additionally, it contains a prohibition concerning the manufacture of 'X' style videos in the NT.

The review of the Classification of Publications, Films and Computer Games Act was completed in April 2000. The review was conducted by a review team established by the Northern Territory Attorney-General's Department. Comments were sought from State and Territory Government agencies in relation to NCP issues concerning the operation of the Classification of Publications, Films and Computer Games Act. A full public review was not considered necessary because:

- The Act is, in the main, comprised of offences created to reflect government policy positions on issues of morality.
- There is no evidence that these policy positions are under any challenge.
- Of the various regulatory options, the one in the Act is of the lightest kind. That is, there is no licensing or registration scheme and there is no payment of any fees required for activities in the Northern Territory.
- To the extent that the Act supports some heavy regulation (namely the requirement for the classification, on payment of a fee, of most videos, films and computer games and of some publications) the regulation is, for most practical purposes, national.

The review report found that the anti-competitive provisions in the Classification of Publications, Films and Computer Games Act can be justified as being in the public benefit and that there is no need to amend the Act.

The Northern Territory Government approved the recommendations of the review in 2000.

Department of Industries and Business***Prices Regulation Act***

Please refer to Appendix 10 for copies of the Issues Paper and the Final Report.

The Government agreed to the recommendations contained in the report.

Prostitution Regulation Act

Please refer to Appendix 11 for a copy of the Final Report.

This review was not the subject of separate public consultation as there have been several separate reviews of the operations of the Act and in relation to proposals to regulate brothels, over the last two years. In light of the previous publicity, the view was formed there did not appear to be any practical benefit to engage in further public discussion for the sole purpose of raising competition issues.

The Government adopted the recommendation contained in the Report to make no change to the substance of the scheme of regulation.

However, consistent with its policy of lessening the number of statutory bodies, the Government decided to abolish the Escort Agency Licensing Board and to transfer those functions to the Northern Territory Licensing Commission. This transfer became effective on 19 February 2001

Department of Local Government

Caravan Parks Act

A review of the *Caravan Parks Act* was completed in July 2000. In undertaking the internal review, the Department of Local Government invited comment from individually identified stakeholders. Public notices of the review were also placed in Territory newspapers. The review's terms of reference were consistent with NCP guidelines.

An important review finding was that the Act has been applied in a non-uniform manner. In 1975 a Ministerial declaration allowed under section 2 limited the Act's application to within 26km of the Darwin GPO. Approximately 20% of all caravan parks in the Territory are located within this area, and the restrictions found in the Act are therefore imposed in an uncompetitive manner. This limited application is indicative of the Act being generally outdated. Many of its provisions have been duplicated in other legislation, while other aspects of caravan service regulation are currently dealt with through convention and measures such as a service accreditation program. New legislation, to be applied uniformly, has been suggested to reflect current issues in service provision with corresponding regulations on industry practice. The review recommended that the Act be repealed, and that relevant parties be notified and involved in the preparation of new legislation.

The Territory Government accepted the review's recommendation and a repeal Act was passed by the Legislative Assembly in November 2000. The repeal is expected to take effect during April 2001.

Hawkers Act and Regulations

A review of the *Hawkers Act* and Regulations was completed in August 2000. In undertaking the internal review, the Department of Local Government invited comments from individually identified stakeholders. Public notices of the review were also placed in Territory newspapers. The review's terms of reference were consistent with NCP guidelines.

The review found that licensing requirements, exemption provisions and restrictions on hawking on crown land were anti-competitive, though were necessary to protect the public in terms of proper commercial dealings and annoyance. Regardless of this, it was also found that the objectives of the legislation could be pursued through applying other legislation (eg *Consumer and Fair Trading Act*). The review recommended that the legislation be repealed, pending consideration of other legislative means for regulating hawking offences.

The review report was considered by Government in September 2000 and its recommendations were subsequently accepted. A repeal Act was passed by the Legislative Assembly in November 2000, and is expected to take effect during April 2001.

Local Government Act and By-Laws

A review of the *Local Government Act*, Local Government Regulations and Council By-Laws was completed in September 2000. In undertaking the internal review, the Department of Local Government invited comments from individually identified stakeholders. Public notices of the review were also placed in Territory newspapers. The review's terms of reference were consistent with NCP guidelines.

The review noted that many of the provisions contained in the legislation allow for the imposition of costs and the provision of benefits in the usual manner associated with public administration (eg taxation, provision of infrastructure). A somewhat more commercially orientated restriction applies under Regulation 20 of the Local Government Regulations, which limits the investment of government funds to government-guaranteed institutions. However, the review found this restriction was necessary to ensure the protection of public monies. The review found that those provisions imposing economic costs were necessary to achieve the objectives of the legislation and that these objectives could not be attained by any other means. Those restrictions identified as anti-competitive were justified against public interest criteria. The review recommended that no provisions be repealed or amended.

The review report was considered by Government in December 2000 and its recommendations were subsequently accepted.

Department of Transport and Works

Motor Vehicles Act

The Act restricts competition by imposing standards and conditions on entry to the public road network. In so doing, the Act imposes quality controls, restricts inputs to production processes and imposes additional costs on industry and consumers.

The review was carried out in 1999.

The Department of Transport and Works carried out the review with the results being reviewed by the Northern Territory National Competition Policy Steering Committee. An internal review was considered appropriate because:

- the objective of the Act is to regulate entry to the public road system;
- comprehensive public consultation mechanisms are already in place for the Act; and
- other than the issue of third party insurance, which was handled separately, there is very little at stake and application of the public benefit test clearly indicates that the anti-competitive provisions of the Act are justifiable.

The review of the *Motor Vehicles Act* identified the following restrictions on competition:

- **Imposing Quality Controls:** The *Motor Vehicles Act* requires vehicles and drivers meet certain standards. In imposing these standards, however, the Act does not provide a competitive advantage to one road user over another.
- **Restrict Inputs to Production Processes:** The standards imposed by the *Motor Vehicles Act* restrict inputs to the vehicle manufacturing industry and to the vehicle components manufacturing industry. However, as the rules apply to all manufacturers, no competitive advantage is provided to one manufacturer over another.

Furthermore, the continuing development of vehicles (both light and heavy) shows that the standards do not stifle innovation. For example, the Northern Territory recently permitted the introduction of two new road-train combinations, one of which has now been adopted nationally.

- **Imposing Additional Costs:** As a result of the restrictions on standards, the *Motor Vehicles Act* imposes additional costs on industry. However, these restrictions are applied equally to all and do not confer a competitive advantage to one road user over another.

The review found that, while certain provisions of the *Motor Vehicles Act* are anti-competitive, the restrictions are in the public interest. In particular, the review determined that benefits in terms of reduced incidence of road accidents and trauma, road damage and lower noise and environmental pollution are likely to outweigh the enforcement and compliance costs and potential reductions in economic efficiency. Therefore, the results of the public benefits assessment (conducted under clause 5(1) of the Competition Principles Agreement) show that the restrictions in the Act are in the public interest and so should be retained.

Furthermore, the review noted that all countries with a significant road transport sector impose similar conditions on entry to their road systems and therefore the Act does not disadvantage Australian exporters.

The review considered there to be two main alternative approaches for achieving the objectives of the Act in a less restrictive manner:

- (1) Open Competition: Access to the road network could be allowed on an unrestricted basis in terms of the standard and type of vehicle permitted and driver competency.

Such unrestricted access is likely, however, to be accompanied by a higher level of death and injury from road accidents than would be acceptable to the public. It may also increase other costs to society, including:

- environmental damage from vehicle noise and vapour emissions;
- congestion;
- road damage and failure through the use of overloaded vehicles; and
- equipment failure.

Such an option, therefore, is not considered to be a viable or acceptable alternative to the current system.

- (2) Auctioning Access: Access to the road network could be restricted to a certain number of vehicles (depending on road capacity) with these auctioned in order to maximise economic efficiency.

Access systems such as this, or variations of this, are being used where road capacity is very limited (for example in Singapore).

Such systems are not yet appropriate for the Territory given its relatively small population dispersed over a large geographical area. Enforcing access rights would be very costly. Even if introduced, auctioned access rights would still require minimum vehicle and driver standards for public safety reasons.

Auctioning of access rights has a major drawback in that the wealthiest will have the greatest capacity to purchase the licenses. This may not be socially acceptable as society may expect that all persons should have equal opportunity to access the road network. Accordingly, the review determined that this alternative would be unlikely to impose any greater net public benefit than the current arrangements.

The Northern Territory Government endorsed the results of the review in September 1999 and also noted that a separate review of the compensation payments was being undertaken in conjunction with a review of the Motor Accidents Compensation Scheme.

Territory Housing

Housing Act

The *Housing Act* and Regulations establish the legislative basis for the provision of public housing and housing assistance schemes in the Territory. The Act was subject to an internal review with independent oversight provided by a steering committee comprised of Department of the Chief Minister, Northern Territory Treasury and Attorney General's Department officials. The terms of reference for the review were consistent with Clause 5 of the Competition Principles Agreement.

The review found that the provisions of the Act that represent potential restrictions on competition are justified on social welfare and equity grounds. The review also considered alternative regulatory approaches such as outsourcing and the direct subsidisation of landlords. However, it was considered that these alternatives were unlikely to achieve the objectives of the Act in a more efficient manner than the current arrangements and therefore the review recommended no change to the legislation. The Government endorsed the review outcome in October 2000.

Legislation not previously listed

Territory Health Services

Hospital Management Boards Act

An Independent review was completed by the Centre for International Economics in April 2000. The review steering committee included officers from the Departments of the Chief Minister, Northern Territory Treasury and Territory Health Services. A copy of the final review report is attached at Appendix 12.

Government noted that the review found the Act to be NCP compliant in its current form.

Department of Local Government

Animal Welfare Act

A review of the *Animal Welfare Act* and Regulations was completed in July 2000. In undertaking the internal review, the Department of Local Government invited comments from individually identified stakeholders. Public notices of the review were also placed in Territory newspapers. The review's terms of reference were consistent with NCP guidelines.

The review found that those provisions imposing economic costs did not constitute restrictions on competition, nor did they conflict with the public interest. This conforms to the general nature of the legislation, in that it seeks to protect the welfare of animals, and is of little relevance to commercial activity. The review recommended that none of the provisions be repealed or amended.

The review report was considered by Government in August 2000 and its recommendations were subsequently accepted.

Territory Health Services

Mental Health and Related Services Act

An independent review was completed by the Centre for International Economics in April 2000. The review steering committee included officers from the Departments of the Chief Minister, Treasury and Health. A copy of the final review report is attached at Appendix 13.

The Northern Territory Government accepted the review recommendation that no amendment be made to the Act.