Queensland Government

Sixth Annual Report to the National Competition Council

Queensland Government
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1.0 LEGISLATION REVIEW

1.1 Assessment criteria

The legislation review component of this annual report contains those areas outlined in the NCC's Third Tranche Assessment Framework and related papers on priority assessment matters for the purpose of assessing compliance with the *Competition Principles Agreement* (CPA) legislation review commitments.

The material provided below reports against reform progress taking account not only of the original 1995 NCP agreements, but also of the changes to the NCP arrangements endorsed by the Council of Australian Governments (CoAG) on 3 November 2000.

1.2 Assessing compliance with the Competition Principles Agreement legislation review commitments

Clause 5 of the CPA requires governments to ensure legislation, including new legislation, does not restrict competition unless it can be shown that the benefits of the restriction to the community as a whole exceed the costs, and the underlying objectives cannot be achieved without limiting competition. CoAG's endorsed changes to the NCP arrangements now require public interest considerations to include the likely impacts of reform measures on specific industry sectors and communities, including adjustment costs.

1.2.1 Review processes

Legislation review processes are tailored to the particular characteristics (eg scope, scale, significance) of each review, but are based on undertaking an objective, independent and transparent exercise. Queensland's revised Public Benefit Test Guidelines released in 1999 commit the government to a legislation review process based on a rigorous assessment of the costs and benefits of options for reform. A Public Benefit Test Plan is developed for each review – along with Terms of Reference – outlining the scope, scale, structure, consultation processes, stakeholders and timing of each review exercise. For the more significant reviews – where the restrictions on competition and their impacts on stakeholders are substantial – issues papers are prepared as the basis of community consultation and draft review reports are also released for public consultation.

CoAG changes to the NCP arrangements oblige governments to document the public interest reasons for their decisions in relation to each review and to make them available to interested parties and the public. This requirement will apply equally to reviews where the government decides either to adopt all or only some of the review recommendations. In the latter case, where the government departs from the review's recommendations, the government's decisions need to be shown to be within a range of reasonable outcomes, in accordance with the CoAG changes to the NCP arrangements.

The Queensland Government may, in particular circumstances, elect to go beyond these minimum reporting requirements and release a full review report.

1.2.2 Scheduled reviews

All jurisdictions were required by June 1996 to develop a timetable for reviewing legislation which restricts competition. In fine-tuning the NCP arrangements, CoAG also endorsed an extension of time for reviewing and, where appropriate, reforming this legislation. The deadline was extended from 31 December 2000 to 30 June 2002.

To satisfy the obligation to report progress annually in relation to each piece of legislation on the review timetable, the *Legislation Review Schedule: Queensland* is provided in Attachment 1.

1.2.3 Priority legislation review areas

The NCC has identified numerous priority legislation review areas – areas where it considers there are potentially significant restrictions on competition in legislation. The NCC has indicated it will focus the 2002 assessment on these particular matters. Accordingly, this annual report addresses the priority areas relevant to Queensland. The coverage of each priority area varies according to whether the information provided is limited merely to updating the status of a review or is more fundamental in presenting public benefit rationale in response to particular issues raised by the NCC.

Energy

Electricity

The electricity legislation reforms undertaken in 1997 were not accompanied by a separate NCP legislation review since the amendments gave effect to the broader CoAG electricity reform process, including market restructuring. A separate review is now underway into the residual restrictions on competition and is being undertaken in two parts as follows:

Part 1 covers the non-safety related provisions in the legislation relating to the conduct of the industry including the issuing of authorities for generation, transmission and supply entities; powers (including 'reserve Ministerial powers') about electricity pricing and restrictions on the trading activities of transmission and generation authorities and supply entities. A draft PBT report was prepared by independent consultants and released for general and targeted consultation on 2 March 2002. Submissions close on 25 March 2002. The review is due to be completed in the first half of 2002.

Part 2 covers the safety related provisions which are also being examined in the context of preparing new electrical safety legislation. It includes assessment of provisions relating to occupational licensing of electrical workers, electrical contractors, etc and the application of technical standards. A PBT report was prepared by independent consultants under the supervision of an Inter-Departmental Committee.

The Report's recommendations, which were endorsed by Cabinet in February 2002, were that:

- licensing of electrical workers be continued in the public interest;
- the definition of electrical work be amended to allow greater competition in relation to less dangerous extra-low voltage work;
- the legislation's objectives be broadened to include consumer protection provisions based on minimum financial and insurance requirements for contractors;
- existing disciplinary provisions are generally appropriate; and
- provisions requiring compliance with relevant safety and technical standards are justified in the public interest.

Cabinet also approved that selected issues be referred to the new Electrical Safety Board to be established under the new Electrical Safety legislation. These include issues related to the alignment of licence classes to national standards, qualification requirements (including competency-based criteria), ownership restrictions and some administrative issues regarding disciplinary provisions. The Electrical Safety Board will be advised of the need to consider competition impacts when examining these issues.

Gas

In its Third Tranche Assessment Framework, the NCC indicated it would be giving priority to assessing each jurisdiction's legislation review of its gas and petroleum legislation in relation to:

- *Full Retail Contestability (FRC)* – A number of jurisdictions have deferred the introduction of FRC. In Queensland's case, the *Gas Act 1994* was amended in 2001 to defer its introduction from 1 September 2001 to 1 January 2003. The NCC has expressed concerns over such delays and indicated that jurisdictions should have strong justifications for these delays. The Council also flagged the need for jurisdictions to address a number of technical and operational issues which could impinge on the successful introduction of FRC;

- *Upstream Issues* – The NCC indicated it will examine whether the principles embodied in the Upstream Working Group's (UIWG) recommendations are being adopted in relation to joint marketing and acreage management, and the transparency of tenement award processes in particular. Any variations from the UIWG principles will need strong public interest justification;

- *Franchising Principles* – The NCC indicated it will examine whether the franchising principles agreed in the 1997 Gas Agreement are being adopted, including those related to bypass and interconnection to contestable customers, exclusivities and the process for awarding franchises. Any variations from the agreed franchising principles will need strong public interest justification;

- *Pipeline Licensing Principles* – The NCC indicated it will examine whether the licensing principles agreed in the 1997 Gas Agreement are being adopted, including those related to unbundling, market and service restrictions and by-pass and interconnection. Any variations from the agreed licensing principles will need strong public interest justification; and

- *Industry Standards* – The NCC indicated it will examine issues considered by the Gas Reform Implementation Group in relation to safety standards, consumer protection and barriers to convergence.

These issues are addressed in Section 8.0 Gas.

An initial analysis of competition issues was undertaken as part of the implementation of the overall CoAG gas reform framework. This analysis was reflected in an exposure draft of a combined Bill to replace the *Petroleum Act 1923* and the *Gas Act 1965* which was released in May 2001 seeking further input. The initial NCP analysis is being updated as part of the preparation of the final review report to address a number of subsequent policy changes and issues raised in response to the exposure draft and by the NCC in its third tranche assessment. It will consider compliance with the principles embodied in the UIWG recommendations (in relation to acreage management and joint marketing) and the 1997 Gas Agreements (in relation to gas franchises and pipeline licensing).

It will also:

- address issues related to liquid petroleum gas (LPG) franchises which are outside the scope of the CoAG gas reform framework; and
- assess restrictions to be incorporated in the *Gas and Petroleum Regulation* in relation to occupational licensing requirements, quality and technical standards and standard default contracts.

The update of the initial NCP analysis is expected to be completed before 30 June 2002. Implementation may extend beyond 30 June 2002 because of the complex nature of many of the issues being considered and the need to incorporate any resulting amendments into the development of the new legislation.

A separate review will be undertaken of the public benefits and costs of full retail contestability and any need for continuing price control for selected customer classes.

Transport

Public Transport – Taxis, etc

Queensland commenced a review of restrictions under the *Transport Operations (Passenger Transport) Act 1994* governing taxis, limousines, and regulated bus and air services that delivered a review report in September 2000.

The NCC raises a number of issues in its papers provided to Queensland in October 2001 in relation to taxis in general. The main issue relating to all jurisdictions concerns:

- the absence of recommendations for a feasible reform path that would maximise the achievable benefits of reform and share the costs appropriately, despite the fact that each jurisdictional review concluded either absolute restrictions on entry to the taxi industry impose net costs on the community or that the current extent of supply restrictions impose net costs.

In the case of Queensland's review, the NCC criticisms include:

- the review focussed on the concept of performance contracts between the Government and taxi service companies (rather than dealing with the costs and benefits of the various restrictions per se);
- the drafting of the report is unclear;
- it is difficult to determine the precise nature of the report's recommendations (in relation to licence restrictions); and
- there are contrary recommendations for taxis and hire cars.

The NCC has sought clarification of:

- the relationship between suggestions in the report that the Government should consider the issue of licences through leasing directly to companies or others, progressively allowing companies greater control over the resources needed to provide taxi services, and booking companies should be allowed the ability to introduce additional licences over and above a minimum number of licences based on minimum service levels;
- the meaning of "value of licences" in the context of recommendation 12 that limousine licences be made available for either a once-off or annual fee that reflects the value of licences; and
- the status of "recommendations" and "suggestions" in the report.

For the 2002 assessment, Queensland has been asked to provide a well-developed public interest rationale to support its approach to taxi and limousine licence regulations, particularly given the NCC questions relating to the report's recommendations, and evidence demonstrating the report's analysis is sufficient to justify its recommendations.

As noted in Queensland's report on progress in 2001, the Queensland NCP review of the taxi industry concluded the costs to the community of completely deregulating the industry exceeded the potential savings, with existing regulations providing several benefits including:

- reducing the cost of many taxis trips, particularly those to outlying areas and airports; and
- preventing a significant reduction in the number and availability of wheelchair accessible taxis.

In response to considering the September 2000 review report, Cabinet has directed the Department of Transport to prepare specific policy proposals for government's consideration after completing consultation on the review report. The main focus of the consultation and policy development were to be on measures to enable booking companies more flexibility and responsibility in controlling the resources they need to provide taxi services, while at the same time ensuring minimum standards are maintained.

Total deregulation of the taxi industry raises issues such as the possible need to buy back approximately 2,800 licences individually valued in some cases at $230,000 ($644 million in total). The review findings generally support providing increased flexibility for the taxi industry meeting its clients requirements, based on a needs and performance approach rather than a formula of linking taxi and population numbers.

Experience from elsewhere of fully deregulating entry and fares has resulted in:

- a decline in patronage;
- difficulties obtaining drivers for work after midnight on weeknights;
- increased fares. Increased numbers of taxis lead, amongst other things, to pressures to increase fares as taxi drivers, faced with fewer passengers seek to maximise the return from each passenger – particularly as part-time operators can "cherry pick" peak periods;
- overcrowding of ranks leading to illegal parking;
- additional taxis not being accommodated on ranks "cruising" leading to traffic congestion;
- some smaller towns losing taxi services completely;
- lower levels of return leading to a lowering of maintenance standards of vehicles; and
- wheelchair customers having to book a week ahead, compared with Queensland's figure of responding to around half of such calls within 10 minutes, and 88 percent within 20 minutes.

While some jurisdictions are deregulating to a greater extent than is covered by the recommendations developed for consultation and comment, experience from jurisdictions where this has occurred indicates re-regulation is a distinct possibility.

A final report is being compiled by the Department of Transport for the government's consideration.

Dangerous Goods

Queensland has repealed its *State Transport Act 1960* which regulated the transport of restricted goods. Any future legislative control would occur by regulation and be subject to a public benefit test under NCP.

The NCC has sought clarification on whether the storage and handling of dangerous goods continue to be regulated. The *Dangerous Goods Safety Management Act 2001* and associated Regulation regulate the storage and handling of dangerous goods.

Queensland introduced the *Dangerous Goods Safety Management Act 2001* on 17 May 2001. The *Dangerous Goods Safety Management Regulation 2001* was gazetted on 2 November 2001. Public benefit cases were developed in support of the restrictions in both the Act and the Regulation. These are reported on in this annual report under NCP "gatekeeping" arrangements for new legislation that restricts competition.

The legislation is based on national standards, thereby promoting a nationally consistent legislative approach to dangerous goods safety management, including the safe storage and handling of dangerous goods.

Tow Trucks

The NCC has questioned whether the 1999 amendments to the *Tow Truck Act 1973* are consistent with the recommendations of the Act's review. The NCC has indicated assessment of whether Queensland has met its obligations under Clause 5 of the Competition Principles Agreement cannot be made until a full response is provided.

The review of the *Tow Truck Act* in 1999 comprised an examination of the then existing restrictions in legislation and proposed amendments being developed at that time. The review concluded that the existing restrictions and the proposed amendments were in the public interest. The 1999 review, while dealing with some issues which could be considered restrictive, only proposed amendments aimed at strengthening consumer protection.

The 1999 review in particular related to the existing licensing requirements to ensure only fit and proper persons operate within the industry, the payment of licence fees and the establishment of maximum fees for some services. As a result of the review and consequential amendments, there continue to be no numerical or area restrictions on licences, and the associated fees are related to administration costs and do not have a market value as is the case with taxis. Maximum fees have been set on ancillary services such as "holding" and "release" of vehicles where industry discretionary charges were sometimes levied on unsuspecting consumers.

Marine Pilots

The restrictions on the provision of marine pilotage services under the *Transport Operations (Marine Safety) Act 1994* and associated regulation have been reviewed. The review was completed in 1999.

As reported previously, the outcomes of the review were:

- the Queensland Government to continue to licence marine pilots;
- each Port Authority be given the responsibility to determine pilotage service delivery arrangements for its port/s (including "in-house" provision or competitive tendering); and
- legislative price controls would be removed, with each Port Authority determining the price of pilotage services, subject to QCA oversight arrangements.

These new arrangements took effect from 1 July 2001.

Queensland Transport is currently examining the effectiveness of these new arrangements in light of experiences to date.

Transport Infrastructure Act – Port Matters

Under the *Transport Infrastructure Act 1994* and associated ports regulations, the State undertook the review of harbour towage arrangements and the restrictions on port activities outside of port limits. Both these review have been completed. Details are provided in the attached legislation review schedule.

Sea Carriage of Goods (State) Act 1930

The NCC has sought advice on the *Sea Carriage of Goods (State) Act 1930.* This Act was not listed for review. As advised in the 2001 annual report, this Act has been repealed by the *Transport Legislation Amendment Act 2000*.

Primary Industries

Agricultural and Veterinary Chemicals Act

Agricultural and Veterinary Chemicals legislation is administered by Commonwealth, State and Territory governments. The legislation, which covers registration and control of use matters, underwent a national review and, in Queensland, a subsequent state-based review.

It is proposed that a *Primary Industries Legislative Amendment Bill* will incorporate all the outcomes of the national review and combine three pieces of legislation into one. This is planned to occur before 30 June 2002.

Fisheries

The review of the *Fisheries Act 1994* has been completed. It addressed the many and varied types of restrictions applying to Queensland's diverse fishery habitats. These include controls over inputs (boat and crew sizes), outputs (allowable catch limits) and access to a fishery (licences; seasons).

Cabinet endorsed the results of the review in October 2001.

The NCP review showed there are sound economic and environmental reasons for restricting competition to preserve a scarce natural resource and indicated the need for some regulatory reform. The endorsed approach includes examining each of the State's fisheries on an individual basis – recognising their diverse characteristics – and applying the resource management principles developed as part of the review process and the NCP requirements in determining and justifying the appropriate level of regulation required for each fishery.

Food Matters

The NCC has asked whether the State has exercised its discretion in imposing any criteria for registering food businesses and, if so, details of the supporting public interest case. Similarly, advice is sought on whether any 'non-core' provisions that restrict competition have been adopted, and, if so, details of the public benefit rationale.

In November 2000, CoAG signed an Intergovernmental Agreement (IGA) on Food Regulation in which States and Territories agreed to enact legislation to include the 'core' provisions of the National Model Food Bill. The IGA stated that each jurisdiction has discretion about which, if any, of the 'non-core' provisions in the National Model Food Bill it wished to adopt in legislation.

During 2001, the *Food Act 1981* was amended to adopt the 'core' provisions of the National Model Food Bill (the amendments were made under the *Health Legislation Amendment Act 2001* which was passed in November 2001 and commenced on 1 January 2002).

The 'non-core' provisions of the Model Food Bill cover matters including the licensing and registration of food businesses and requirements about the adoption of food safety programs. To facilitate consultation with key stakeholders, a Discussion Paper on the 'non-core' provisions is expected to be released in mid-2002. This process will assist in informing Government of the 'non-core' provisions that should be adopted into the *Food Act 1981*. The 'non-core' provisions proposed to be adopted, and existing provisions to be retained, will be examined to establish if any of the provisions restrict competition. A Public Benefit Test of these provisions will then be undertaken.

In relation to aspects of food safety, implementation of the new Dairy Food Safety Scheme (the Scheme) is expected on 1 July 2002. As a result, the Queensland Dairy Authority will be dissolved and those food safety functions specified under the Scheme will be delivered by Safe Food Production QLD (SFPQ), operating under the *Food Production (Safety) Act 2000* (FPS Act).

The establishment of SFPQ implements the Government's obligations under these National Inter-governmental Agreement on Food Regulation.

The FPS Act does not by itself impose any new regulatory requirements on industry. It provides a framework to develop and implement co-regulatory preventative food safety regimes (i.e. the Scheme), based on the national Model Food legislation and standards.

The Model Food legislation and standards developed by the Australia New Zealand Food Agency (ANZFA) – and to be the responsibility in future of the new agency, Food Standards Australia and New Zealand – aim to provide nationally consistent food safety legislation in Australia that applies to all food sectors. Currently, primary production is exempted from the requirements of the ANZFA Food Safety Standards and the provisions of the Model Food legislation relating to licensing/notification and other compliance requirements, on condition that State-based arrangements are to cover this area in a manner consistent with the Model Food legislaton.

Accordingly, the requirements to be specified under the proposed Scheme will ensure consistency of approach with the ANZFA Food Safety Standards in that either the minimum requirements of the Food Safety Standards will be met or equivalent outcomes will be achieved.

The proposed Scheme basically covers those areas not covered under the Model Food legislation, for example, farm production and harvesting of milk and the transport of milk.

The implementation of the Scheme is designed to achieve a seamless through-chain food safety management approach from "paddock" to "plate" with SFPQ's responsibility terminating at "factory door" and Queensland Health's responsibility commencing from that point and continuing through to point of retail sale.

Forestry

The NCC has sought further information on the rationale for retaining the non-competitive native forest sawlog allocation system under the *Forestry Act 1959*. In particular, Queensland has been requested to provide support for the rationale behind the decision including:

- the weight given to the benefits to small rural communities in evaluating the benefits to the community as a whole; and
- whether alternative and less restrictive means of supporting small rural communities were considered.

In relation to the first dot point above, the PBT report did not identify any significant benefits to the community as a whole from removing the restriction. In particular, there were no pricing benefits identified for deregulation due to an already competitive market from import competition.

In addition, the PBT found other potential benefits would be relatively minor and there would be negative impacts on some rural communities. For this reason, the report recommended retaining the restriction. This is consistent with the Queensland Government's approach that reform should not occur unless there is a clear demonstration of net community benefits. It is pertinent to note at this point CoAG's decision of 3 November 2000 regarding the requirement for PBTs to assess the likely impacts of reform on specific industry sectors and communities, including any adjustment costs.

The Government did not consider alternate ways of supporting small rural communities because there was no significant net benefit in removing the restriction.

Grain – Barley and Wheat

The single desk selling provisions contained in the *Grain Industry (Restructuring) Act 1993* relating to the export of barley and wheat are sunset to expire on 30 June 2002.

Sugar

The NCC has sought information on two issues relating to the review of sugar industry legislation, namely:

- in respect of the *Sugar Industry Act 1991*, any restrictions remaining that relate to the transferability of cane between mills, and the public benefit rationale supporting these restrictions; and
- in respect of the *Sugar Industry Amendment Act 2000*, which privatises the sugar marketing monopoly and established the transfer of bulk sugar terminals to Sugar Terminals Limited, also as a private monopoly, confirmation as to whether Queensland undertook the required structural adjustment review under clause 4 of the Competition Principles Agreement. These issues are addressed in Section 3.0 Structural Reform.

The 1996 sugar industry review resulted in all elements of the industry agreeing to a number of reforms, as a package. This was signed off by industry, the NCC and the Queensland and Federal Governments.

Under the NCP agreements, no further review is required for 10 years (i.e. 2006).

The Queensland Government has not significantly departed from the review's recommendations by not allowing full grower transferability between mills. The interdependence of mills and growers requires tight forward programming of cane delivery and processing to ensure the viability of both groups. Movement away from the current arrangements, as a matter of public interest, must be undertaken in such a way as to ensure mills receive the correct quantity of cane at a time to guarantee quality for customers. Ill-considered shifts will adversely affect the viability of growers, mills and possibly negatively impact on quality and, as a result, future sales.

The minor changes to the review's recommendations on cane transferability, based on public interest grounds, enable growers to agree to supply cane to other than their current mill, taking account of the impact on a mill and other growers. The amended legislation supports these transfers occurring. The Queensland Government deems such minor changes to be within a range of reasonable outcomes (as per CoAG-endorsed amendments to the NCP arrangements on 3 November 2000).

Sawmills

Queensland has previously advised the NCC the *Sawmills Licensing Act 1936* would be repealed by 30 June 2002. Due to the repeal of this Act being linked to the introduction of a new Forest Practices Management System, the earliest time by which the Act is likely to be repealed is now 30 September 2002. This system will not introduce any legislative restrictions on competition.

It is not proposed there should be any transfer of provisions in the *Sawmills Licensing Act* to the new of Forest Practices Management System.

Veterinary Surgeons

In relation to the *Veterinary Surgeons Act 1936*, the NCC has sought advice on:

- reservation of practice restrictions;
- any remaining advertising restrictions which may include testimonials or claims of superiority over other veterinarians; and
- advertising restrictions such as false, misleading or deceptive conduct.

Queensland's review, amongst other things, fully examined practice restrictions and recommended retention of an amended list of prohibited practices. These restrictions, justified in the review, relate to "Acts of Veterinary Science" ie surgery under anaesthetic, euthanasia, and prescribing certain dangerous drugs which are covered under the Drugs Poisons regulation and which need a prescription.

In response to the NCC's queries about advertising, there are no advertising restrictions remaining in the *Veterinary Surgeons Act 1936*. The only advertising controls applying to veterinary surgeons are those pertaining to false, misleading or deceptive conduct contained in the *Trade Practices Act 1974*.

Health and Pharmaceutical Services

Core Practices Review (Practice Restrictions)

The review of core practice restrictions in Health Practitioner Legislation is one of three second-stage Health Practitioner Legislation reviews undertaken by Queensland, which were not individually scheduled in the Queensland Legislation Review Timetable. The other reviews in this category relate to restrictions on dentistry and optometry ownership. The core practice review addresses practice restrictions for the following health professionals:

- Chiropractors
- Osteopaths
- Medical Practitioners
- Occupational therapists
- Optometrists
- Pharmacists
- Physiotherapists
- Podiatrists
- Psychologists
- Speech Pathologists

The review examined three options, namely:

1. Maintain the current restrictions (the "base case"). For Chiropractors, Optometrists, Pharmacists, Podiatrists and Physiotherapists, the practice of the profession and the use of the professional title are restricted to registrants, while title restrictions only are imposed for the remainder.

2. Restrictions on title but not practice. Under this model, only registrants would be permitted to use the respective professional title.

3. Restrictions on who may undertake specified high risk practices ("core practices"). This option is based on the model proposed in the draft policy paper: Review of Medical and Health Practitioner Registration Acts (1996). The option proposed the removal of broad statutory definitions of practice and replacement with statutory restrictions only on those specified activities or procedures that pose a significant risk of harm to the public. Only registered practitioners from specified professions would be authorised to undertake those activities or procedures. There would be no restrictions on other areas of practice but title restrictions would be retained.

The Public Benefit Test assessment proposed that the core-practices model be applied to three practices as follows:

- thrust manipulation of the spine;
- prescribing optical appliances for the correction or relief of visual defects; and
- Surgery of the muscles, tendons, ligaments and bones of the foot and ankle.

Activities which the Public Benefit Test assessment considered and excluded from the core practices model included moving spinal joints beyond a person's usual physiological range, fitting contact lenses, electrotherapy, psychological testing, psychotherapy, assisted feeding of persons with a neurological impairment, pharmaceutical dispensing, and soft tissue and nail surgery of the foot.

The Public Benefit Test Report was endorsed by the Treasurer in January 2001. The Report was considered by Cabinet in July 2001 and released for consultation. Details of the policy approach have yet to be finalised following the consultation process.

Legislative amendments implementing the final policy approach are expected to be made by mid 2002.

Dentistry

The review of dentistry is another second-stage Health Practitioner Legislation review being undertaken by Queensland. The review examined several restrictions on the practice of dentistry in Queensland, specifically:

- Restrictions on who may practise dentistry ('scope of practice') including consideration of whether dental therapists, dental hygienists and oral health therapists (collectively 'allied oral health practitioners') should be registered; and
- Specific limitations on practice of certain dental practitioner groups ('conditions on practice').

The Public Benefit Test Report was endorsed by Cabinet in October 2000 and released for consultation in June 2001. Further targeted consultation needs to be undertaken to resolve stakeholder concerns with some of the review recommendations. This consultation is expected to be completed by May 2002. Legislative amendments implementing the final policy approach are expected to be made by mid 2002.

Optometry

The review of optometry ownership restrictions is another second-stage Health Practitioner Legislation review being undertaken by Queensland. The Public Benefit Test recommended the removal of restrictions on the ownership of optometry practices and the supply and fitting of optical appliances. These reforms were implemented under the *Optometrists Registration Act 2001* which was passed in May 2001 and commenced on 1 February 2002.

Pharmacy

In June 1999, CoAG commissioned a national review of pharmacy regulation. The Commonwealth is the lead jurisdiction for the review which examined ownership and other restrictions including registration. However, the review considered Queensland's legislation only in relation to ownership issues, as registration issues were addressed in Queensland as part of the review of the Health Practitioner Registration Acts.

The final report of the national review of pharmacy was presented to CoAG in February 2000. CoAG established a Senior Officials' Working Group of Commonwealth, State and Territory officers to develop its response to the review report. The working group report has been forwarded to Senior Officials. It is expected that CoAG will release its official response to the review in the near future. However, until a national response to the pharmacy review is finalised, Queensland cannot finalise its own response.

Nursing

The review examines restrictions on the practice of nursing and midwifery under the *Nursing Act 1992*. In 2001, a discussion paper was endorsed by Cabinet for public release. The discussion paper was released in November 2001 and consultation occurred until the end of January 2002. The Public Benefit Test Report is expected to be released in March 2002 and amending legislation (if any) implemented by mid 2002.

Food Act

Details regarding the NCC's queries concerning the Model Food Bill and dairy food safety matters are, for convenience, covered under the Primary Industries section of this report. These matters are the responsibility of separate departments.

Drugs and Poisons

The Review of the *Health (Drugs and Poisons) Regulation 1996* under Part 4 of the *Health Act 1937* is being undertaken as a national review for which New South Wales is the lead jurisdiction. The review commenced in 1998. The final review report was completed in early 2001 and provided to the Australian Health Ministers' Conference (AHMC). AHMC referred the report to the Australian Health Minister's Advisory Council which established a working party which is currently considering the final review report. The report and recommendations will subsequently be forwarded to CoAG. Given this is a national review, the timing of the finalisation of the review and any subsequent legislative changes, are beyond Queensland's control and subject to CoAG's endorsement of the review report. However, following CoAG's consideration, Queensland will respond to the report and initiate legislative changes where required.

Occupational Therapists and Speech Pathologists

The NCC has raised some issues in relation to the continuing regulation of both Occupational Therapists and Speech Pathologists. A detailed response is provided at Attachment 2 which provides the public benefit rationale for continuing to regulate both professions, while at the same time addresses the NCC's specific queries.

In summary, it is considered that registration offers a net benefit to consumers on the basis that costs of the restrictions are minimal while the benefits, in particular, the consumer protection offered by registration, are significant. The net effect on government is virtually nil given that the costs to government associated with registration are not likely to be significant, and the extent of the potential benefits to government, while difficult to quantify, are considered to be minimal. Given that registration costs do not impose a significant financial burden on registrants, it is considered that registration offers a net benefit to registrants. Moreover, registration (ie restrictions on title) does not impose significant costs on non-registrants.

The combination of the net benefits to consumers, particularly in the area of consumer protection, together with the minimal impact on the government, the respective professions and non-registrants, produce an overall net public benefit. The objectives of the legislation regulating the respective professions are also achieved. Alternatives in the form of self-regulation and negative licensing were considered and found not to be in the public interest.

The NCC has indicated that the continuing registration of occupational therapists in Queensland is inconsistent with the recommendations of AHMAC. It is Queensland's understanding that AHMAC noted the working party report and confirmed the process the working party had undertaken, but did not actually endorse the report's recommendations. In view of this and the public benefit rationale provided above, Queensland considers it has met its NCP obligations in relation to the reviews of occupational therapists and speech pathologists.

Professions and Occupations (not covered elsewhere)

Legal Profession

The review of the restrictions on competition in the *Legal Practitioners Act 1995*, the *Queensland Law Society Act 1952* and associated subordinate legislation began late in 2001.

Some of the main restrictions being examined are requirements for admission to the legal profession, qualifications for practice, restrictions on conduct of practice (e.g. ownership structure), reservation of practice (i.e. excluding conveyancers) and the legislated professional indemnity insurance arrangements.

An independent chair is heading the review and its members are drawn from the Department of the Premier and Cabinet, Queensland Treasury and the Department of Justice and Attorney General.

An issues paper was released in November 2001 and while the closing date for public submissions was 4 January 2002, submissions were accepted unofficially up to 18 January 2002. The review is expected to be completed in the first half of 2002. It is expected that a Bill will be introduced in mid-2002 to implement the reforms emanating from the NCP review and, subject to the outcomes of that review, the proposals arising from the previous general review of Queensland's legal practice legislation announced in December 2000.

Auctioneers and Real Estate Agents

Auctioneers and real estate agents are covered under Retail Trading Arrangements along with other fair trading matters.

Retail Trading Arrangements

Trading Hours

While originally scheduled for review, Queensland's trading hours legislation, the *Trading (Allowable Hours) Act 1990*, is not being reviewed under NCP. Instead the Queensland Government relies on the powers that the Act confers on the Queensland Industrial Relations Commission (QIRC) to make determinations on applications to vary trading hours.

The NCC has previously indicated the QIRC process is sufficiently public, independent and transparent. In the papers provided by the NCC to Queensland in October 2001, the NCC states that in order to meet its CPA obligations, Queensland will need to demonstrate that the outcomes of trading hours applications sufficiently reflect Clause 5 of the Competition Principles Agreement. The NCC also states that an amendment to the *Trading (Allowable Hours) Act 1990* may be required if the outcomes of applications to the QIRC suggest NCP requirements are not being met.

In July 2000, April 2001 and November 2001 the Queensland Government made submissions to the QIRC drawing its attention to the need to take account of NCP public interest criteria in making its deliberations. There has been some liberalisation of trading hours arrangements through this process. Since 2000, the QIRC has granted the following extensions of trading hours:

- Sunday trading for large hardware stores throughout Queensland;
- a State-wide extension of trading hours for the period leading up to Christmas each year;
- Sunday and public holiday trading in the Inner City of Brisbane, which includes the City Heart, Spring Hill, Fortitude Valley, Bowen Hills, Newstead and New Farm areas (prior to 2000, Sunday trading applied in the City Heart and New Farm areas only); and
- extended and standardised Sunday and public holiday trading in all tourist areas throughout the State.

In early 2001, the Retailers' Association of Queensland filed an application with the QIRC to introduce Sunday trading from 10 a.m. to 5 p.m. in the "Brisbane and Near Metropolitan Area". This area extended north to Caboolture, west to Ipswich and south to Beenleigh. On 21 December 2001, the Commission partly granted the application to apply to the City of Brisbane area only, to operate from 1 July 2002.

The decision was widely criticised on the basis that it disadvantaged traders, shopping centres and consumers in areas adjacent to Brisbane by disallowing access to Sunday trading. A further important issue raised was the current unsatisfactory situation whereby numerous trading hour zones existed between the Sunshine Coast Area and Gold Coast Area resulting in trading inconsistencies and both industry and consumer confusion.

The Government had a commitment to address these concerns and improve the QIRC's decision in the interests of both the retail industry and consumers. Accordingly, legislative amendments were passed on 6 March 2002 to implement a single trading hours zone for the south-east coastal area of Queensland extending from Noosa (north) to Coolangatta (south) and west to Amberley. Uniform trading hours of 9 a.m. to 6 p.m. on Sundays and certain public holidays will apply throughout the area.

Other introduced legislative changes will amend the objects of the Act to clarify that the QIRC's role is one of deciding trading hours rather than regulating hours. This will address past interpretations that the Act promoted a restriction of hours. Additionally, the Commission will be specifically required to take account of employment issues and the views of local governments when deciding trading hours.

The Government's action in addressing this specific and unique situation will not change the policy whereby the QIRC will continue to determine trading hours based on the merit of applications made to it.

Liquor

In its assessment of Queensland's review of its *Liquor Act 1992*, the NCC expressed doubt that the public benefit case supporting retention of the public needs test and "specialist provider" model for take-away liquor would meet CPA principles.

The Act has been amended to replace the public needs test with a public interest test which concentrates on the social, health and community impacts of any licence application, rather than the impact on protecting existing licensees. The NCC – in a letter from the President to the Premier – has indicated that this move, along with a clear statement by the Queensland Government reinforcing the change of focus, means the Government's approach should conform with competition objectives.

In relation to Queensland's "specialist provider model which limits the sale of take-away liquor to the general public to general licensees (hoteliers), the NCC has suggested a number of adjustments it considers could assist in meeting CPA principles. These include:

- defining the criteria relevant to the concept of 'specialist provider' such that any person who meets prescribed standards as to character, training, knowledge of the Act etc, can obtain a licence to sell packaged liquor without being required to also operate a hotel;
- removing the general licence restriction on the sale of packaged liquor in urban areas only while retaining it for rural areas would offer continued support for rural hotels while providing potentially better outcomes for the great majority of Queensland's consumers; and

- removing the three bottle shop limit, preferably in addition to one or other of the above actions, perhaps involving a transitional process whereby both the limit and the general licence requirement are gradually removed.

In its suggestions, the NCC has recognised the important role of Queensland's current regulatory arrangements in ensuring the viability of rural hotels. The small size and dispersed nature of the liquor market in most rural areas means the potential for increased competition is limited, at best. This accords with experience in the provision of a range of other goods and services to rural areas.

Table 1 shows the changes in population for Queensland's major urban areas in the period 30 June 1997 to 31 January 2002. In areas outside the major urban areas, population increased by 3.45% over this period while the number of General Licences did not change appreciably (from 645 to 643 – see Table 2). This can be explained in part by the fact that the number of hotels per capita outside major urban areas is well above the State average (see Table 5), leaving little incentive for the establishment of additional outlets to service population growth.

Table 1

Region	30-Jun-97	30-Jun-98	30-Jun-99	30-Jun-00	30-Jun-01	31-Jan-02	Percentage Increase Jun97-Jan02
South East Qld (a)	2,184,625	2,231,879	2,277,342	2,321,631	2,370,256	2,398,621	9.80
Toowoomba (b)	107,320	108,044	108,753	109,722	110,747	111,345	3.75
Rockhampton (c)	83,567	84,283	84,783	84,661	85,081	85,326	2.10
Townsville (d)	133,250	135,099	137,672	140,795	143,452	145,002	8.82
Cairns (e)	116,273	118,834	120,895	122,609	123,760	124,431	7.02
Remainder Qld	772,036	775,338	777,436	787,396	794,520	798,676	3.45
QUEENSLAND	3,397,071	3,453,477	3,506,881	3,566,814	3,627,816	3,663,401	7.84

(a) Brisbane and Moreton Statistical Divisions
(b) Toowoomba City and Crow's Nest Shire and Jondaryan Shire
(c) Rockhampton City and Livingstone Shire
(d) Townsville City and Thuringowa City
(e) Cairns City

Table 2

General Licences	30-Jun-97	30-Jun-98	30-Jun-99	30-Jun-00	30-Jun-01	31-Jan-02	Percentage Increase Jun97-Jan02
South East Qld	356	362	369	377	388	394	10.67
Toowoomba	38	38	38	38	39	39	2.63
Rockhampton	41	42	39	39	39	39	-4.88
Townsville	51	51	52	52	52	52	1.96
Cairns	66	66	66	67	69	69	4.55
The Rest	645	649	649	647	646	643	-0.31
QUEENSLAND	1,197	1,205	1,213	1,220	1,233	1,236	3.26

Table 3

Detached Bottle Shops	30-Jun-97	30-Jun-98	30-Jun-99	30-Jun-00	30-Jun-01	31-Jan-02	Percentage Increase Jun97-Jan02
South East Qld	287		379		434	470	63.76
Toowoomba	14		17		19	20	42.86
Rockhampton	10		10		8	9	-10.00
Townsville	15		22		24	25	66.67
Cairns	12		17		25	25	108.33
The Rest	61		74		90	88	44.26
QUEENSLAND	399		519		600	637	59.65

The NCC continues to express doubts about the impact of Queensland's current regulatory arrangements on competition for takeaway liquor sales in urban areas. Queensland believes that the outcome in terms of accessibility and price for consumers in urban areas is comparable with the take-away liquor market in other jurisdictions and that any remaining restrictions do not unnecessarily fetter the ability of the industry to adjust to changing demographic circumstances or product demand and innovation.

Queensland is of the strong belief that while it has adopted a different regulatory model for the provision of take-away liquor to that of other jurisdictions, that model delivers net community benefits. However, it would seem the NCC is of the view that some overall community benefit has been foregone by Queensland's failure to remove the restrictions on take-away liquor. While Queensland does not consider this to be the case, it is of the view any benefits foregone would not be significant.

In terms of price, data collected by the ABS on sales in capital cities continue to demonstrate that Queensland consumers are not disadvantaged in relation to takeaway liquor. The example used below in Figure 1 relates to packaged full strength beer (i.e. greater than 3.5%alc/vol). Direct price comparisons are less reliable for packaged low or mid strength beers because of the significant differences in low alcohol subsidies between jurisdictions.

The comparison between takeaway beer prices and general price movements for the eight capital cities shown in Table 4 indicates that, when compared with other jurisdictions, the current regulatory arrangements do not have any material impact on competition for takeaway liquor in Brisbane. That is, competition between general licence holders is robust enough to ensure individual licensees and groups of licensees are not in a position to extract a premium due to the lack of competition from other potential providers. The very rapid increase in the number of detached bottle shops in recent years (see Table 3), which is expected to continue, means that the level of competition has increased under the current arrangements and is likely to continue to do so. There is no reason to believe that the situation in other Queensland major urban areas is any different to that in Brisbane.

Figure 1

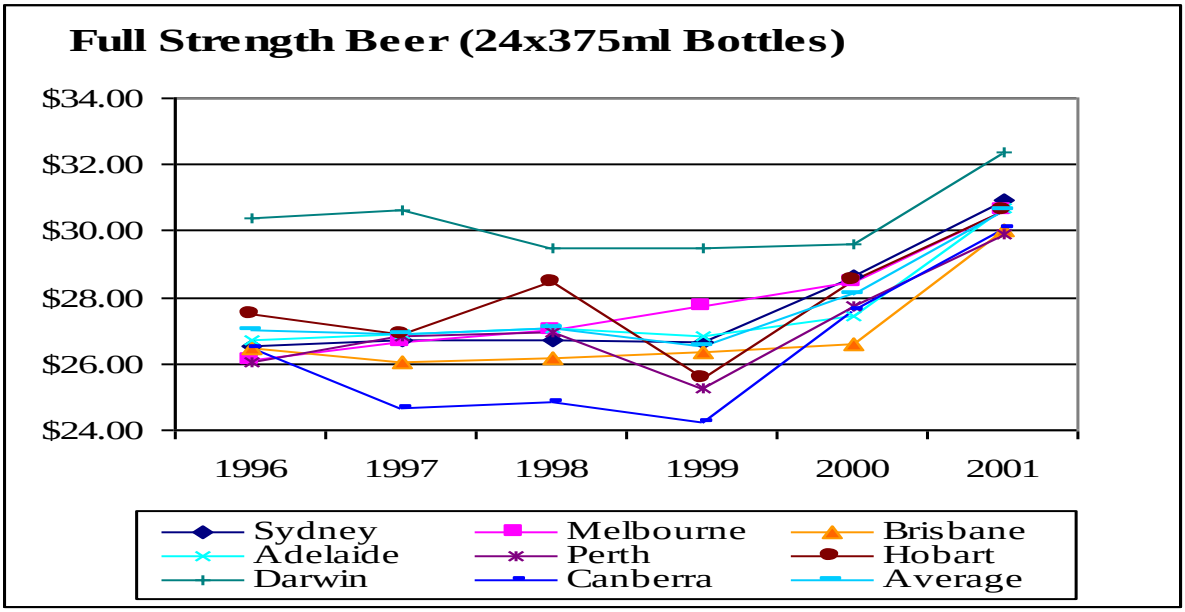

Table 4

City	Full Strength Beer			CPI All Groups		
	June Qtr 96	**June Qtr 01**	***% Increase***	**June Qtr 96**	**June Qtr 01**	***% Increase***
Sydney	$26.53	$30.90	*16.47*	119.9	135.0	*12.59*
Melbourne	$26.08	$30.62	*17.41*	119.2	133.0	*11.58*
Brisbane	$26.47	$30.00	*13.34*	120.4	134.0	*11.30*
Adelaide	$26.70	$30.69	*14.94*	122.0	135.1	*10.74*
Perth	$26.05	$29.91	*14.82*	117.9	131.4	*11.45*
Hobart	$27.48	$30.60	*11.35*	120.6	133.4	*10.61*
Darwin	$30.36	$32.40	*6.72*	120.8	132.2	*9.44*
Canberra	$26.45	$30.11	*13.84*	121.4	133.4	*9.88*

In terms of accessibility, the regulation of the liquor industry has adapted and is adapting to changes in community demand and standards as evidenced by:

- removal of the State-wide cap on the number of hotels in the early 1990s. This has meant that the establishment of new hotels in growth areas is no longer dependent on the surrender and transfer of licences from declining, mostly rural, areas;

- the ownership of hotels in Queensland has never been overly concentrated. Prior to the introduction of the *Liquor Act 1992*, the most prominent players in the hotel industry were Carlton and Castlemaine. These two breweries between them owned over 250 hotels, or little more than 20% of all hotel licences. ALH Pty Ltd, which represents the Fosters Group, is still a major player in the industry, with over 50 licences, although Castlemaine has slowly divested itself of most of its hotel interests;

- there has been a significant increase in the number of licence applications, licences granted, movement of licences/new licences in urban growth areas. The number of hotel (general) licences has increased by 44 since 1996 (74 new licences granted and 30 licences cancelled). The number of general licences has generally kept pace with population growth, even in the high growth South East Queensland area. Furthermore, within the South East Queensland area, the increase in the number of general licences has responded to the areas of greatest demand. The Gold Coast/Beenleigh region has undergone 29.5% growth in general licences since 1996, while the Near North/Sunshine Coast area has undergone 17.6% growth;

- as indicated above, the current arrangements have not impeded innovation in the style of operation that is now being licensed in response to changing demand patterns. Applications for new licences are unlikely to be for the traditional Queensland "pub" style which dominated the industry for so many years, but more likely to be upmarket brasseries, Irish bars and "neighbourhood taverns", which fit with the locations experiencing the most growth. The growth in the number of general licences, the flexibility in the types of operation approved and the significant reduction in licence fees in 1997 shows that gaining a general licence is not as onerous as it has been in the past;

- the staged removal of the licence premium to be completed on 1 July 2002;

- the replacement of the public needs test with a public interest test designed to minimise harm;

- the freeing up of conditions on the sale of takeaway liquor from clubs and restaurants;

- the dramatic increase in the number of detached bottle shops in the last 5 years (see Table 3) following more streamlined procedures for the transfer of detached bottle shops between entities and locations, reduced restriction on size and the increase from 5 to 10 km in the permitted distance from primary general licensed premises. The number of bottle shops has increased by 60% since June 1997 and 64% in South East Queensland. There are currently 637 detached bottle shops operated by 344 hotels. Ninety-five hotels have three shops, and 103 have two; and

- even with the requirement to hold a general licence there is a competitive market structure for takeaway liquor. There are sufficient players in the market to ensure no one group or groups has sufficient market power to distort the market and enough substantial players with access to bulk buying to keep prices competitive. Liquorland, part of the Coles Myer Group, entered the Queensland industry in 1997, and currently owns 20 hotels. Woolworths have now entered the market as Doogle Pty Ltd. They have acquired ten hotels, and media reports suggest that they are planning to acquire more. There are a number of groups in the industry, such as the Stewarts, McGuires and the Hedley Group which own more than one hotel (ranging from 5 to 15).

Table 5

Number of General Licences per 10,000 Population	30-Jun-97	30-Jun-98	30-Jun-99	30-Jun-00	30-Jun-01	31-Jan-02
South East Qld	1.63	1.62	1.62	1.62	1.64	1.64
Toowoomba	3.54	3.52	3.49	3.46	3.52	3.50
Rockhampton	4.91	4.98	4.60	4.61	4.58	4.57
Townsville	3.83	3.78	3.78	3.69	3.62	3.59
Cairns	5.68	5.55	5.46	5.46	5.58	5.55
Remainder Qld	8.35	8.37	8.35	8.22	8.13	8.05
QUEENSLAND	3.52	3.49	3.46	3.42	3.40	3.37

Fair Trading

Of the 27 fair trading reviews on Queensland's legislation review timetable, 18 have been completed and nine are underway.

Of the 18 which have been completed, four have resulted or will result in the repeal of the legislation – these include the *Hawkers Act 1984*, *Hire Purchase Act 1959*, *Loan Fund Companies Act 1982* and *Credit Act 1987*. In the case of the *Hire Purchase Act 1959*, the *Credit (Rural Finance) Act 1996* will be amended to continue protection currently afforded to farmers under the *Hire Purchase Act 1959*. The proposed amendments have been subject to a separate review of their public benefit. The *Credit (Rural Finance) Act 1996* was enacted after Queensland's legislation review program was finalised. It has been included because of its relationship to other Acts on the review program.

The *Loan Fund Companies Act 1982* effectively prohibits the formation of new loan fund companies. The review of the *Loan Fund Companies Act 1982* recommended that the prohibition of loan fund companies and similar pyramid-sales type loan schemes be continued in the public interest. The prohibition will be incorporated in the *Fair Trading Act 1989*. The *Credit Act 1987* will be repealed following finalisation of outstanding litigation which is expected some time in 2003.

The *Co-operative and Other Societies Act 1967* and *Primary Producers Co-operative Associations Act 1923* were repealed and replaced with the *Co-operatives Act 1997* which adopted legislation developed by Victoria, which also undertook the PBT analysis. The *Mobile Homes Act 1989* will also be repealed. It will be replaced by new legislation provisionally titled the Manufactured Homes (Residential Park) Bill. A number of minor potential restrictions on competition have been identified in the new legislative proposals. These are being reviewed under "gatekeeping" arrangements as part of the development of the new legislation which is expected to be enacted in 2002.

The review of the *Invasion of Privacy Act 1971* has resulted in the identified restrictions, which relate to the licensing and operations of credit reporting agents, being repealed. As previously reported, restrictive provisions in the *Mercantile Act 1867* were also repealed – those provisions which were not repealed were transferred to the *Partnership (Limited Liability) Act 1988* and considered in the review of that Act.

The reviews of the *Sale of Goods Act 1896*, *Trade Measurement (Administration) Act 1990*, *Partnership Act 1891* and *Land Sales Act 1984* did not recommend any changes to the identified provisions in the Acts on the basis that further examination found they were either not restrictions, not anti-competitive, or justified in the public interest. In all cases, any restrictions were relatively minor. The reviews of the *Partnership (Limited Liability) Act 1988* and *Business Names Act 1962* recommended retention of identified restrictions in the public interest with minor changes to streamline the administration of the Acts and reduce any adverse impact on stakeholders.

As previously reported, a general review of the *Auctioneers and Agents Act 1971*, including the examination of competition-related provisions, led to its being replaced by the *Property Agents and Motor Dealers Act 2000*. The legislation regulates the operation of real estate agents, motor dealers, motor dealer brokers, letting agents, commercial agents and auctioneers and agents. The new legislation is in accordance with the recommendations of the PBT conducted by independent consultants, with the exception of the recommendations for:

- de-regulation of fees and commissions across all occupations, accompanied by transitional arrangements with a community education and information campaign being implemented to avoid or minimise the negative effects of the unequal bargaining positioning of consumers and agents; and
- removal of any cap on the level of buyer premium that an auctioneer may charge a buyer at auction.

While endorsing these two recommendations, the Review Committee recommended that an effective community education and information program should be implemented throughout the State prior to de-regulation of residential real property commissions. This education and information campaign is intended to assist in removing or diminishing the existing culture of agents refusing to negotiate fees and charging the maximum fee regardless of the level of service offered or provided. The campaign commenced immediately following the commencement of the Act and is ongoing. A review committee is currently being established to undertake a Review of Commissions in response to the above recommendations. An options paper is currently being prepared for the committee's consideration prior to its release as part of a proposed public consultation program. The review is expected to be completed during 2002.

The review of the *Retirement Villages Act 1988* was undertaken as part of the development of replacement legislation, the Retirement Villages Bill 1999. Regulatory alternatives considered in undertaking the review comprised deregulation and a Mandatory Code of Practice. A number of minor amendments were made to the Bill following its introduction to Parliament – these were also assessed for competition impacts.

Potential restrictions on competition identified in the Bill included:

- a suitable persons test for village operators and associated persons designed to exclude persons insolvent under administration or having a relevant conviction;
- a requirement that retirement village schemes be registered and applications include copies of the public information document for the village, including the information content of such documents;
- matters related to the content, operation and currency of residence contracts;
- matters related to the responsibilities for capital improvement and maintenance;
- limits on service charges, particularly in relation to charges for unsold units and after a resident vacates the unit. The Bill also continued controls from the previous Act on increases in general service charges;
- insurance and financial reporting requirements;
- requirements related to the resale of units following the termination of a residence contract; and
- statutory charge provisions securing the rights of residents to occupy their units and use a village's community facilities etc.

The review concluded that the benefits of the restrictions outweighed the costs by, among other measures, addressing the information asymmetry problems faced by a vulnerable class of consumers, retirees. The amendments made following the Bill's introduction to Parliament were minor and aimed at streamlining administration arrangements and further clarifying a number of uncertainties raised during the consultation process.

The remaining fair trading reviews are all underway. The *Credit (Rural Finance) Act 1996*; *Fair Trading Act 1989*; *Funeral Benefit Business Act 1982*; *Pawnbrokers Act 1984*; *Profiteering Prevention Act 1948*; *Second-hand Dealers and Collectors Act 1984* and *Security Providers Act 1992* all involve relatively minor restrictions. It is expected that the reviews of these Acts will be completed before 30 June 2002, although implementation of any reforms may extend beyond this date in some instances. The need for amending Queensland's *Travel Agents Act 1988* will be examined once the national review being led by Western Australia is completed.

Uniform Consumer Credit Code

A national review of the Credit Code commenced in late 1999 with Queensland as the lead agency based on a review process approved by the Committee for Regulatory Reform (CRR). Following approval by the Standing Committee of Officials for Consumer Affairs (SCOCA), a draft out-of-session paper regarding the public release of the PBT Report has been circulated to members of the Ministerial Council on Consumer Affairs (MCCA) for their consideration. Responses were due by 7 March 2002. The paper recommends that the MCCA release the report for consultation, without endorsing the report's recommendations. Following consultation, MCCA members will be asked to consider their response to the report's recommendations. If MCCA members accept the report's recommendations, it is anticipated that MCCA will formally endorse the report by 30 June 2002. Any legislative changes will be made as soon as practicable thereafter.

Trade Measurement Legislation

In 1998, SCOCA endorsed the review of the trade measurement legislation being undertaken in two stages with Queensland as the lead agency. Stage 1, which was carried out by an independent consultant, has been completed. The consultant concluded that most restrictions were justified, but that further investigation was warranted on the restriction on the sale of non-prepacked meat.

Stage 2, which involves a PBT undertaken by the Review Committee on non-prepacked meat, is expected to be presented to CRR in April 2002. Due to national protocols and approval processes, MCCA may not have considered and endorsed the NCP reports by 30 June 2002.

Insurance and Superannuation

WorkCover

The NCP Review of the *WorkCover Queensland Act 1996* examined nine provisions which potentially restricted competition. The review was conducted by an inter-departmental committee comprising representatives from the Department of Industrial Relations, the Department of the Premier and Cabinet and Queensland Treasury.

The first stage of the Review involved conducting a PBT to measure the relative costs and benefits of the existing regulated state compared to alternative states. The PBT was conducted by an independent consultant.

The results of the PBT were released to stakeholders in November 2000 for their input. Stakeholder representatives were given the opportunity to discuss their positions in relation to the PBT with Committee representatives.

The Committee then prepared a report, which was endorsed by Cabinet on 21 May 2001, making recommendations based on the findings of the PBT, independent research, stakeholder consultations and consideration of the Government's Priority Outcomes.

The key recommendations were:

- that the requirement contained in the WorkCover Queensland Act 1996 that employers must maintain accident insurance for their workers be retained;
- that the public monopoly for the Queensland workers' compensation system be retained;
- that Q-COMP become a completely separate entity from WorkCover to ensure independent regulation of the market;
- that the current self-insurance licensing criteria be retained from 21 May 2001 for a further three years at which time the full impact of self-insurance on the Queensland workers' compensation market can be better assessed; and
- that the self-insurance criteria be reviewed in three years' time from 2001.

The results of the Review were made public on 18 July 2001 and work is now in train to implement the findings.

The major project arising from the review is the separation of WorkCover's regulatory and commercial functions. A Ministerial Consultative Committee, to be chaired by the Chairman of WorkCover has been established to advise on a detailed model for the separation of WorkCover's regulatory and commercial functions. The intention is to introduce the necessary legislative and administrative changes before end-June 2002, with the process to be completed before the end of the 2002 calendar year.

Three of the recommendations of the Review require Q-COMP to participate in reviews of certain issues, including self-insurers' OHS requirements, medical and allied health professional service conditions and rehabilitation requirements. Ideally, to ensure independent outcomes, such reviews would be delayed until after the formal and practical separation of Q-COMP.

The issue of employer participation in effective return to work programs and the requirement that employers with 30 or more employees must have a rehabilitation coordinator are being addressed as part of the broader Rehabilitation Review that is currently underway in Queensland.

In relation to the concerns raised by the NCC in its papers provided to Queensland in October 2001, the following comments are made.

Sole-provider of workplace accident insurance

The NCC is concerned with the Review Committee's findings that WorkCover should remain the sole provider of workplace accident insurance in Queensland and the decision not to relax self-insurance criteria. While acknowledging that the separation of Q-COMP is "consistent with competition policy principles", the NCC notes that the history of public monopoly schemes, in Queensland (prior to 1999) and in other jurisdictions, provides little support for the review finding that public provision is administratively more efficient.

In the period since the introduction of the *WorkCover Queensland Act (1996)*, WorkCover Queensland has improved its solvency, repaid the capital injection by the Queensland Government and lowered its premiums consistently over that period. This financial performance has been better than that of insurers in other jurisdictions, operating under both monopoly and competitive conditions. The introduction of Experienced-Based Rating (EBR) has provided very clear signals to employers about work practices, contributing to the improved financial performance.

The Queensland consideration of the public interest took into account the risks associated with both monopoly and competitive delivery of workers compensation services in Queensland. While acknowledging the risks of monopoly provision, the Government concluded on balance these were not demonstrably greater (in Queensland) than those associated with competitive provision, which Queensland considers to be the intent of the revised Competition Principles Agreement. The great majority of the stakeholders favoured an approach where the 1996 changes were allowed to work before considering further changes. (The review also recommended substantial changes to the regulation of the monopoly provider, which are in the process of being implemented.)

The NCC considers the absence of high fixed costs in workers' compensation to demonstrate the absence of economies of scale or scope. The basis of Queensland's argument to retain a monopoly service provider is:

- the need for a sufficiently large pool to spread risk and provide a basis for robust actuarial assessment of risks;
- different regulatory arrangements and levels of benefit leads to the need to consider workers' compensation in each jurisdiction a separate market; and
- that insurers in competitive markets from time to time set premiums on factors other than risk.

Events over the last 12 months, most notably the collapse of HIH, appear to provide some support for this reasoning.

Risk Related Premiums

In relation to premium setting, the NCC appears to favour those arguments advanced in the 1994 Industry Commission (IC) inquiry into Australian workers' compensation arrangements. In doing so the NCC has not addressed the problems raised in the Review Committee's report such as:

- private insurers' premium discounting aimed at increasing market share resulting in non-risk reflective premiums; and
- lack of information available to smaller players in the market and small size of pool to spread risk under a competitive model.

On the issue of premium volatility, the NCC cites the 1994 IC report which considered that "a degree of premium volatility is necessary to transmit signals and incentives to employers about their safety performance and its costs." This is consistent with the Review Committee Report, as evidenced by the Government's decision to retain the EBR premium setting mechanism. Individual employers do need to be responsible for their own safety performance. The point made in the Review Committee Report was referring to stability across the pool so that workers' compensation costs become a factor that individual employers can control to some extent. If average premiums (as opposed to individual premiums) are highly volatile, it is detrimental to the ability of employers to plan, and distorts the signals inherent in the EBR mechanism. The market response to the HIH collapse has been to raise premiums across the board, regardless of individual claims history. To the extent these increases are justified, such as by the market historically underpricing for risk, this represents cost shifting across time, which the NCC has advanced as one of the major potential disadvantages of monopoly service provision.

The NCC does not appear to have taken this point into consideration and goes on to state that premium volatility would be limited by competitive pressures and that "cost-shifting across time is unlikely to be significant". This does not consider the fact that businesses operate in the present, not just in the long term, and that the initial instability that could result from the introduction of competition could be detrimental to business survival.

Further, the NCC claims that the then looming deficit in the Queensland scheme from 1995-98 was largely overcome by a 10% surcharge which resulted in a cost transfer from pre 1995 to 1995-98 employers. It should be noted that a similar situation is occurring in States with privately run systems, where most employers are paying a similar surcharge in order to cover the unfunded liabilities incurred by HIH. This amounts to a similar transfer across time and from customers of one insurance company to another.

Public Sector Efficiency

The PBT noted a high degree of consumer satisfaction with current arrangements, including operating costs, and found no evidence that the introduction of competitive underwriting would increase efficiency. The NCC states in its papers, however, that neither the Review nor the PBT provided any evidence to support these observations.

The findings of the Review were based on the evidence of the PBT and stakeholder consultations. A 1994 IC study into 80 jurisdictions in Australia, Canada and the United States was unable to ascertain any discernable differences in scheme performance due to market structure. In addition, a recent United States study found that "Insurance arrangements are of secondary importance in understanding important market outcomes, including the employers, costs of workers' compensation and injury rates. Rather it is the factors such as the statutory level of cash benefits and the adequacy of medical benefits, plus the administration of the state's workers compensation law…that determine the costs of a state's program and, by inference, the adequacy of benefits in a state. In short, states seeking to improve the adequacy and affordability of their workers' compensation programs should not view the insurance arrangements as a primary source of costs savings or efficiency." (Burton 1999).

As part of the PBT, an assessment of the impacts of any changes on stakeholders associated with workers' compensation was also undertaken. In both written and oral presentations, numerous stakeholders expressed their preference for a cautious approach to change. Independent surveys commissioned by WorkCover also demonstrated an increase in satisfaction levels from 2001 to 2002 of 71.4% to 75.9% for injured workers and of 68.8% to 77.4% for employers.

Further, the NCC indicates that all state monopoly schemes have accumulated large deficits and groups NSW, Victoria, SA and Queensland together in this respect. However in making this statement the NCC has not considered any other factors such as premium rates, magnitude of deficits, access to self-insurance provisions, benefits levels and, crucially, fund performance under *existing* arrangements. The NCC then cites evidence from the Heads of Worker's Compensation Authorities (HWCA) that "both exemplary and dismal performances" have been returned from both public and private underwriting approaches.

Regional employment

The NCC does not agree with Queensland's concern that moving to the private provision of workers compensation insurance would result in a potential reduction of employment in regional areas. The NCC paper states that there is reason to suppose that a private competitive system might offer an equivalent or higher level of service to regional Queensland than the current monopoly, on the grounds that if a lower standard of service was offered to clients by a company, it would lose market share to businesses that better meet customers' needs. However this does not take into consideration the fact that the party who pays the insurance is often not the party who benefits from the insurance – i.e. workers' compensation is third party insurance. A reduction in the quality of service in this case does not affect the policy holder (ie the employer) to the same extent as it affects the third party (ie the injured worker). Nor do injured workers, who would bear most of the cost of any reduction in service, have the power to take business away from providers who offer a lower standard of service. In third party insurance, the service available to beneficiaries is not necessarily a factor in the choice of the policy holder, who would likely make their choice on price alone, thus the market may not necessarily respond to a decline in service. Any loss in provision of services to injured workers would conflict with the objectives of the Act to provide fair treatment including medical treatment to injured workers.

Economies of scale and scope

In its paper, the NCC claims that as the Review Committee considered that the existing arrangement maximised economies of scale, the Review Committee must also have considered that the workers' compensation market had the characteristics of a natural monopoly. The NCC then presents a significant amount of evidence to demonstrate that the workers' compensation market in Queensland is not a natural monopoly. It should be noted that no claim was made in the Review Committee report that the market for workers' compensation is a natural monopoly.

The main claim made by the Review Committee was that a larger pool contributed greatly to improved information and risk reflective premium setting as well as spreading risk more effectively, which is consistent with the nature of insurance. More specifically, a larger pool means that the insurer has more complete information reflecting the overall risk of the market. It is thus easier for the insurer to assess and absorb overall risk, which is the nature of an insurance business. Premiums can then be set in such a way as to send appropriate signals to policy holders without causing excessive premium volatility for the pool in general.

Self-Insurance arrangements

Also in its paper, the NCC suggests that the Review Committee's view that Queensland self-insurers have not yet developed sufficient common law claims experience to accurately assess the impact of self-insurance on the scheme is "overly cautious" and indicates that claims experience in other jurisdictions could be used as a basis for assessment. This does not take into consideration the differing provisions for common law in various jurisdictions, and the differing lags for resolution of injury claims etc. It also does not recognise the difficulties faced in many other jurisdictions with deficits largely caused by recent increases in common law claims. The Review Committee's view was that prudence should be

exercised in the light of the significant changes to common law which were passed in October 2001.

The Queensland Government has proposed to review self-insurance arrangements three years after the introduction of the *WorkCover Queensland Act (1999).* This review would be carried out by the independent regulator, referred to above.

Conclusion

The NCC maintains that some of the conclusions reached by the Review Committee may be outside the range of reasonable outcomes. The NCC questions whether the current system sets premiums based on risk, citing the 1995-1998 surcharge. However, the NCC does not take account of the current low average premium rate in Queensland compared with all other States, including those run on privately based systems, and the surcharge currently being paid by employers in many of these jurisdictions.

At the CoAG Meeting held on 3 November 2000, the CPA was amended to state that "In assessing whether the threshold requirement of Clause 5 [of the CPA] has been achieved, the NCC should consider whether the conclusion reached in the report is within a range of outcomes that could reasonably be reached based on the information available to a properly constituted review process. Within the range of outcomes that could reasonably be reached, it is a matter for Government to determine what policy is in the public interest." In view of HWCA's findings and the performance of various State schemes, a range of reasonable outcomes should not, therefore, be limited to the adoption of a single and universal model for all States.

Superannuation

Refer to Chapter 2 on Competitive Neutrality for information relating to the Queensland Government review of the administration of the Queensland public sector superannuation legislation in relation to NCP requirements.

Education, Child Care, Gambling

Education

The legislation review of education legislation in Queensland is nearing completion. Of the seven reviews scheduled on the Queensland Legislation Review Program five have been completed and the two remaining reviews are close to being finalised.

The reviews of the *Education (Capital Assistance) Act 1993*, the *Education (Overseas Students) Act 1996* and the *Education (Teacher Registration) Act 1988* have previously been completed and reported on. The NCC has agreed that these reviews are consistent with clause 5 of the Competition Principles Agreement.

During 2001 the reviews of the *Higher Education (General Provisions) Act 1989* and the universities legislation were also completed.

Higher Education (General Provisions) Act 1989

The *Higher Education (General Provisions) Act 1989* imposes restrictions and accreditation procedures on non-university providers and foreign universities which seek to provide higher education courses leading to higher education awards in Queensland

The review identified a number of sections of the legislation which are restrictive because they:

- impose a limitation on the operation of foreign universities in Queensland;
- impose a limitation on the use of the title 'university'
- impose a limitation on the conferring and using of higher education awards;
- provide for the Minister as the accrediting authority for courses offered or proposed to be offered by non-university providers;
- provide for the examination of the operations or recognition of universities.

The public benefit test found that the restrictions were justified on a number of grounds including the information asymmetry which exists in the market, the social and economic factors which operate outside the market, and the positive externalities generated by education in society. Accordingly, the existing regulatory regime has been retained in the public interest.

Review of Universities Legislation

The review of legislation governing public universities in Queensland included consideration of the following legislation:

- *University of Southern Queensland Act 1998*;
- *University of Queensland Act 1998*;
- *James Cook University Act 1997*;
- *Queensland University of Technology Act 1998*;
- *Griffith University Act 1998*;
- *Central Queensland University Act 1998*; and
- *University of the Sunshine Coast Act 1998*.

The review identified a potential restriction in each of the "University Acts' in relation to the ability of each university to apply revenue, in that revenue must be applied solely for university purposes. It was considered that, while benefits accrue as a result of the applied revenue, this restriction does not significantly impact adversely on competition in the market and is not onerous. Accordingly, the existing regime has been retained in the public interest.

Education (General Provisions) Act 1989

The review of the *Education (General Provisions) Act 1989* is currently being finalised. The review is addressing the issues of the registration of overseas curriculum and the ability to prohibit the sale of certain items from state school tuckshops. The review of the *Education (General Provisions) Act 1989* is expected to be completed by end March 2002 with any reforms implemented by mid 2002.

Grammar Schools Act 1975

An original review of the *Grammar Schools Act 1975* was completed in September 1997. The review has since been re-opened in light of the need to consider particular matters in more detail and a second review report is currently being finalised. It is expected that the review of the *Grammar Schools Act 1975* will be completed by end March 2002 with any reforms implemented by mid 2002.

Child Care

A major and fundamental review of child care legislation in Queensland has been underway since 1999. The child care review as it pertains to NCP examines restrictions contained in legislation that regulates child care services in Queensland. Restrictions being examined include the impact of licensing fees and costs associated with meeting licensing requirements. This includes requirements to employ qualified staff and meet building and facility standards. In addition, the impact of regulating different service types within the child care sector that have not previously been regulated is also being examined.

The Public Benefit Test report for the review was released for public consultation in December 2001 with comments to be received by 31 January 2002. The PBT report is currently being revised based on feedback received during the consultation process and it is expected that the report will be completed by end April 2002. Legislative amendments implementing the final policy approach are expected to be made by mid 2002.

Gambling

Queensland's omnibus review of gambling legislation within the Treasury portfolio is nearing completion. This review comprises the following legislation:

- *Casino Control Act 1982;*
- *Gaming Machine Act 1991;*
- *Keno Act 1996;*
- *Lotteries Act 1997;*
- *Wagering Act 1998;*
- *Interactive Gambling (Player Protection) Act 1998;*
- *Charitable and Non-Profit Gambling Act 1999;* and the
- *Gaming Legislation Amendment Bill 2000*.

The omnibus review is considering the following categories of restrictions which are common to some or all of the individual Acts and associated Regulations:

- occupational licensing for probity and consumer protection purposes of anyone in a position to significantly influence the operations of the holder of a gambling licence. This includes operators, key employees and persons (e.g. consultants), monitoring operators and repairers and service contractors for gaming machines;

- provisions aimed at minimising the harm to community members by prohibiting gambling by minors, prescribing operating times, prohibiting credit betting, excluding problem gamblers and prohibiting offensive or misleading advertising;
- exclusivity arrangements for initial periods for lotteries, keno, sports and race wagering and for some table games (restricted to casinos).
- caps on gaming machine numbers in clubs and hotels;
- provisions which restrict the type of businesses and premises that can act as agents for gambling licensees;
- business conduct restrictions including operating hours, percentage returns to players, reporting arrangements and advertising of non-licensed products/providers; and
- for casinos, shareholder restrictions and varying tax rates.

The *Racing and Betting Act 1980*, administered by the Department of Tourism, Racing and Fair Trading, will not form part of the omnibus review of gambling legislation as a separate review of identified restrictions was completed and endorsed by Cabinet in November 2000. Restrictions in the Act related to:

- the overall regulatory regime including licensing, drug control, appointment and operation of stewards and the establishment of racing associations;
- prohibition on the entry of new codes of racing;
- prohibition on proprietary racing; and
- the operation of bookmakers.

The review recommended that the prohibitions on the entry of new codes of racing and proprietary racing be removed from the *Racing and Betting Act 1980*. The review also recommended that advertising restrictions on bookmakers be removed from the Act and responsibility for advertising matters be transferred to the various Control Bodies. The Review recommended the *Racing and Betting Act 1980* be repealed and replaced by a new Racing Act. A Bill is currently being drafted to give effect to these recommendations. The Bill will also cover a range of other matters which will be examined and assessed in relation to competition objectives. The Bill is expected to be introduced in the first half of 2002.

The Act was amended in late 2001 to establish the Queensland Thoroughbred Racing Board which has been given the responsibility for making recommendations within 18 months to the Minister for Tourism and Racing and Minister for Fair Trading on new governance arrangements for thoroughbred racing. The Board is being advised of the need to examine its proposals in terms of competition impacts.

Planning, Construction, Development

Queensland Building Services Authority

The review of the Building Services Authority Legislation has commenced and is continuing. The legislation under review is:

- *Queensland Building Services Authority Act 1991* ('Act'), as amended;
- *Queensland Building Services Authority Regulation 1992*, as amended; and
- Board policies forming subordinate legislation to the Act.

The model adopted for the review process is that of a targeted public review, which examines similar or identical restrictions across the various States' building industry legislation.

The major restrictive issues considered were the barriers to entry of licensing of builders, the monopoly provision of home warranty insurance and restricting the conduct of business through controls on financial standing of licence holders. Within the review process, it is noted that home warranty insurance also is the subject of a national review (National Home Warranty Insurance Review) being undertaken by Professor Percy Allan.

The NCP review was publicly advertised and submissions invited. An independent consultant was engaged for the purpose of conducting the review and to undertake public consultation. An industry reference group was established for the purpose of assisting with the consultative process, with consumer, industry and insurance industry representatives participating as members of that group.

The consultant's findings were delivered in late December 2001 and, as at March 2002, a draft review report is being finalised. It is expected the Government will consider the report in May 2002.

Planning and Development

The *Integrated Planning Act 1997* (IPA) which replaced the *Local Government (Planning and Environment) Act 1990* provides the planning framework for land and other development in Queensland. Its purpose, as outlined in the Act, is to seek to achieve ecological sustainability by coordinating and integrating planning at the local, regional and State levels and managing the process by which development occurs and its effects on the environment. In essence, the *Integrated Planning Act*:

- protects existing and lawful rights from arbitrary removal by new planning instruments;
- unlike the previous Act, binds all persons, including the State. State agencies engaging in commercial activities are, in the normal course of events, required to comply with exactly the same processes and standards as private developers;
- provides the underpinning for local government planning schemes and planning scheme policies, including requirements that they be must be made, amended and reviewed in a transparent and accountable manner;
- streamlines development approvals through the Integrated Development Assessment System (IDAS). Under IDAS, development applications are considered by a single assessment manager, usually the local government, rather than a raft of State and local government agencies as before;
- provides for appeals to the Planning and Environment Court, and Building and Development Tribunals established for that purpose;
- provide for infrastructure charges and agreements; and
- provide for private building certifiers to decide and certify development approvals in competition with local government certifiers.

The "performance based" approach in the IPA means that the decision on whether to make development assessable in a particular context (i.e. whether or not a development permit is required) must be based on achieving the objectives of the relevant planning scheme, which in turn must be based on achieving the objectives of the Act.

Any codes applying to self-assessable development must be transparently developed and implemented in pursuit of the objectives of the legislation. The intention of the IPA with respect to codes and self-assessment is, as far as is consistent with achieving the objectives of the legislation, to allow for self-regulation, and reduce the amount of assessable development.

The IDAS process has been designed to remove the arbitrary barriers to the submission and assessment of applications, which were a common feature under the previous system. Under the IPA, requirements for a properly made application are minimal, with an obligation on the assessment manager to subsequently work with the applicant to finalise conceptualisation of the application.

Under the IPA fees charged for development assessment must cover only the reasonable administrative costs of assessing the application. Guidelines have been developed by the Department, based on competitively neutral pricing principles, to assist local governments in setting fees associated with development applications.

All conditions under IDAS are subject to the statutory test that they must be relevant for, or reasonably required in respect of the particular development. Taken in the context of the objectives of the IPA, this means that all conditions must be clearly directed at achieving the planning outcomes articulated for the locality in the planning scheme, or be reasonably required to ameliorate any adverse environmental effects of the proposed development. Comprehensive appeal rights are available to applicants in the case of conditions not complying with these requirements. Consequently, it is not open to assessment managers or concurrence agencies to impose conditions under IDAS other than for public benefit purposes aimed at fulfilling the objectives of the legislation.

While the IPA provides the general head of power for private building certification, the licensing and operational framework for private certifiers is contained in the *Building Act 1975* which is the subject of a separate review currently underway.

Architects

The Commonwealth Productivity Commission on behalf of all States and Territories conducted a national review of the States and Territories' legislation regulating architects.

The Productivity Commission's recommended (and preferred) approach was:

"State and Territory Architects Acts (under review) should be repealed after an appropriate (two-year) notification period to allow the profession to develop a national, non-statutory certification and course accreditation system which meets requirements of Australian and overseas clients."

The Productivity Commission's alternative approach was:

"In those States and Territories which require all building practitioners who act as principals (including all building design practitioners) to be registered, the following principles should be adopted with respect to Architects:

- that Architects be incorporated under general building practitioners Boards which have broad representation (including industry-wide and consumer representation);
- that there be no restrictions on the practice of building design and Architecture;
- that the use of a title such as "Registered Architect" be restricted to those registered but that there be no restrictions on use of the generic title "Architect" and its derivatives;
- that only principals (persons, not companies) to contracts be required to be registered;
- that there be provision for accessible, transparent and independently administered consumer complaints procedures, and transparent and independent disciplinary procedures; and
- that there be scope for contestability of certification (that is, Architects with different levels of qualifications and experience be eligible for registration)."

A National Working Group comprising representatives of all States and Territories was convened to recommend a consolidated response to the Productivity Commission's findings. The Working Group supported the Productivity Commission's broad objectives and, guided by these broad objects rejected the Productivity Commission's preferred approach as not being in the public interest; and recommended adoption of the alternative approach by adjustment of existing legislation to remove elements deemed to be anti-competitive and not in the public interest.

In this regard, the Working Group recommended that:

- Regulatory Boards be constituted with broad industry wide and consumer representation;
- legislation providing for the regulation of architects not include restriction on practice;
- restriction on the use of the titles "Architect" and "Registered Architect" remain;
- where an organisation offers the services of an architect, an architect must supervise and be responsible for those services;
- complaints and disciplinary procedures be made more transparent and provide avenues for appeal; and
- Architectural Boards be encouraged to identify (and implement) means of broadening current certification channels.
- The Queensland Government has accepted the Working Group recommendations.

It is noted that the Productivity Commission alternative recommendation, that architects be incorporated under general building practitioner Boards, envisages adjustment of existing legislation. In this regard it is noted that, at this time, Queensland does not have any suitable existing legislation by which this can be achieved and accordingly proposes, at this time, to amend the existing legislation in accordance with the recommendations of the Working Group, with the amending legislation to be introduced in the June 2002 Parliamentary sittings.

Surveyors

The NCC has stated that while Queensland had provided little evidence of the benefits and costs of the requirements for consulting surveyors to have indemnity insurance under the *Surveyors Act 1977*, it notes that PBTs in other jurisdictions demonstrate this restriction is consistent with NCP.

The NCC has asked to be provided with a developed public interest case for the specific entry requirements for licensed cadastral surveyors, and whether these requirements are the minimum to meet the objectives.

While Queensland's review concentrated more on the need for licensing of cadastral surveyors than on the appropriateness of their entry requirements, it noted the importance of consistency with other States and Territories. It is noted that those States that did address the matter have decided to retain the entry level requirement generally as it exists at present, with greater emphasis on competency than on qualifications. It is proposed to review the entry requirements as part of the planned move to a competency based assessment system in keeping with national developments.

The review has been completed and reported to the NCC in previous Annual Reports. It is Queensland's view that this review is no longer an assessment issue.

Valuers

The NCC has stated it is unable to assess whether the review of the *Valuers Registration Act 1992* complies with NCP and has insufficient detail concerning the review process, recommendations, PBT case for continuing the restrictions and timetable for reform.

The review was undertaken as a departmental review, chaired by an officer of the department independent of the area that regulates valuers. Queensland Treasury was also involved in the review. The committee undertook consultation with industry and other stakeholders. It found that in medium to long term, deregulation is likely to deliver net public benefit but in the short term there would be a risk to infrequent users of valuers. Consequently, the review recommended:

- retention of registration of valuers, with a further review in three years;
- broadening the membership of the Valuers Registration Board to include two business and community representatives in addition to three registered valuers; and
- removal of other geographic and price control restrictions.

The amending legislation to give effect to these review outcomes passed through the Parliament in 2001.

The review has been completed and reported to the NCC in previous Annual Reports. It is Queensland's view that the review should no longer be subject to assessment.

1.2.4 "Gatekeeping" arrangements for new legislation

Also under clause 5 of the CPA, all new (including amending) legislation which restricts competition must, prior to consideration by Cabinet, have been subjected to a public benefit test. The table forming Attachment 3 lists legislation restricting competition which has been enacted during 2001.

COMPETITIVE NEUTRALITY

2.1 Status of competitive neutrality policy implementation

2.1.1 Public Trust Office

In its fifth annual report to the NCC, Queensland reported that the PBT report recommended the Public Trust Office (PTO) implement changes in order to ensure compliance with competitive neutrality requirements, and a strengthening of its self-funding capability while not compromising its social justice objectives. The review process recognised that while it maintains the structure of a Government Department, the PTO is also in competition with the private sector in some areas of activity.

It was recommended, therefore, that the recommended reforms be implemented in three stages:

Stage 1 *Fairer and Simpler Fee Structure*
Stage 2 *Productivity and Commercial Enhancements*
Stage 3 *Commercial/Corporate Considerations*

The Government directed the PTO to address, within a three year staged implementation, issues related to:

- a fairer and simpler fee structure;
- transparent Community Service Obligation funding;
- the elimination of cross subsidisation; and
- establishment of an appropriate capital structure.

After review and re-engineering of PTO's business processes, the PTO has fully implemented the first stage reforms during 2001 and has achieved full cost pricing in aggregate. This required Government to consider and approve a new fee structure for PTO services.

During 2002, the PTO will implement the next stages of reform.

2.1.2 TAFE

A Public Benefit Test for the Review of TAFE was completed by an independent consultant on 31 May 2000 and the Review Committee Report was considered by the Queensland Government in August 2001. The Government endorsed the application of competitive neutrality principles to TAFE Queensland Institutes where they compete directly with private providers on price, and the implementation of a full cost pricing (FCP) model for competitive purchasing and fee-for-service programs by February 2002.

TAFE Queensland is well placed to have the FCP model fully operational in relation to the relevant programs by February 2002. The model is to be reviewed by December 2004 within the context of future corporate governance arrangements for TAFE Queensland.

2.1.3 WorkCover

In May 2001, the Queensland Government endorsed the conclusions of the committee which reviewed workers' compensation arrangements in Queensland. With regard to competitive neutrality issues, the committee concluded that the delivery of workers compensation needed to be separated from regulation of the industry. This will require new legislation establishing a statutory authority to undertake the regulatory functions currently administered by WorkCover. Further information on this process is included in Section 1.0 Legislation Review of this report.

2.1.4 Superannuation

The superannuation arrangements for Queensland public sector employees were comprehensively reviewed from 1997 to 2000, culminating in the launch of an improved package of benefits and choices in 2000. The review process incorporated wide ranging consultation with employers and unions including extensive discussion of the Commonwealth Government's proposed "choice of fund" legislation. Consultation included preparation and distribution of a report on the proposed changes to the eight major unions and 82 of the employers covering the public sector. This was followed by discussion forums.

The review conclusions strongly supported the continuation of the existing QSuper arrangements, and recommended an enhanced range of choices for members, including a choice between Defined Benefit and Accumulation style accounts. The review also recommended the introduction of member investment choice rather than providing employees with the option of choosing their own fund.

QSuper's Board of Trustees continually assesses the needs and perceptions of members, carrying out regular independent market research, using both phone surveys and focus groups. This research specifically monitors if members would move their superannuation from QSuper if the opportunity were made available. The vast majority of members have consistently indicated they are happy with the current superannuation arrangements and would not change funds if this opportunity was available.

The membership particularly values the security of the QSuper arrangements and this would be a major concern for both unions and employers should the current restrictions be removed. The well publicised failures reported on in recent Commonwealth Government reviews has demonstrated the safety of employees' retirement savings is not guaranteed. Consequently, a Commonwealth working group is currently considering the "options for improving the safety of superannuation". Concerns about the safety of employees' retirement savings have increased since the review of the Queensland public sector superannuation arrangements. As a result of the review, the Queensland Government preferred to enhance the range of choices available to members within the secure QSuper structure. Whilst it is recognised that the majority of superannuation funds in Australia are adequately managed, the cost to the community of supporting employees who have lost all, or a substantial part, of their retirement savings, is not insignificant.

Queensland is the only State Government which has been able to continue to offer Defined Benefit arrangements to new public sector employees. All other States have closed their defined benefit arrangements due to cost considerations. The capacity of the Queensland Government to continue to offer the choice of both Defined Benefit and Accumulation style accounts is supported by a limitation on choice of funds.

If Queensland public sector employees were able to choose any superannuation fund, then the cost of the Defined Benefit option would likely become prohibitive. Further, allowing existing members to make the choice to transfer benefits to another fund would create an implicit cost for contributions tax to the State Government. Bringing forward this taxation liability would result in increased costs to the State Government. If the Defined Benefit option were to be withdrawn, then the superannuation package would be less attractive. This is consistent with the reaction of the unions to the Commonwealth proposal to phase out the defined benefit option for its own public sector employees.

As has been demonstrated by the continuing rationalisation of the superannuation industry in recent years, economies of scale are essential to delivering low cost, high quality superannuation services. The continued access to low cost, high quality superannuation services for all Queensland public sector employees is directly underpinned by the ability to retain the limitation on choice of fund for current employees.

Last year, QSuper commissioned an independent consultant, Towers Perrin, to conduct an investigation into how QSuper's fees compared to the rest of the superannuation industry. The report found that QSuper's fees are well below those charged by retail and master funds. Retail funds and master trusts charge between 1.4% p.a. and 2.12% p.a. for administration and investment fees, an average of 1.69% p.a. In comparison, QSuper has a total management fee of 0.35%. Towers Perrin indicated in its report that this low fee is a "significant benefit to members".

In weighing up the cost and benefits of the restriction and the alternative options, it is considered that the current restriction provides a net benefit.

A further review of the management of public sector superannuation funds by the Queensland Investment Corporation (QIC) has also been undertaken. It was established in the previous review, that the QIC did not have exclusive management of Queensland's public sector superannuation monies, since the current legislation allows for all or part of the funds to be managed by other investment fund managers. This already occurs to some extent, since the management of part of the investment funds managed by the QIC is outsourced to several international fund managers.

This arrangement is likely to expand, with the QIC fulfilling the role of specialist investment consultant to the Trustees of the various Queensland public sector superannuation schemes in relation to the strategic allocation of assets, and the selection and monitoring of appropriate fund management contracts. It is expected that domestic funds managers will be selected during the course of 2002 to complement the QIC management style.

The path chosen is basically a purchasing decision of the Queensland Government and QSuper and, in fact, is becoming more common in the funds management and superannuation industries and is known as "implementation management".

However, whilst the QSuper Trustees and QIC carry out the selection of the investment fund managers, members are provided with a range of investment choices within QSuper in order to tailor the investment of their account balances to suit their own personal circumstances.

2.1.5 Queensland Abattoir Corporation (QAC)

The QAC ceased operations as a meat processor on 23 December 2000. The disposal of QAC assets (generally via public tender or auction) and settlement of liabilities has largely been completed. The entity is expected to be finally wound up during 2002.

2.2 Complaints to the Queensland Competition Authority (QCA)

2.2.1 Complaint against ENERGEX by Hi-Load Escort Services

In March 2001, the QCA reported to the Premier and Treasurer on a competitive neutrality complaint against the Network Services Division (NSD) of ENERGEX, which is a declared SBA under s.39 of the QCA Act for the purposes of the application of the principle of competitive neutrality as defined under s.38 of the QCA Act. The complaint related to the transport of over-dimensional loads and ENERGEX's responsibility under s.42(b) of the *Electricity Act 1994* to maintain the integrity of its network both in terms of reliability and safety, and in accordance with Standard Work Procedure (SWP) 39, an ENERGEX procedure.

The complainant alleged:

(a) NSD did not undertake scoping in accordance with the requirement of SWP 39;

(b) NSD did not comply with SWP 39 in relation to certain safety equipment and procedural requirements;

(c) NSD had won work by submitting unrealistically low quotes and subsequently invoicing the customer for a significantly greater amount than the original quote; and

(d) scopes prepared by the complainant and provided to ENERGEX to satisfy the requirements of SWP 39 were available to NSD and allowed it to use this information to avoid the cost of conducting a scope itself.

Matters substantiated

The Premier and Treasurer as the Minister responsible under the QCA Act accepted the QCA's finding that complaints (a) and (b) were substantiated.

The Premier and Treasurer accepted the QCA's finding on the basis that the regulatory arrangements relating to scoping and safety equipment and procedures under SWP 39 allowed ENERGEX to enjoy a competitive advantage over private sector providers due to the following factors.

While SWP 39 has historically been a requirement of ENERGEX by virtue of the safety provisions of the *Electricity Act 1994* and ENERGEX's responsibility to ensure the integrity of the supply system, it is a procedural or regulatory requirement for the purposes of s.38(c) of the QCA Act. While private sector providers of over-dimensional load escort services are subject to SWP 39, ENERGEX is not required by the *Electricity Act 1994* or the *Workplace Health and Safety Regulation 1997* to apply SWP 39 to itself. This allowed ENERGEX to enjoy a competitive advantage because of the legislative and procedural framework in place at the time of the complaint.

Pursuant to s.57 (1)(b) of the QCA Act, the Premier and Treasurer accepted the QCA's recommendation as to how the breach of competitive neutrality could remedied, that is, by:

(a) ENERGEX putting in place effective, publicly transparent and competitively neutral risk assessment procedures to determine whether an electrical escort service provider, being either a private sector entity or NSD, needs to undertake scopes before the transport of an over-dimensional load; and

(b) public and employee safety standards for high load transport, and sanctions and remedies for non-compliance with those standards, be set and enforced by an agency which is independent of ENERGEX.

To this end, the QCA advised, in relation to SWP 39, ENERGEX undertook to clarify scoping requirements for all service providers so NSD does not enjoy any additional discretion or authority compared with a private sector provider. In this regard, the Electrical Safety Office (ESO), within the Department of Industrial Relations, has a role in enforcing electrical safety standards. The ESO has accepted regulatory responsibility and is in the process of developing guidelines to assist private sector providers develop their own SWPs. The ESO will have the role of periodically auditing the private providers' work against the ESO guidelines, thus removing this function from ENERGEX and any potential conflict of interest. The ESO will also audit ENERGEX's SWPs against the ESO guidelines.

ENERGEX also implemented an internal risk assessment procedure in relation to NSD's activities to provide for assessment of the level of scoping required for over-dimensional load transport escort. Following the QCA's report, ENERGEX advised it has undertaken re-organisational changes to ensure that its regulatory arrangements are competitively neutral.

Matters not substantiated

The QCA found parts (c) and (d) of the competitive neutrality complaint were not substantiated.

2.2.2 Rail's *Cattletrain*

In July 2001, the QCA reported to the Premier and Treasurer on a competitive neutrality complaint against Queensland Rail's (QR) livestock transportation service, *Cattletrain*. QR is a declared SBA under s.39 of the QCA Act for the purposes of the application of the principle of competitive neutrality as defined under s.38 of the QCA Act.

The complainant alleged that QR had breached the principle of competitive neutrality in Central Queensland because it:

(a) priced its *Cattletrain* livestock rail transport services below a level which a commercial private sector organisation could attain and, in particular,
   (i) offered more favourable prices to selected customers to attract them to use the QR livestock transport service; and
   (ii) discounted livestock freight rates to particular businesses; and

(b) enjoyed a procedural and operational advantage as a result of animal welfare transport standards. It was alleged that QR influenced the development of the animal welfare standards for livestock transport thus giving *Cattletrain* an advantage over its private sector competitors.

Matters substantiated

Pursuant to the provisions of the QCA Act applying at the time the complaint was lodged, the QCA found the complaint (a), relating to the application of volume discount pricing to its *Cattletrain* livestock rail transport services between Richmond Shire (via Winton) and Rockhampton, to be substantiated.

The QCA recommended the open-ended financial arrangements between QR and the Queensland Government, which prevailed at the time of the complaint, cease or be amended to ensure that no competitive advantage is provided to QR unless there is a demonstrable public benefit in doing so. In this regard, the QCA noted the open-ended funding of QR had ceased and Queensland Transport and QR were developing a Regional Rail Service Agreement for the transport of general freight.

The Premier and Treasurer accepted the QCA's finding and agreed that, as the source of the past breach of the principle of competitive neutrality had been removed, no further remedy was necessary.

Matters not substantiated

In relation to operational pricing matters, the QCA found QR's discounts to its customers in exchange for operational efficiencies under commercial agreements with those customers did not result from government ownership or control. Further, the QCA noted such practices are applied by commercial operators.

The QCA concluded QR did provide lower prices in the form of discretionary discounts off QR's standard rate schedule but this practice was no longer in effect at the time of the complaint.

The QCA concluded the substitution of larger wagons for smaller wagons at the same price arose due to operational requirements, rather than as a result of government ownership or control.

In relation to the complaint regarding animal welfare issues, the QCA found the complaint was not substantiated. The QCA noted the Livestock Code, which is not mandatory, applied both to public and private rail operators. The QCA did not consider QR enjoyed any advantage from the application or development of the Livestock Code which could be solely attributed to QR's government ownership.

2.3 Complaints to Queensland Treasury

2.3.1 Complaint against ENERGEX by VMS

Queensland Treasury received a complaint in July 2001 regarding ENERGEX's differential pricing structure for calibration services. The complaint also raised the possibility that ENERGEX's second party accreditation to ENERGEX contractors gave ENERGEX a competitive advantage in obtaining calibration business over its private sector competitors.

The differences in pricing of ENERGEX's calibration activities related to two types of calibration services which are quite different from each other both in the services *per se* and the charges for those services.

The first service is a general calibration service using fully automated calibration for a reduced range of commonly used working instruments. The calibration is traceable to national standards and is accompanied by an automatically generated report. The pricing for the general calibration service includes labour related operating costs and other attributed costs for non labour related operating costs including depreciation, tax and tax equivalents, and cost of debt financing as well as an allowance for profit. The first service attracts a lower charge than the second calibration service.

The second calibration service is a specialised National Association of Testing Authorities (NATA) service and requires full NATA certification against certified standards, and includes a full NATA report. The specialised NATA calibration services costs include all the attributed costs as for the general calibration service. Additionally, there is a higher labour component associated with the NATA calibration service as well as costs associated with checking results to NATA requirements, report preparation and calculation of uncertainties and report checking.

In relation to the complaint that there was the possibility of ENERGEX enjoying a competitive advantage in procuring calibration business as the result of ENERGEX's role in the recent electrical safety audit commissioned by the Electrical Safety Office, that is, its second party accreditation to ENERGEX contractors, ENERGEX has taken steps to ensure it does not receive an unfair commercial advantage. In this regard, ENERGEX has instructed its inspectors not to promote ENERGEX as the service provider for the required calibration services.

2.4 Local government

Specific competitive neutrality issues pertaining to local government are dealt with in Section 5.0 Local Government. Threshold matters in relation to local government are discussed in section 2.6 below.

2.5 Government owned corporations

Queensland Government Owned Corporations (GOCs) are subject to the *Government Owned Corporations Act 1993* (GOC Act) and Treasury has established a dedicated Office of Government Owned Corporations (OGOC) to deal with matters pertaining to GOCs. The Queensland Government has introduced a raft of measures including the removal of the shield of Crown immunity from GOCs.

The Queensland Government supports the application of the principle of competitive neutrality to its GOCs and commercialised business and the competitive neutrality policy relating specifically to GOCs is detailed in the GOC Act and also in the QCA Act.

Queensland applies a competitive neutrality fee on GOC borrowings aimed at ensuring GOCs pay the market rate of interest on their borrowings and assessing GOCs' credit rating on a stand alone basis. GOCs are also subject to a tax equivalent regime for the collection of Commonwealth tax equivalents and all GOCs are required to pay state taxes. Queensland has nominated all its GOCs as part of the National Tax Equivalent Regime which is administered by the Australian Tax Office. A Local Government rate equivalent regime for land exempt from rates under the Transport Infrastructure Act is applied.

Queensland has a generic CSO Framework which requires CSOs to be transparent, appropriately costed and funded. Queensland GOCs are subject to the policy and their non-commercial activities are subjected to this robust regime which incorporates the legislative provisions of the GOC Act and the QCA Act. CSOs are negotiated on a contractual basis with the GOC as provider and the Government as purchaser. Contracts are negotiated on the basis of the GOC only being compensated on the basis of efficient cost and not on an actual "cost plus" basis to ensure that improved service delivery and efficiency remains a key objective of the GOC.

In relation to performance monitoring issues, OGOC focuses on the development, collection, analysis and reporting of information on the financial and non-financial performance of GOCs and some large commercialised businesses. GOC performance is reported at least quarterly to shareholding Ministers against targets established in the GOCs' Statements of Corporate Intent for the relevant financial year.

A complaint handling mechanism has been established under the QCA Act to handle competitive neutrality complaints against government business activities, including GOCs, which have been declared as SBAs. Complaints occurring outside the QCA Act process are dealt with in accordance with the guidelines, *Queensland's Competitive Neutrality Process* (March 2001). Complaints which arose during 2001 are reported on above.

2.6 Other competitive neutrality matters

2.6.1 Significant business activities thresholds

Clause 3(2) of the Competition Principles Agreement provides for:

> *Each Party* [to the CPA] *to determine its own agenda for the implementation of competitive neutrality principles.*

Accordingly, the Queensland Government published the July 1996 policy statement, *Competitive Neutrality and Queensland Government Business Activities*, which established three broad criteria for declaration of State Government businesses as SBAs under s.39 of the QCA Act. The three criteria are:

- the activity must be a 'business' activity and primarily commercial in its focus;
- the activity must be of a significant scale of operation based on annual expenditure ($10M), market share and the potential impact of businesses on the Queensland economy; and
- the benefits of introducing competitive neutrality, taking into account all sections of the community, must outweigh the costs.

The above criteria were only ever meant to be indicative and Queensland has adopted a pragmatic, case-by-case approach to competitive neutrality. A State government business activity does not necessarily need to meet the indicative expenditure thresholds in the 1996 policy statement before it is considered for the introduction of competitive neutrality reforms.

As well as legislated competitive neutrality processes under the QCA Act, the Government's guidelines, *Queensland's Competitive Neutrality Complaints Process* (March 2001), are applied to competitive neutrality complaints against government business activities not covered by the provisions of the QCA Act: that is, government business activities which have not been declared as SBAs under the QCA Act. The guidelines are available from Queensland Treasury's web site.

Competitive neutrality matters pertaining to local government are covered in greater detail in the local government section of this report. In relation to local government business activities, the thresholds adopted by Queensland were developed in consultation with local governments and the NCC. The thresholds are indexed and gazetted annually.

Rather than being prescriptive, Queensland chose a co-operative approach which promotes partnership with autonomous local governments and utilises an appropriate mix of prescription and incentives. This has resulted in all identified local government SBAs being subjected to competitive neutrality principles. Local government business activities with expenditure levels as low as $200,000 have been targeted by this approach. The Queensland Government does not feel it is appropriate to mandate the implementation of the competitive neutrality principle for local government business activities irrespective of size and will continue to encourage reform in co-operation with local governments.

The Queensland Government's approach to implementing competitive neutrality reforms is consistent with the requirements of the CPA which were intended to allow jurisdictions to maintain a degree of autonomy in the implementation of competitive neutrality reforms. Where the Queensland Government identifies a net community benefit from implementing reforms, it will continue to do so. One means of identifying businesses suitable for reform, is the complaints process which will continue to perform a monitoring role.

3.0 STRUCTURAL REFORM

3.1 Dalrymple Bay Coal Terminal

On 14 September 2001 the Government leased one of its monopoly assets to a private sector entity under a long term lease. The awarding of the lease was based on a competitive tender process. The assessment framework requires Queensland to demonstrate all issues relevant to Clause 4 of the Competition Principles Agreement have been addressed in the lease process.

The lease of the Dalrymple Bay Coal Terminal (DBCT) involved a consideration of Clause 4 issues. Some of the Clause 4 issues have also been addressed via related reform processes, eg. the declaration, for third party access purposes, of the service provided by DBCT infrastructure. Below is a description of the situation for each Clause 4 issue.

(i) Appropriate commercial objectives

The owner of the assets comprising DBCT (excluding land), DBCT Holdings Pty Ltd, is a wholly government owned Corporations Law company, with a Constitution and Shareholders Agreement. DBCT Holdings was established with an independent commercial mandate to carry on the business of DBCT landlord on an efficient and commercial basis and oversight the contractual arrangements with the lessee. DBCT Holdings has no assets or business other than the terminal.

(ii) The merits of separating any natural monopoly elements from potentially competitive elements

The infrastructure leased (ie. the coal terminal) is a natural monopoly and there are no contestable elements to the business. The tender process was undertaken on the basis the service provided by the DBCT infrastructure be declared for third party access under the *Queensland Competition Authority (QCA) Act 1997*. This recommendation was implemented in 2001 with the declaration of the services provided by the DBCT. The lessee is required under the lease contract to prepare an access undertaking and submit it to the QCA within 12 months of entering the contract (ie. by mid September 2002).

(iii) The merits of separating potentially competitive elements

There are no potentially competitive elements.

(iv) The most effective means of separating regulatory functions from commercial functions

The DBCT lessee and the owner of the DBCT have no regulatory responsibilities in relation to the terminal or the seaport industry. Queensland Transport department is responsible for marine safety regulation and environmental regulation is the responsibility of the Environment Protection Agency. Pricing and access regulation is the responsibility of the QCA.

(v) The most effective means of implementing the competitive neutrality principles

Competitive neutrality principles do not apply to privatised entities.

(vi) The merits of any community service obligations undertaken by DBCT

There are no community service obligations performed by the lessee or the owner of the DBCT.

(vii) The price and service regulations to be applied to the industry

The QCA will regulate pricing and quality of service for the DBCT in the context of the access undertaking to be submitted by the lessee.

(viii) The appropriate financial relationships between the owner of the public monopoly and the public monopoly, including the rate of return targets, dividends and capital structure.

The lessee of the DBCT is not a public monopoly. The owner of the DBCT is a government owned company.

DBCT Holdings' shareholders' agreement specifies the relationships between it and its shareholders. As outlined above, DBCT Holdings was established with an independent commercial mandate and the shareholders agreement requires DBCT Holdings to provide quarterly financial and management reports to shareholders.

DBCT Holdings is a holding company and does not receive any revenue. Most funds come from Government. As such there are no performance targets.

3.2 Brisbane Market Corporation

A tender process has commenced for the sale of the assets and undertakings of Brisbane Market Corporation Ltd (BMC), a government owned corporation (GOC). Corporatisation followed a review of the business in accordance with NCP principles. It is a monopoly business involved in the provision of facilities and support services to facilitate the wholesaling, marketing and distribution of primarily fruit and vegetables in Brisbane.

On 13 December 1999, following the repeal of the *City of Brisbane Market Act 1960* (Qld), the Brisbane Market Authority was corporatised to become BMC. Prior to corporatisation, the statutory exclusivity provisions enjoyed by the Brisbane Market Authority for the wholesaling of fruit and vegetables in the city of Brisbane were repealed. Since this time, BMC has been operating on a fully commercial basis in the provision of facilities and services to facilitate the wholesaling and distribution of fruit and vegetables in Brisbane.

The situation for each clause 4 issue is:

(i) Appropriate commercial objectives

BMC is a company GOC whose commercial objectives were set out in its corporatisation charter and are included in its annual Statement of Corporate Intent (SCI) and Corporate Plan.

(ii) The merits of separating any natural monopoly elements from potentially competitive elements

The review of the business prior to corporatisation indicated the Brisbane Markets are a natural monopoly with no contestable elements to the business. The infrastructure, critical mass and variety of market participants and logistics support organisations present at the Brisbane Markets create a regionally unique market dynamic, which would be difficult to replicate given the substantial establishment costs and the risks involved with attracting the majority of existing participants from the Markets. Since the removal of statutory exclusivity, the Brisbane Markets has remained the principal entity for the provision of facilities and services for the wholesaling of primarily fruit and vegetables.

(iii) The merits of separating potentially competitive elements

There are no potentially competitive elements.

(iv) The most effective means of separating regulatory functions from commercial functions

BMC has no regulatory responsibilities in relation to the markets or the fruit and vegetable industry. Since the repeal of the *Farm Produce Marketing Act 1964* (Qld) in 2000, Queensland Department of Primary Industries (DPI) has no responsibility for regulation of the fruit and vegetable industry, except for chemical residue testing which is undertaken by Animal and Plant Health Services, a division of DPI. In the interests of public and workplace health and safety, BMC maintains site procedures known as Market Regulations and Operating Guidelines. These Regulations/Guidelines deal with (among other things) safety issues, use of forklifts, vehicles and traffic, unloading and emergency procedures, and penalties for misconduct. BMC seeks to enforce the Regulations/Guidelines under the terms of the leases with its tenants and as a condition of entry for visitors. Environmental regulation is the responsibility of the Environmental Protection Agency.

(v) The most effective means of implementing the competitive neutrality principles

Competitive neutrality principles do not apply to privatised entities.

(vi) The merits of any community service obligations undertaken by BMC

There are no community service obligations performed by BMC or any of the lessees.

(vii) The price and service regulations to be applied to the industry

If privatised, prices charged by BMC will be subject to the same economic regulatory framework as other private sector entities.

(viii) The appropriate financial relationships between the owner of the public monopoly and the public monopoly, including the rate of return targets, dividends and capital structure.

BMC, once sold, will not be a public monopoly and there will be no financial relationship between the entity and government.

3.3 Queensland Sugar Limited

In Queensland's previous annual report to the NCC, notice was given relating to amendments in June 2000 to the *Sugar Industry Act 1999*, which introduced structural reform including:

- the transfer of Queensland Sugar Corporation's (QSC) marketing assets and liabilities to the producer-owned Queensland Sugar Limited (QSL) which will now manage marketing of sugar; and

- the transfer of the bulk sugar terminals to Sugar Terminals Limited and the distribution of shares in this company to eligible growers and millers.

The NCC has asked whether Queensland undertook a Clause 4 review required under the Competition Principles Agreement (CPA) before privatising the marketing and bulk terminal monopolies.

A review, aimed at complying with Clause 4 (3) of the CPA, was undertaken in respect of the transfers from QSC to QSL. Below is a description of the situation for each Clause 4 issue.

(i) Appropriate commercial objectives

QSC is a statutory authority whose role it was to optimise returns to the Queensland raw sugar industry through effective marketing and provision of services that enhance industry efficiency. QSL is a non-profit (private status) company limited by guarantee. QSL, which has replaced QSC is an industry-owned marketing company, with retention of QSC vesting powers, necessary to maintain single desk selling, for the same purpose of optimising returns to the industry.

(ii) the merits of separating any natural monopoly elements from potentially competitive elements of the public monopoly.

There are no apparent natural monopoly elements transferred to QSL.

(iii) The merits of separating potentially competitive elements

QSL's vesting powers are such that there are no contestable elements of the business.

(iv) The most effective means of separating regulatory functions from commercial functions

The regulatory functions previously undertaken by QSC have been separated from the commercial functions by the creation of the Office of the Sugar Industry Commissioner under the *Sugar Industry Act 1999.*

(v) The most effective means of implementing the competitive neutrality principles

The formation of the private monopoly does not require the application of competitive neutrality principles.

(vi) The merits of any community service obligations undertaken by QSL

QSL is self-funding and does not deliver or receive any community service obligations.

(vii) The price and service regulations to be applied to the industry.

The consideration of this matter appears intended for consideration in the context of opening up a public monopoly, as provided for in Clause 4, rather than the establishment of a private monopoly. QSL is a price taker in the international market.

(viii) the appropriate financial relationships between the owner of the public monopoly and the public monopoly, including the rate of return targets, dividends and capital structure.

As with (vii) above, this issue is not relevant for the establishment of a private monopoly.

In respect of the transfer of the bulk sugar terminals to Sugar Terminals Limited and the distribution of shares in this company to eligible growers and millers, a Clause 4 review was not considered necessary. Matters such as the operation and ownership of the bulk sugar terminals were addressed in the NCP review of the Sugar Industry Act (see section 1.0 Legislation Review). The transfer of assets to Sugar Terminals Limited did not involve any regulatory functions and no CSOs were being delivered. Sugar Terminals Limited is subject to the same competitive conduct regulation as other private sector firms.

4.0 PRICES OVERSIGHT

The Queensland Competition Authority (QCA) is responsible for administering the Queensland monopoly prices oversight regulation.

Prices oversight applies to:

- State and local government business activities which are monopolies or near monopolies, and which the Premier and the Treasurer declare to be Government Monopoly Business Activities (GMBAs); and

- Private sector water suppliers (including the jointly owned State/local government company SEQWater).

The Premier and the Treasurer have declared, for the purposes of prices oversight, the State's major water businesses, including SunWater (formerly State Water Projects), the Gladstone Area Water Board and the Mt Isa Water Board. Gladstone Area Water Board has been referred to the QCA for a pricing investigation. The QCA released its draft report late in 2001.

Section 5.0 Local Government outlines the application of prices oversight to local government.

5.0 LOCAL GOVERNMENT

5.1 Introduction

5.1.1 Approach to Local Government NCP Implementation

As outlined in previous reports to the NCC, the Government's strategy for applying NCP reforms to Queensland local governments initially focussed on the largest business activities through the application of competitive neutrality reforms to the significant business activities (SBAs) of the 18 largest local governments. This represents over 80% of local government business activity in Queensland.

The largest 18 local governments have not only demonstrated excellent progress in applying competitive neutrality reforms to their SBAs but have also demonstrated substantial progress in applying competitive neutrality reforms to their smaller business activities.

Over the past year, the Government has focussed attention on NCP reforms in smaller local governments through its Business Management Assistance Program (BMAP). BMAP, which is coordinated by the Local Government Association of Queensland (LGAQ), is proving very successful with 94 councils requesting in-house audits and assistance with the development of action plans for the reform of business activities. A Report prepared by the LGAQ on the structure and outcomes of BMAP is at Attachment 4. To enable the positive results of BMAP to be fully realised, local governments which resolve to reform business activities and provide a schedule to the Department of Local Government and Planning (DLGP) by 12 April 2002 will be given one additional year (to 30 June 2003) to qualify for incentive payments for the reform of these nominated business activities.

In summary, the good progress being achieved in NCP reform in Queensland is due to a combination of a number of factors including:

- the financial incentives available to local governments which implement such reforms under the $150 million Local Government Financial Incentive Package (LGFIP);
- the benefits achieved by local governments as a result of undertaking the reforms; and
- the training and support initiatives provided by the DLGP, the Queensland Competition Authority (QCA) and the LGAQ, especially through BMAP. It is expected these efforts in training and advice to local governments will continue to achieve the desired reform outcomes over the remaining life of the Financial Incentive Package.

The Financial Incentive Package also provides incentives to encourage other important elements of the NCP reforms such as the review of anti-competitive provisions for all the local laws of Queensland local governments.

5.1.2 The Legislative Framework

The State Government has put in place a comprehensive legislative framework to support its local government NCP reform program through the *Local Government Act (1993)* (LGA). In 2001, a key impediment to the corporatisation of local government business activities was removed by amendments to the *Income Tax Assessment Act 1936* (see section 9.1.1 of this Report for further details).

The first local government to utilise the Local Government Owned Corporations provisions of the LGA was Hervey Bay City Council which corporatised its water and sewerage business activity, Wide Bay Water, on 1 January 2002.

In anticipation of use of the LGOC provisions by Hervey Bay City Council, the LGA was amended in November 2001. The amendments ensured the same financial accountabilities applied to LGOCs as for local governments under the *Statutory Bodies Financial Arrangements Act 1987*, in particular a requirement for the Treasurer's approval for LGOC borrowings. In 2002, DLGP will further review the *Local Government Finance Standards 1994* to establish the financial reporting requirements for LGOCs based as closely as possible on the framework for Government Owned Corporations.

5.1.3 Training Initiatives

As outlined above and in previous annual reports to the NCC, the State Government has worked closely with the LGAQ and the QCA to provide appropriate training and resource material to enable local governments to make informed NCP implementation decisions. The approach has been to provide practical focussed information directed at identifying knowledge gaps of local governments, to provide useful assistance and advice and to clarify issues of concern to local governments. This approach is proving effective.

Progress with BMAP

BMAP was established in August 2001 and seeks to assist medium and smaller local governments in the implementation of NCP reforms and related business and financial management initiatives where there is a public benefit. The program is funded by the State Government from funds set aside in the LGFIP, and carried out by the LGAQ.

The program is comprised of a number of components, namely:

- A desk top audit of all 125 local governments in Queensland;
- Briefings to councils;
- Organising a field trip by the NCC to agreed local governments across Queensland;
- Development of guidelines, checklists and resource kits;
- In-house audits and development of action plans;
- Technical workshops in the regions;
- Ongoing technical support; development of a pre-qualified supplier list; and
- Negotiations with the prominent local government software suppliers to have streamlined full cost pricing (FCP) accounting incorporated into their software.

In order to provide ongoing support to the councils, BMAP has established a regional mentoring program. Five consultants have been employed to provide interested councils with ongoing technical advice via telephone and email from February 2002 to June 2003.

A series of technical workshops facilitated by consultants retained by the LGAQ were conducted across the State in February and March 2002. The workshops followed up on the in house audits and were intended to assist councils by discussing and working through the NCP implementation issues of concern to them.

Regional workshops were conducted in Normanton, Tully, Roma, Longreach, Toowoomba, Bundaberg, Mackay and Rockhampton. 214 participants from across 70 Councils participated in the workshops.

These workshops, in addition to the already conducted audits and briefings, have encouraged many of these councils toward adopting an appropriate reform agenda[1].

The DLGP also notes that many of the councils participating in BMAP have submitted applications for the nomination of new businesses under the LGFIP. The State will accept notification from councils of such nominations up to 12 April 2002. To date, 35 such councils have submitted timetables and applications for the nomination of new businesses under the LGFIP indicating that reforms will be completed by the 30 June 2003 deadline.

The final round of QCA assessments for LGFIP payments will occur subsequent to 30 June 2003. It is envisaged that after the 12 April 2002 reporting deadline the State will have a clearer picture of the extent to which smaller to medium sized councils have adopted a reform agenda. The State will provide details on these developments in a subsequent supplementary update to the NCC.

5.2 Competitive Neutrality

5.2.1 Overall Approach

The Queensland State Government's strategy for implementing NCP reforms to Queensland local government initially concentrated on the largest business activities through the application of competitive neutrality reforms to the SBAs of the 18 largest local governments. These businesses represented over 80% of local government business activity in Queensland.

With competitive neutrality reforms largely completed for the SBAs the focus has shifted to the smaller business activities. While the larger councils have enjoyed some success in implementing competitive neutrality reforms amongst their smaller business activities, the smaller and medium sized councils' experiences have varied.

To this end the State Government in conjunction with the LGAQ have instituted the BMAP. This program has begun to show results within the smaller to medium sized councils.

[1] A more complete summary of BMAP activities is contained in Attachment 4 to this Report. This Attachment was prepared by the LGAQ and BMAP.

Over the last twelve months there has been a significant increase in the level of reform being commenced by local governments outside of the *Big 18*. Excluding those businesses operated by the *Big 18*, there has been a 65% increase[2] in the number of Type 3 businesses for which reform has commenced. For non-type 3 businesses outside of the *Big 18* there has been a massive 252% increase[3] in the number of businesses that have applied the Code of Competitive Conduct (the Code)[4].

Attachment 5 contains the summary of all local government businesses currently undertaking competitive neutrality reform. The table indicates the type of reform being taken, their progress with regard to the implementation of full cost pricing and other pertinent details. For the purposes of interpreting Attachment 5, the QCA has given a rating to each council based on how many of these elements are in place. The ratings are:

- "All", 100% of the elements of full cost pricing have been implemented;
- "Most", 75% or greater of the elements of full cost pricing have been implemented;
- "Many", 50% or greater of the elements of full cost pricing have been implemented;
- "Some", 25% or greater of the elements of full cost pricing have been implemented; and
- "None", 0% or greater of the elements of full cost pricing have been implemented.

5.2.2 Reform Progress

Type 1 Businesses

Type 1 SBAs are those identified under the LGA that generate expenditure in excess of $30.4 million for water and sewerage activities, or $18.3 million in the case of other activities. The LGA requires that such businesses must implement at least full cost pricing (FCP) within the business activity. To date, nine Type 1 SBAs have been identified and all except one have implemented 100% of the elements of FCP (see Attachment 5).

Eight of the Type 1 SBAs have been successfully commercialised. Commercialisation requires the council to set in place various competitive neutrality adjustments such as the inclusion of tax equivalence into costs. The business is required to be run as a separate business unit of the council and various accounting separations are required.

[2] 40 Businesses fulfilled this criteria last year, and this figure has risen to 66 this year.
[3] 53 Businesses fulfilled this criteria last year, and this figure has risen to 133 this year.
[4] The Code of Competitive Conduct (the Code) forms part of the Local Government Finance Standard, which in turn is subordinate legislation to the LGA. The code comprises four major components:

- full cost pricing;
- the appropriate treatment of CSOs;
- the elimination of the advantages and disadvantages of public ownership; and
- certain additional requirements to local government financial reporting.

The remaining council activity has successfully applied full cost pricing to its operation. FCP is a more methodical and complete version of full cost recovery. FCP requires the inclusion of tax equivalence and the generation of a return on capital. However, the application of FCP does not require the activity to develop the same level of managerial autonomy from the council that commercialisation does.

All nine Type 1 SBAs have established an appropriate complaints mechanism for hearing competitive neutrality complaints with most opting to utilise an in-house referee. Two of the activities, Logan City Council's Water and Sewerage business and Townsville's Water and Sewerage business have nominated the QCA as the referee for competitive neutrality complaints. No competitive neutrality complaints were made against the Type 1 SBAs.

All nine councils have conducted reviews of any CSOs associated with each of the businesses and in all cases CSOs were identified. Upon identification, the CSOs have been costed, funded independently of the business and details have been published in the councils' annual reports as per the requirements of the LGA.

Type 2 Businesses

Type 2 SBAs are those identified under the LGA that generate expenditure in excess of $8.6 million for water and sewerage activities, or $6.1 million in the case of other activities. To date 21 such activities have been identified (see Attachment 5). Progress is as follows:

- 13 of these SBAs have implemented all the elements of FCP;
- five of these SBAs have implemented most of the elements of FCP;
- one SBA has implemented many of the elements of FCP;
- one SBA has implemented some of the elements of FCP; and
- one SBA has recently been identified as a Type 2 business after being created from a number of smaller similar activities and is yet to implement any reforms.

All except five of these SBAs have been commercialised. Two are in the process of commercialisation while the remaining three have implemented FCP.

With the exception of Redcliffe Works, the newest addition to the Type 2s, relevant councils have reviewed the businesses' CSOs. In all but two instances, councils identified CSOs and have independently costed, funded and publicly reported those obligations. The two exceptions conducted a review and found that no CSOs existed for those particular business.

All 20 existing Type 2 SBAs have instituted a competitive neutrality complaints process with eight of those businesses nominating the QCA as the referee. Redcliffe works has yet to adopt an appropriate process. No competitive neutrality complaints have been made against Type 2 businesses to date.

While BMAP was designed with smaller councils in mind, larger councils can still benefit from the 1 year extension to progress reforms. All larger councils have been notified via BMAP of the extension of time.

Type 3 Businesses

Type 3 businesses are those businesses whose annual expenditure exceeds $200,000 and are considered to be in competition or potential competition with the private sector. The benchmark level of reform for a Type 3 business is the adoption of the Code of Competitive Conduct (the Code).

Where councils opt to apply the Code to the business in question, they are bound to abide by the Code pursuant to s764 of the LGA. Furthermore, the LGA requires any competitive roads businesses of councils to apply the Code.

As of 1 July 2001, there were 142 Type 3 businesses which apply, or their owning local government is in the process of resolving to apply the Code. A further seven advised that they were intending to commercialise their business activities.

Of these 149 Type 3 businesses:

- 50 have provided evidence that all elements of FCP were being applied to the business;
- 26 indicated that they were applying most of the elements of FCP to the business;
- 34 indicated that they were applying many of the elements of FCP to the business;
- 14 indicated that they were applying some of the elements of FCP to the business;
- 103 of the businesses had conducted appropriate reviews of CSOs;
- 21 of the businesses are yet to conduct an appropriate review of any associated CSOs; and
- 25 did not provide sufficient information to make a determination regarding their current progress with regard to the implementation of the various elements of full cost pricing or their identification of CSOs.

Non Type 3 Businesses

Non-Type 3 businesses are those businesses that generate greater than $200,000 in expenditure each year and are not considered to be in direct or potential competition with the private sector. These businesses are not required to apply any of the National Competition Policy Reforms, however the Queensland Government encourages them to do so through the FIP.

To the 1st of July 2001 there were 158 non-Type 3 businesses that had applied the code or were intending to do so within the near future. Of these 158 businesses:

- 25 provided evidence that they had implemented all of the elements of full cost pricing;
- 19 indicated that they had implemented most of the elements of full cost pricing;
- 31 indicated that they had implemented many of the elements of full cost pricing;
- 41 indicated that they had implemented some of the elements of full cost pricing;
- 42 did not provide sufficient information to make an effective assessment regarding their implementation of full cost pricing;
- 66 had conducted reviews of their CSOs;
- 57 had not conducted reviews of their CSOs; and
- 35 did not provide sufficient information to make an assessment on the identification of CSOs.

5.3 Legislation Review

5.3.1 Review of Local Laws and Local Law Policies

As previously reported, local governments have carried out a major review of all existing local laws and local law policies to identify and remove "anti-competitive provisions". This was carried out in conjunction with a review to repeal redundant local laws and local law policies mandated by the LGA.

For any proposed new local laws, there is a statutory requirement for local governments to identify possible anti-competitive provisions and carry out a Public Interest Test (PIT) on those provisions before making the law. The PIT process provides for both minor or major reviews depending on the extent of the restriction on competition, the number of stakeholders, the size of the impact, the complexity of the issues and the level of community concern.

If councils wish to retain an anti-competitive provision, they must provide the detail with the PIT to DLGP for approval. On the basis of local laws provided to DLGP for approval in 2001, 143 local laws and subordinate local laws were made, of which 43 (30%) had anti-competitive provision which satisfied the PIT process and were retained in the public interest.

The impact on competition from possible anti-competitive provisions in local laws or local law policies is not considered to be significant. Most of the anti-competitive provisions prohibit a particular business activity unless authorised by a permit issued by local government. The issue of such permits may be subject to conditions about the operation of the business activity. While this is technically anti-competitive, creating a barrier to entry to a particular market and restricting conduct within a market, local governments do not generally use their discretionary power to limit the number of participants in the market. In most cases, a permit is issued as a matter of course taking into consideration a range of fairly generic conditions which relate to health, safety and amenity issues.

Business activities regulated in this manner include:

- entertainment venues;
- pet shops, catteries and kennels;
- itinerant vending;
- extractive industries and blasting operations;
- caravan parks, camping grounds and rental accommodation;
- cemeteries;
- advertising;
- domestic water carrying; and
- public swimming pools.

5.4 Competitive Neutrality Complaint Process

5.4.1 Framework for Complaint Processes

An amendment to the LGA in December 1997 created the framework for the complaint and accreditation processes for local government business activities to which competitive neutrality reforms are applied. This was modelled on the processes applying at the State Government level, including the role of the QCA. In essence, once a competitive neutrality reform has been applied to any local government business activity, the local government must establish a process to deal with complaints about breaches of competitive neutrality. Details of the processes required were outlined in Queensland's 1999 annual report to the NCC.

5.4.2 Establishment of Competitive Neutrality Complaint Processes

Of the 339 businesses subjected or committed to competitive neutrality reform to date:

- 25 local government business activities are subject to a complaints process which includes the QCA as the referee;
- 264 local government business activities are subject to in-house complaint processes; and
- no evidence has been provided of a valid complaints process for the remaining business activities (30). The Department of Local Government and Planning have followed up this issue with the relevant local governments to ensure they have complied with the statutory requirements for a complaints process. Since the last round of QCA assessments (upon which these figures are based) a number of these councils have provided DLGP with evidence of a newly established complaints process.

5.4.3 Complaints Lodged

As reported by the QCA, no official complaints were lodged with councils during the 2000/01 financial year.

The NCC may like to be aware that one potential complaint was referred to DLGP during the last year. On investigation it was found that the council business in question did not yet have a competitive neutrality complaints process in place. The complainant was referred to the council to make a formal competitive neutrality complaint, while the council was made aware of its need to expedite the establishment of an appropriate process. The Council now has an appropriate process in place. The complaint was subsequently formally lodged and is being resolved following the appropriate complaints mechanism. DLGP has contacted a number of councils in similar positions to ensure that they were aware of their statutory responsibility to implement a competitive neutrality complaints process.

5.5 Prices oversight

In mid-2001, the Premier and the Treasurer declared the retail water and sewerage business activities of the largest 18 local governments to be government monopoly business activities for the purposes of monopoly prices oversight. The declaration was made under the *Queensland Competition Authority Act 1997.*

The Townsville-Thuringowa Water Supply Board (a joint local government entity) is to be assessed by the Queensland Competition Authority against the Criteria for Identification as a Government Monopoly Business Activity.

5.6 CoAG Water Reforms

Local Governments in Queensland are required to comply with clauses 3(a) and (b) of the 1994 CoAG Water Resource Policy. Implementation of CoAG water reforms by local governments is outlined in Section 9.0 Water Reforms of this annual report.

5.7 Local Government NCP Financial Incentive Package

5.7.1 Framework for NCP Financial Incentive Package

The NCP local government Financial Incentive Package provides for approximately one-fifth of the Queensland Government's competition payments from the Commonwealth to be earmarked for local governments who implement NCP reforms. The commitment is to share up to $150 million (in 1994-95 prices) with local governments over the 5 year period commencing 1 July 1997 (six years for councils, but not including the Brisbane City Council, with approved business activities under BMAP).

As outlined in previous reports, the Financial Incentive Package is divided into three pools, and the distribution of funds across the pools shows the emphasis in the package on rewarding outcomes as follows:

- $1 million to provide training and assistance to local governments;
- $7.5 million to assist local governments with undertaking NCP-related public benefit reviews (Review Pool); and
- $141.5 million to local governments implementing NCP reforms (Implementation Pool).

Most of the review pool has been distributed to councils. The remainder will be distributed in 2002.

5.7.2 Role of the QCA

As indicated previously, the QCA is the body responsible for recommendations to the Queensland Government on payments to local governments from the implementation pool. The QCA has produced three annual reports covering progress up to 31 July in 1998, 1999 and 2000. These reports contained recommendations on the share of each local government's allocation to be paid for each year.

In view of the need for the QCA to access audited council financial results, it was granted an additional three months (from November to the following February) to complete its report for reforms completed on 31 July of the previous year. The report covering progress up to 31 July 2001 was received on 28 February 2002 and is under consideration by the Government.

The QCA has identified significant benefits being achieved by local governments as a result of the NCP reform program, including the increased diversification and geographical coverage of local government business activities, improved customer service, greater scale of efficiency of operations and the generation of new commercially based regional employment. In reviewing reforms achieved by local governments up to 31 July 2001, the QCA has noted the Financial Incentive Package has acted as a catalyst for the upgrading of local government financial and management information systems leading to a better allocation of resources for council operations, improved transparency of the cost of social objectives and improved operational performance, efficiency and effectiveness in council business activities.

To date, a total of $90.8 million has been paid to local governments from the Implementation Pool, based on QCA assessment of reforms implemented up to 31 July 2000. These payments are as follows:

Reforms to 31/7/1998	$32.4 million based on QCA's 1998 report recommendations.
Reforms to 31/7/1999	$31.1 million based on QCA's 1999 report recommendations.
Reforms to 31/7/2000	$27.3 million based on QCA's 2001 report recommendations.

In addition, the QCA has recommended payment of $22.5 million to local governments for reforms completed in the year ending 31 July 2001.

5.8 Conclusion

Significant progress is being made in the application of NCP-related reforms to local governments in Queensland in line with the State's 1996 NCP application statement.

The QCA has rigorously assessed progress of reform by local governments and has recommended a total of $113.3 million of incentive payments for reforms achieved by local governments up to 31 July 2001.

The Queensland Government is continuing to work with the LGAQ in a cooperative manner to assist and encourage councils in the implementation of the various reforms. BMAP is an example of this cooperative approach and this Program has begun to show results within the smaller to medium sized councils.

Local governments have commenced or made a binding commitment to the competitive neutrality reform of around 337 business activities, including all 30 significant business activities, 8 of the “Type 3” business activities treated as “Type 2” (i.e. applying a higher level of reform than required under the LGA), 149 of the "Type 3" business activities and 158 other smaller business activities. Most councils have established competitive neutrality complaint mechanisms for these activities as required under the LGA. To date, there have been no formal complaints to either the QCA or council complaint’s mechanisms.

Subsequent to the review of all Local Laws that occurred in 1999, Queensland Local Governments continue to comply with the statutory requirement to review all new local laws for any anti-competitive provisions. Any anti-competitive provisions must continue to be justified by the Public Interest Testing process. The existing statutory requirements and processes are ensuring that Local Governments are complying with the legislative review reforms in an on-going fashion.

The combination of the various reviews has meant the Queensland local government now has a suite of modern legislation based, in large part, on model local laws promulgated by the Government.

The QCA has identified significant benefits being achieved by local governments as a result of the NCP reform program, including the increased diversification and geographical coverage of local government business activities, improved customer service, greater scale of efficiency of operations and the generation of new commercially based regional employment.

PART 2

6.0 CONDUCT CODE AGREEMENT

6.1 Assessing compliance with the Conduct Code obligations: legislation reliant on section 51(1) of the Trade Practices Act

Clause 2(1) of the Conduct Code obliges jurisdictions to advise the Australian Competition and Consumer Commission (ACCC) in writing of legislation which relies on section 51(1) of the *Trade Practices Act 1974* within 30 days of the legislation being enacted. Section 51(1) specifies conduct which would normally be an offence under the restrictive trade practice provisions of the Act may be permitted if it is specifically authorised under Commonwealth, State and Territory Acts.

In the 2002 annual report, Queensland is required to identify new legislation or provisions in legislation which rely on section 51(1) and to confirm the ACCC has been notified accordingly.

Queensland has not passed any legislation relying on the section 51(1) exemption during 2001.

PART 3

AGREEMENT TO IMPLEMENT THE NATIONAL COMPETITION POLICY AND RELATED REFORMS

7.0 ELECTRICITY

As part of the National Competition Policy, the Queensland Government is committed to providing a fully competitive electricity market. This is evidenced by Queensland's reform achievements including adoption of the National Electricity Market (NEM) and associated Code, separation and corporatisation of its electricity assets, interconnection with New South Wales via the Queensland New South Wales Interconnector (QNI), the phasing out of vesting contracts, adoption of an open access regime for transmission and distribution networks, private sector investment in generation, and the adoption of the electricity pool for the dispatch and purchase of electricity.

Since the inception of the NEM, there has been $4.8 billion of investment in generation. Of the total investment, $2.8 billion has occurred in the Queensland market – over half of the total investment in the NEM.

In its 2001 Annual Report, the NCC indicated that two key electricity issues would be considered as part of its 2002 assessment, namely:

1. vesting contracts; and
2. progress on the introduction of full retail contestability (FRC).

7.1 Vesting Contracts

Vesting contracts were implemented at the commencement of the electricity market in Queensland to assist retailers manage price volatility in the wholesale electricity market. The vesting contracts essentially established a set price at which generators sold certain volumes of electricity to the Government owned retailers. Because the vesting contracts involved large volumes of electricity they potentially can dampen competition in the wholesale electricity market.

Queensland's vesting contracts expired on 31 December 2001, and there are no plans to replace these contracts. Industry was formally notified of this decision prior to the expiry of existing contracts.

The Queensland Government is of the view that its NCP obligations have been met for this matter.

7.2 Full Retail Contestability

Retail competition has been progressively introduced for commercial and industrial customers (those consuming in excess of 200 MWh per annum) in Queensland. In 1998 the Queensland Government announced that small customer contestability would be subject to a review of the costs and benefits of its introduction. This requirement has been stated in Queensland's Annual Reports to the NCC. Queensland's decision to introduce FRC on the condition it would provide net benefits is in line with the Competition Principles Agreement which calls for the benefits of a particular policy to be balanced against the costs, taking into account equity considerations including Community Service Obligations, Government policies and the interests of consumers.

The Queensland Government commissioned a review of the costs and benefits of the introduction of full retail competition (FRC) in Queensland. Based on the analysis undertaken the costs of FRC clearly outweigh the benefits. The Queensland Government report on the costs and benefits of FRC is available from the Queensland Treasury website and has been provided to the NCC.

The review estimated the costs of implementing FRC, which involves significant systems development to allow contestability to occur, to be at least $184 million over five years. This is a conservative assessment as it excludes costs that retailers would incur in order to participate in a fully competitive market, for example, marketing and planning costs. These costs will nevertheless be incurred and will need to be recovered from customers. The alternative would be for retailers to take margin reductions. However electricity retailers operate on low margins and consequently there is unlikely to be scope to absorb such costs leaving retailers to recover the costs from customers.

In contrast, the benefits resulting from the introduction of FRC are estimated at $52 million over five years.

The costs of introducing FRC, and the loss of cross subsidies from those customers who can achieve savings from moving to the market, must be funded by the Government through either:

- fully deregulating electricity prices, so that everyone in the State pays their actual costs; or

- increasing the current level of Community Service Obligation (CSO) payments provided from within the Budget to provide tariff equalisation to electricity consumers within Queensland.

Full deregulation of prices is consistent with the rationale for the introduction of competition. Consumers would be subject to the actual cost of their electricity, and alter their consumption according to the prices received. However, customers in most regions of Queensland would face increased electricity prices (and in some cases of over 200%) if full deregulation of prices occurred.

The other option for the Government is the use of increased CSO payments to subsidise the increased costs that result from the introduction of FRC and the loss of cross subsidies. CSO payments would be funded in turn by additional State taxation measures or through reduced Government expenditure in other areas of the State Budget.

The total cost of additional CSO payments was estimated to be up to $271 million over five years.

In summary, the introduction of FRC in Queensland would result in either:

- substantially higher electricity prices for most regional and remote electricity customers; and/or

- substantial additional subsidies that would be funded by the Queensland taxpayer.

On this basis the costs of introducing FRC in Queensland outweigh the benefits. For this reason, the Queensland Government will not introduce FRC for tranche 4 customers at this time. However the Queensland Government has agreed to:

(a) review this decision in 2004 once the impact of the introduction of FRC in other Australian jurisdictions and overseas is known; and
(b) consider the possible extension of retail competition to small business customers who consume less than 200 MWh p.a.).

An investigation into extending contestability for these customers has commenced.

The Queensland Government's decision in relation to not proceeding with FRC at this time was made in full compliance with Queensland's NCP obligations. Queensland Treasury met with the NCC on 4 March 2002 in relation to the Government's decision. The NCC indicated that as part of its assessment of the third tranche of competition payments it would be useful for Queensland to prepare a separate submission on the Government's decision in relation to FRC. Subsequently, a separate submission will be prepared by Queensland and forwarded to the NCC before the NCC makes its recommendations to the Treasurer regarding third tranche payments.

8.0 GAS

The Queensland Government's major obligations for gas industry reform under the National Competition Policy (NCP) agreements are:

- full retail contestability (FRC) in gas;
- to seek certification of Queensland's access regime for natural gas pipelines; and
- legislative amendments to ensure consistency with national competition policy agreements including the review of the *Petroleum Act 1923* and the *Gas Act 1965*.

8.1 Full retail contestability

Queensland consumers connected to Queensland natural gas reticulation systems consume approximately 20 petajoules of natural gas a year. This is not reflective of the total natural gas market in Queensland as the large consumers of gas draw their gas directly from transmission pipelines and are not connected to the distribution network. These large consumers consume approximately 42 petajoules.

Queensland has amended the *Gas Act 1965* to effect the introduction of contestability for gas. The first tranche of contestability that took effect on 1 July 2001 relates to consumers connected to the distribution network who use 100 TJ a year or more. These consumers number between 20 and 30 and consume approximately 8 to 9 petajoules per annum. Therefore from 1 July 2001, of a market consuming approximately 62 petajoules or more, approximately 50 petajoules or 80% of the Queensland market is contestable. The market rules for this tranche of contestability are being developed in consultation with industry. The market rules are expected to be in place by mid-2002.

In relation to FRC in the gas market, the Queensland Government has announced it intends to implement FRC in gas by 1 January 2003, subject to a review of the costs and benefits of this reform. The review will commence in the near future.

8.2 Upstream Issues

The principles in the Upstream Working Group's recommendations on joint marketing and acreage management and the transparency of tenement award processes have been adopted in the draft Petroleum and Gas Bill 2002.

The Upstream Working Group focussed on facilitating greater competition in the upstream area by requiring greater transparency in the awarding of tenures. The focus in the Bill is on competitive tender processes. The intent is to release a land package and invite interested parties to lodge applications. In conjunction with the land release, information is to be provided on the area in question and the assessment criteria. The primary criteria is to be the work program.

The Upstream Working Group also analysed the size of tenements and expressed concern at the large tracts of land tied up in exploration and production tenures when little activity was taking place. The Petroleum and Gas Bill 2002 addresses this concern by proposing

production tenures of approximately 105 km^2 as opposed to the current size in the existing Petroleum Act 1923 of 260 km^2. In addition the applicant has to demonstrate why the size is necessary. The Petroleum and Gas Bill also places a size limit on the Authority to Prospect as well as placing relinquishment requirements on the holder. There is no provision in the Petroleum and Gas Bill 2002 to allow joint marketing whereas there is such a provision in the existing Petroleum Act 1923.

8.3 Franchising Principles

The franchising principles are set out in annexure E to the Natural Gas Pipelines Access Agreement of November 1997. In February 1999 franchises were granted for the Warwick, Clifton and Pittsworth areas in Queensland. To date no pipes have been laid and no natural gas is currently being reticulated in these areas. In March 1999 the Gladstone franchise was extended. The franchises granted and extended comply with the franchising principles in Annexure E to the Natural Gas Pipelines Access Agreement. They are subject to open access (if constructed) and the contestable rules that apply to the remainder of the natural gas market in Queensland also apply to these franchises.

8.4 Pipeline Licencing Principles

The intent is to adopt the licencing principles agreed in the Natural Gas Pipelines Access Agreement of 1997. The Bill is drafted so as to split distributors from retailers. There is no intent to vary from the licencing principles set out in the Natural Gas Pipelines Access Agreement of 1997 and those principles are embodied in the Bill.

8.5 Industry Standards

Queensland is actively participating in the interjurisdictional Gas Reforms Operations Group. This group is developing national standards for natural gas and once the standards have been finalised they will be incorporated into the Bill. Australian Standards AS2885, which relates to pipeline safety, is to be specifically referred to in the regulations. In addition consumer protection is provided for through default customer contracts which are referred to in the Bill.

8.6 Certification of Queensland's gas access regime

In September 1998, Queensland applied to the NCC for certification of the State's third party access regime under the *Trade Practices Act 1974* fulfilling its requirements under the *Natural Gas Pipeline Access Agreement 1997*. In February 2001, the NCC recommended to the Commonwealth Minister for Financial Services and Regulation that Queensland's access regime not be certified as 'effective'. The Queensland Government and pipeline industry participants submitted new material in support of certification. The NCC withdrew its recommendation in order to examine this new material, sending a list of questions to Queensland Treasury. In February 2002, the NCC issued a further draft recommendation which does not support certification of the State's access regime. Treasury intends progressing the issue of certification of Queensland's access regime.

As acknowledged in the NCC's 2001 assessment, Queensland, by the act of seeking certification, has met its obligations in relation to this requirement.

8.7 Legislative amendment – Petroleum & Gas Bill

Queensland is required to review its legislation to ensure consistency with the National Competition Policy agreements. An exposure draft of the Petroleum & Gas Bill has been completed representing a major step toward finalising the State's review of the *Petroleum Act 1923* and the *Gas Act 1965*. Treasury and the Department of Natural Resources and Mines (DNRM) are revising the content of the Bill following submissions on the exposure draft to meet stakeholder expectations and further refine its content in line with NCP requirements. Treasury and DNRM are working to effect the review and the enactment of the Petroleum and Gas Bill as soon as possible.

9.0 WATER REFORMS

Summary

The Queensland Government has made major advancements in the area of water reform over the last three years. Significant progress in the implementation of water reform has been achieved over the last twelve months.

Progress in the implementation of urban water reform

The Government's overall approach to implementing CoAG water reforms for local government utilises the *Local Government Act 1993*, which outlines reforms to be undertaken and considered by local governments with Type 1 and Type 2 business activities. There are currently 18 local governments with such businesses, which account for over 80% of water connections in Queensland. The remaining 107 smaller local governments are encouraged to consider the reforms under the $150 million Local Government National Competition Policy Financial Incentive Package.

There are strong results from this approach to date. Water reforms undertaken by the largest 18 local governments are now largely complete. The implementation of a two-part tariff and full cost recovery for water services is still being progressed by a few remaining councils and full cost pricing is mostly or fully achieved by the largest 18 local governments. The progress of Townsville City Council in respect of a two-part tariff for its water service is a matter for further resolution.

Progress among smaller councils in respect of CoAG water reforms is being facilitated through the Business Management Assistance Program. This program is expected to enhance the implementation of CoAG water reforms among councils with 1,000 water connections or more (a significant number already have a two-part tariff or are proposing one, especially among councils with over 5,000 water connections). Further information on the progress of local governments in implementing national competition policy reforms is provided in Chapter 5.0 Local Government.

Progress in the implementation of rural water reform

Over the last twelve months, the Government has achieved a number of important milestones in its implementation of CoAG Water Resource Policy and remains committed to implementing water reforms that advance the sustainable use and management of water. This includes providing for people’s economic and social wellbeing and contributing to the economic development of Queensland in accordance with the principles of ecologically sustainable development.

The *Water Act 2000* (enacted on 13 September 2000) put in place the legislative framework for the preparation and implementation of Water Resource Plans (WRPs). Shortly after proclamation, in accordance with the new powers given to the Minister under that Act, comprehensive moratoriums were announced for the Condamine-Balonne and Border Rivers catchments on the commencement of construction of any new works that would result in an increase in the taking of water from watercourses or from overland flows. Such arrangements have since been extended to all of the Queensland Murray Darling Basin catchments.

The moratorium included a hold on the commencement of new works associated with overland flow development as well as those relating to the development of existing water licences, and a hold on the issue of new licences. The effect of this moratorium has been to put an interim cap on the capacity to divert and store water in the basin whilst the Government considers all the relevant issues raised in submissions and further stakeholder consultation, whilst finalising WRPs.

WRPs are progressing in other parts of the State. The intention to amend the Fitzroy WRP to include overland flow water was publicly notified on the 13 September 2001 along with a moratorium on further overland flow developments. In January 2002 the Minister for Natural Resources and Mines publicly notified the intention to prepare a WRP for the Burdekin Basin, and at the same time announced a moratorium on diversions and new water developments that would increase the taking of water from watercourses or overland flows. Draft WRPs for the Pioneer and Barron basins were released in December 2001 for consultation. Work is progressing to release a draft Resource Operations Plan (ROP) for the Fitzroy by April 2002 and in February 2002, the commencement of the Burnett ROP was publicly notified.

The Government has and will continue to provide for significant investment in research to better understand flow and land-use related impacts on aquatic ecosystems. Initially the work focussed on flow changes but quickly recognised the confounding factors caused by landscape changes. The results of the research are expected to allow better definition of ecological outcomes in WRPs and improved indicators for plan performance monitoring

A glossary of terms used in this Chapter is provided in Attachment 6.

9.1 Pricing And Cost Recovery: Urban

In 1996 and 1997, the Queensland Government made amendments to the *Local Government Act 1993* to outline a framework for the implementation of CoAG water reforms by Queensland local governments. The *Local Government Act 1993* outlines a three-tiered approach to the implementation of CoAG water reform by categorising councils into either Type 1 and Type 2 business activities or other councils.

The expenditure thresholds to identify Type 1 and Type 2 business activities were carefully considered to capture the majority of the Queensland population and water businesses and to give the maximum reform benefits given the nature (size, scope and function) of local government in Queensland. Type 1 and Type 2 activities include an expenditure threshold to catch water and sewerage operations as they increase in size over time. Currently, the councils who are captured under the definition of Type 1 and Type 2 business activities are the largest 18 local governments in Queensland. Revenue from the largest 18 local governments' water and sewerage services equates to approximately 80% of total annual expenditure in local government water activities and 80% of water connections in Queensland.

CoAG water reforms undertaken by the largest 18 local governments are now largely complete. The implementation of a two-part tariff and full cost recovery for water services is still being progressed by a few remaining councils and full cost pricing is mostly or fully achieved by the largest 18 local governments. The largest 18 local governments have all carried out a public benefit analysis on the cost effectiveness of introducing two part tariffs to their water supplies. The progress of Townsville City Council in respect of a two-part tariff for its water service remains a matter for further resolution.

All councils outside the largest 18 local governments (the remaining 107 councils) are not legislatively required to implement CoAG water reforms, although the adoption of CoAG water pricing and tariff reforms is strongly encouraged through the voluntary Code of Conduct and the *Local Government NCP Financial Incentive Package* (FIP). The Queensland Government is firmly of the view the adoption of CoAG water reforms should be a decision of individual councils, taking account of the circumstances of their own communities and only where implementation of CoAG water reforms has a clear public benefit.

To assist the remaining 107 councils with their consideration of CoAG water reforms, the Government has implemented a number of training and support initiatives in conjunction with the Local Government Association of Queensland (LGAQ) and the Queensland Competition Authority (QCA). One of the major training and support initiatives is the Business Management Assistance Program (BMAP), which aims to assist smaller to medium local governments in progressing CoAG water reforms. The State Government has been working with the LGAQ in supporting local governments to consider the benefits to their councils and communities of the CoAG water reforms, and where councils believe the benefits could be realised, developing their in-house capability to achieve reform progress.

9.1.1 Full Cost Recovery

Improvements in the financial performance of services outside the big 18 local governments with greater than 1000 connections in line with CoAG pricing principles

Attachment 7 contains a complete list of water charging arrangements for those councils with greater than 1000 water connections. Attachment 8 provides an overview of their progress with regard to CoAG water reform. The table incorporates the returns on capital for each business where available. The methodology used to calculate the rates of return for 2001-2002 mirrors the method utilised by the QCA[5].

In particular, the calculations of asset bases have excluded contributed assets and other similar quantities including developer contributions and grants where known. The method correlates more appropriately with the principles of full cost pricing as published in *"Full Cost Pricing in Queensland Local Government – A Practical Guide"*. Further explanation of this table can by found in the explanatory notes to Attachment 8.

Throughout the following sections regarding full cost recovery, the following approach has been taken. For the purposes of determining the proportion of reform achieved, the QCA in its series of annual assessments considered a number of factors. These factors were:

- the recovery of direct costs;
- the recovery of indirect costs;
- the development of a method for allocating administrative and overhead costs;
- the valuation of assets via the deprival method;
- the adoption of an appropriate method of depreciation for assets;
- the appropriate treatment of contributed assets; and
- optimisation of the asset base.

The QCA has given a rating to each council based on how many of these elements are in place. The ratings are:

- "All", 100% of the elements of full cost recovery have been implemented;
- "Most", 75% or greater of the elements of full cost recovery have been implemented;
- "Many", 50% or greater of the elements of full cost recovery have been implemented;
- "Some", 25% or greater of the elements of full cost recovery have been implemented, and;
- "None", 0% or greater of the elements of full cost recovery have been implemented;

[5] This methodology uses formulae which may vary from the methodology used in the calculations for 2000-2001. As a result, care should be taken in comparing the rates of return between financial years. A further explanation of the revised methodology is included in the explanatory notes to Attachment 8.

General Note - Information in this section regarding councils outside the largest 18 local governments is provided to demonstrate the commitment of individual councils to consider improvements in the financial performance of their own water and sewerage businesses. However, the Government notes the decision of these individual councils to undertake reviews of the CoAG reform options is entirely voluntary.

Councils, outside of the largest 18 local governments, with greater than 5000 water connections

Two Part Tariffs

11 local councils have over 5000 water connections but are outside of the largest 18 local governments (ie not defined as a Type 1 or Type 2 business activity). The number of councils with over 5000 connections has increased by one from last year's report with the inclusion of Burnett with 5442 connections (Queensland Local Government, Comparative Information). Progress in the area of CoAG water pricing principle reforms for these 11 councils is as follows:

- Warwick, Beaudesert, Burdekin, Livingstone, Burnett and Redcliffe all have two part tariffs in place, or will have two part tariffs in place by 1 July 2002;

- Cooloola and Gladstone have completed two part tariff assessments and both councils have resolved to implement a two part tariff from 1 July 2002.

- Mount Isa and Maryborough had previously completed two part tariff reports. The reports of both councils found that the implementation of a two part tariff was not cost effective, and the councils have resolved not to implement on this basis.

- Johnstone resolved not to implement a two part tariff, but it will review this decision as part of its 2002-03 budgetary process.

Full Cost Recovery

In regard to full cost recovery within these councils:

- Cooloola, Livingstone, Mount Isa, Beaudesert and Burnett have successfully implemented all of the full cost recovery reforms;

- Warwick has implemented most of the elements of full cost recovery;

- Redcliffe, Johnstone and Burdekin have implemented many of the elements of full cost recovery;

- Maryborough has implemented some of the elements of full cost recovery, and;

- Gladstone has recently resolved to reform its CoAG Water Business, and has sought an extension of time to 30 June 2003 to complete the implementation.

Councils with between 1000 – 5000 water connections.

Two Part Tariffs

Of the 41 councils with between 1000 and 5000 water connections:

- 20 Councils have successfully implemented an effective two part tariff;
- 4 Councils will implement a Two part tariff as of 1 July 2002 (Herberton, Sarina, Broadsound and Esk);
- 3 Councils have previously resolved to implement a Two Part Tariff and have yet to do so (Eacham, Atherton and Balonne);
- 8 Councils conducted Two Part Tariff Cost Effectiveness reports that recommended a Two-Part Tariff was not cost effective;
- 3 Councils conducted Two Part Tariff Cost Effectiveness reports that recommended a Two-Part Tariff was cost effective and council subsequently rejected the recommendations (Bowen, Charters Towers and Belyando), and;
- 3 Councils have not yet conducted a Two Part Tariff Cost Effectiveness report (Douglas, Longreach and Roma)[6].

Full Cost Recovery

With regard to the progress of full cost recovery reforms within those councils with between 1000 to 5000 water connections:

- 10 councils did not submit sufficient information to establish the level of full cost recovery utilised within their water business;
- 7 Councils have implemented some of the elements of full cost recovery within their water businesses;
- 14 Councils have implemented most of the elements of full cost recovery within their water businesses;
- 6 Councils have implemented many of the elements of full cost recovery within their water businesses, and;
- Councils have implemented all elements of full cost recovery including the optimisation of their asset base and the appropriate treatment of contributed assets.

[6] Section 9.1.2 covers these 3 councils positions in more detail.

It is anticipated that it will be these councils in particular that will benefit as a result of the BMAP program as the program will provide an extra year for these councils to further progress Two part tariff implementation and full cost recovery reforms.

Review cost-recovery including rates of return etc, following the commercialisation of the Gladstone Area Water Board, Townsville-Thurwingowa Water Supply Board and Mount Isa Water Board.

Gladstone Area Water Board

On 14 September 2000, the Premier and Treasurer issued a declaration and referral notice under sections 19, 23 and 24 of the *Queensland Competition Authority Act 1997* initiating an investigation of the pricing practices of the Gladstone Area Water Board (GAWB). The QCA was also directed to consider the weighted average cost of capital (WACC) proposed by the GAWB, appropriate pricing for excess capacity and capacity augmentation and identification and pricing of any contributed assets.

On 1 October 2000, the GAWB introduced new pricing practices based on CoAG principles of full cost recovery and consumption-based pricing. These pricing practices have been implemented for some customers, including the Gladstone City Council and Calliope Shire Council and interim arrangements pending finalisation of the QCA report have been introduced for others. However, many users are still bound by long term contractual arrangements set under the previous pricing policy.

The QCA's Draft Report contains a series of detailed recommendations regarding the components of GAWB's pricing methodology. At the aggregate level, implementation of the QCA's recommendations would see GAWB achieve a positive operating profit by 2005-06. However, achievement of this profit remains very sensitive to actual demand for water.

The QCA's draft report on this investigation was publicly released in November 2001 and is available on the QCA website www.qca.org.au. The closing date for submissions on the draft report was 25 January 2002 with a final report expected by mid-2002.

The most recent audited financial results are for 2000/01.

	Operating Revenue $M	Expenses $M	EBIT $M	Interest	Tax/ TERS $M	Dividends $M	Assets[1] $M	*ROR* %
GAWB	15.825	13.455	3.627	2.396	1.028	1.5[2]	243	1.49

1. At 30 June 2001.
2. The dividend of $1.5M relating to the 2000-01 financial year was not paid until December 2001.

NB: Tax equivalent and dividend payments are returned to council customers of GAWB.
GAWB is subject to prices oversight by the QCA.

Mount Isa Water Board

As noted in last year's Annual Report, the Mount Isa Water Board (MIWB) charges for water on the basis of a two part tariff arrangement. There have been no changes to the Board's pricing policy in 2000-01, and no increase in its limited customer base.

The most recent audited financial results are for 2000/01.

	Operating Revenue $M	Expenses $M	EBIT $M	Interest	Tax/ TERS $M	Dividends $M	Assets[1] $M	*ROR* %
MIWB	6.092	5.487	1.588	-[2]	0.407	0.313[3]	43.653	3.64

1. At 30 June 2001.
2. MIWB has no debt
3. Provision for dividend. No actual dividend payment made. Capital restructuring resulting in a special dividend will be effected in 2001-02.

NB: Tax equivalent and dividend payments are returned to council customers of MIWB.
MIWB is subject to prices oversight by the QCA.

Townsville Thuringowa Water Supply Board

An update on the commercialisation of the Townsville Water Supply Board (TTWSB) is provided under Section 9.3.1.

The most recent audited financial results are for 2000/01, the last year that the Board operated as a statutory authority.

	Operating Revenue $M	Expenses $M	EBIT $M	Interest	Tax/ TERS $M	Dividends $M	Assets[1] $M	*ROR* %
TTWSB	$27.852	$27.711	$0.141	n/a	**n/a**	n/a	$187.257	0.08%

NB - The Government has instigated the process for declaring the TTWSB subject to the State's prices oversight regime.

As the financial statements relate to the operation of the Board prior to commercialisation, no competitive neutrality adjustments have been made. It is anticipated these adjustments will be made to the 2001-02 results following the application of full cost pricing principles.

General Note - The methodology used to calculate the rates of return for the GAWB, MIWB and the TTWSB mirrors the method utilised by the QCA. In particular the calculations of businesses asset bases have excluded contributed assets and other similar quantities including developer contributions and grants where known. The method correlates more appropriately with the principles of full cost pricing as published in *"Full Cost Pricing in Queensland Local Government – A Practical Guide"*.

The approach to tax equivalent regimes and externality charges.

Tax equivalent payments and other competitive neutrality adjustments (eg debt guarantee fees) are provided for in terms of full cost pricing for local government business activities (ie Type 1 and Type 2 business activities) under the *Local Government Finance Standard 1994*. For the remaining 107 local governments, the adoption of a full cost pricing regime is voluntary. However, the Government's FIP provides potential financial payments to local governments as an incentive for progressing full cost pricing reforms.

For local governments adopting full cost pricing or commercialisation of their business activities, the council is entitled to the receipt of any tax equivalent payments. Following amendments made by the Commonwealth to the *Income Tax Assessment Act 1936* in October 2001 (advocated also by the NCC to facilitate the up-take of corporatisation among local governments), all Queensland local government corporations and entities are not now liable to pay income tax to the Commonwealth. Any income tax equivalent would now be payable to the parent local government rather than the Commonwealth. These amendments have significantly enhanced the viability of corporatisation of business activities for local governments. The amendments were made in line with announcements made the previous year by the Federal Treasurer, and apply to any liability for income tax by a local government owned business entity as of 1 July 2000.

Preliminary discussions have been held between Queensland Treasury and DLGP about bringing local government corporations under the Queensland Local Government Taxation Equivalents Regime, with the possibility of conversion of these arrangements into a National Taxation Equivalents Regime for local government. While such a move would require endorsement of the other States, Territory and the Commonwealth, Queensland holds the majority of potential and existing local government corporations and would be expected to be a leader in developing such a reform agenda.

Externality charges (eg environmental costs) are factored into full cost pricing where imposed by a third party such as a State regulatory body (eg tradewaste charges).

9.1.2 Consumption Based Pricing

Progress on Townsville's two part tariff arrangements.

The Townsville City Council (Townsville) has largely implemented the CoAG water reform principles as required under the *Local Government Act 1993*. This includes the commercialisation of water and waste water activities, ensuring that prices set for water comply with full cost pricing, implementing two part tariff arrangements for the non-residential sector (comprising 40% of Townsville's total water market), consumption based pricing for the residential sector[7], identifying cross subsidies and Community Service Obligations (CSOs) and achieving a rate of return on assets.

[7] The Council's residential customers have a fixed charge allowance up to 776 kl and an excess consumption charge of $1.18 per kl for water consumed above 776 kl.

In January 2002, the Mayor of the City of Townsville, Cr Tony Mooney, wrote to the Government outlining Townsville's position on its two part tariff arrangements and the concerns held by the National Competition Council (NCC). Cr Mooney has advised he believes:

- Townsville has complied with the requirements of the NCC and acted in a clear and transparent fashion; and

- the second Two Part Tariff Cost Effectiveness Report comprehensively analyses all the issues pertaining to the implementation of two part tariffs and clearly recommended against such a pricing structure for residential customers on the grounds set out in the report.

Further information on Townsville's position on the Montgomery Watson Two Part Tariff Cost Effectiveness Report are provided at Attachment 9.

The Government is aware the decision of Townsville not to implement a two part tariff for its residential sector is a cause of concern to the NCC. The Government would like to see a mutually beneficial resolution to this outstanding issue. The findings of Townsville's second report are currently being assessed by the Queensland Competition Authority (the QCA) as part of its assessment of councils' progress in implementing competition reforms under the *Local Government Financial Incentive Payments Scheme*. The QCA has advised it will be assessing whether Townsville's second report meets the requirements set down in the Government's *Guidelines for Evaluation of Introducing and Improving Two Part Tariffs* and whether the recommendations rejecting the implementation of two part tariff arrangements for the residential sector are supported by rigorous analysis. The QCA review has not yet been completed, however as soon as the review is completed the Government will inform the NCC of the QCA's findings.

Progress on assessments of the cost effectiveness of introducing two part tariff arrangements for the seven local governments with between 1000 and 5000 connections that have not reviewed existing tariff arrangements.

To address the concerns raised in the NCC Third Tranche report, a status report on each of the seven local governments with between 1000 and 5000 connections that have not reviewed existing tariff arrangements is as follows:

- Broadsound Shire Council has resolved to implement a two part tariff by 1 July 2002;

- Herberton Shire Council has conducted a two part tariff assessment and forwarded the report to council for consideration. DLGP has been advised that the report proposes the implementation of a two part tariff for the 2002/03 financial year. The State will provide the detail of the council’s budgetary deliberations as soon as they are known.

- Douglas Shire Council had delayed the preparation of a two part tariff assessment until it had established the magnitude of costs for the installation of a new water treatment facility. Council is currently in the process of engaging consultants to prepare an

appropriate assessment. The State will provide more detail on developments for Douglas Shire as they come to light.

- Belyando Shire Council has conducted a two part tariff assessment. The assessment found that the introduction of a two part tariff would be cost effective, however council has resolved not to implement a two part tariff.

- Sarina Shire Council has conducted a two part tariff assessment that found the implementation of a two part tariff would be cost effective. Council has resolved to implement a two part tariff and is developing options for the pricing structure for consideration during the 2002/03 budgetary process.

- Roma Town Council met with BMAP consultants in mid February and with the consultants has developed a comprehensive implementation plan to complete all necessary reforms by July 2003. The Council has resolved to nominate its CoAG Water Business for reform, and is planning to conduct a two part tariff report.

- Longreach Shire Council has not made any progress to date as at the writing of this report.

All the councils above have been involved in BMAP audits, workshops and briefings.

The Government will have a clearer indication of these councils' reform intentions after 12 April 2002, when final notifications and timetables are received from councils to apply for an extension of time to the FIP process. The Government will provide the NCC with a status report at this time.

The development of trade waste charges by Queensland local governments where appropriate.

The *Environmental Protection Act 1994* and the *Environmental Protection (Waste Management) Policy 2000* requires local governments operating sewerage systems to develop an environmental plan with regard to trade waste by 1 July 2003. In support of this legislation, the Department of Natural Resources and Mines (DNRM) has produced a Model Trade Waste Environmental Plan.

The model plan canvasses the area of trade waste charging. Local governments are encouraged to cost their trade waste services on a full cost recovery basis. The collection of the full cost of collecting, treating and administering trade waste from trade waste generators through charges and fees is accomplished on a "user pays" basis.

The model plan suggests a number of different approaches to the structuring of trade waste levies and charges. Generally however, the agreed approach is to segment trade waste generators into varying consumer segments according to their demands on the sewerage system. To this end most councils divide their trade waste generators into:

- Category 1 users – Low flow, Low strength, generally smaller commercial concerns;

- Category 2 users – Low strength, high flow, medium to larger operators, and;

- Category 3 users – High strength, high impact manufacturing and industrial concerns.

Some councils choose to further segment their third category into high strength/low flow and high strength/high flow consumer segments. Brisbane City in particular utilises this fourth customer segment. These segments then pay differing fee schedules:

- Category 1 users:
  - A fixed annual charge that includes the cost of administration and overheads. This charge also incorporates the transportation and treatment of domestic grade waste and the costs of compliance and inspection.

- Category 2 users:
  - A fixed annual charge that includes the cost of administration, overheads, inspection and compliance testing, and;
  - A variable periodic charge based on the volume of trade waste generated.

- Category 3 users:
  - a fixed annual charge that includes the cost of administration, overheads, inspection and compliance testing;
  - a variable periodic charge based on volume and quality of the waste in question is further levied taking into consideration the number, type and concentration of pollutants released into the sewerage system; and
  - a further unit charge is applied for quantities of particular nominated pollutants depending on the individual business (typical pollutants mentioned are Phosphorates, Total Organic Carbons, Chemical Oxygen Demand etc.).

Given the variety of charging methods used by different councils based on the industrial/commercial composition of their trade waste generators and the nature of their sewerage/treatment systems, it is difficult to compare the different charging regimes. However, an analysis by the DLGP found that 15 of the big 18 local councils were currently operating a charging structure similar to that outlined within the DNRM Model Trade Waste Environmental Plan. Three more were in the process of adopting a policy and pricing structure very similar to the plan.

As stated previously, all councils must have a complying trade waste environmental plan in place by 30 June 2003 if they operate a sewerage business. Advice from DNRM indicates that the model plan has widespread industry support and is seen as the benchmark for sewerage business pricing throughout Queensland.

9.1.3 Community Service Obligations and Cross Subsidies

The identification and transparent reporting of Community Service Obligations (CSOs) in smaller local governments and progress in transparent reporting of cross subsidies among those local governments outside the big 18.

The *Local Government Act 1993* requires the largest 18 local governments with significant water and sewerage business activities to identify and publicly report any cross subsidies that exist between different classes of customers and to identify and publicly report any CSOs.

For the remaining 107 councils with water and sewerage businesses that are not considered significant (ie. generate expenditure less than $8.6 million), the identification and reporting of CSOs and cross subsidies is not required under legislation. However, the FIP provides a financial incentive for the councils to undertake such an analysis.

Of the 11 local councils which have over 5000 water connections but are outside of the largest 18 local governments, only three have identified CSOs and two have completed appropriate cross subsidy reports that comply with the guidelines.

Within the 41 councils with between 1000 and 5000 water connections, eight have identified CSOs and are appropriately reporting them while three smaller councils have conducted compliant cross subsidy reports.

As the data collected is current only until 1 July 2001 it is not yet evident how effective BMAP has been with regard to helping some of the smaller to medium sized councils complete these reports and investigations.

9.2 RURAL WATER SERVICES

9.2.1 New Rural Schemes

Any new developments will be assessed annually to ensure that all new developments are economically viable and ecologically sustainable where a government decides to proceed with an investment.

The Government has not made a final decision on whether it will proceed with any new rural schemes.

The Government is however, investigating whether to proceed with the construction and operation of new water infrastructure in the Burnett region. Information on the current status of the Burnett Water Infrastructure Development Project is provided at Attachment 10 for the Council's information.

9.3 INSTITUTIONAL REFORM

9.3.1 Structural Separation

Proposals to improve the transparency of reporting price and subsidy information for smaller local governments.

In 2001, the NCC first drew attention in its review to how ongoing performance against the principles of the CoAG water reform agenda would be ensured, particularly amongst smaller councils after the cessation of the NCP payments. Officers of the NCC visited Brisbane in July 2001 and sought details of the mechanisms Queensland possessed, or might develop, to empower members of each local community to be informed of water price performance by their council as a means of keeping their council accountable. It was also of interest to the NCC how State and council subsidies to a water business might be reported in a manner that is accessible for the general public.

Queensland councils are autonomous in their decision-making and are responsible to their communities as elected members. It is generally up to each council how they inform and consult with their communities about water charges and subsidy policies. The *Local Government Finance Standard* does require all councils to publish their CSO policies and dollar values in their annual report[8]. Councils must also make available their budgets, which list rates and charges, and consumer rebates. In addition, DLGP makes available an annual statistical summary of water business operations, which is compiled through the voluntary input by participating local governments. This summary contains the average access and consumption charges for a household in a sample of towns in each participating local government's area.

The DNRM is establishing a database that will assist it to undertake its functions as regulator of registered water service providers under the *Water Act 2000*. The database is intended to track the status of water service provider regulatory requirements, with the primary focus being upon compliance with various reporting requirements. It is not a public database.

DLGP's annual summary of water pricing for 2000/01 will be published in April and is available to the public in hardcopy and on disk.

The role of the ombudsman in regulating service standards for local government and the management of drinking water standards.

Chapter 3 Division 2 of the *Water Act 2000* is concerned with customer service standards of water service providers. The policy intent of the Division is to ensure that customers who do not have supply contracts with the service providers are protected by standards relating to the supply of the registered services. For example, most customers of small rural water authorities and domestic customers of local governments do not have supply contracts. All major customers of urban water authorities, SEQWCO and all SunWater customers have contracts for the supply of water, and standards are dealt with in those contracts.

[8] As demonstrated in section 1.3 of this report, 39 of the 70 largest councils have identified community service obligations for their water and sewerage businesses.

Section 427 of the Water Act 2000 provides that where a customer considers there is a deficiency with the standard, or a service provider has not complied with it, then the customer may complain to the Regulator (under Chapter 3 of the Water Act 2000). If, however, there is already an avenue of complaint to the Ombudsman (as is the case with most customers of small rural water authorities and domestic customers of local governments), the jurisdiction is unchanged.

The Ombudsman receives complaints, investigates and then reports to the Parliament. The Ombudsman has no role in prescribing service standards, but rather in providing transparency in the way in which complaints are dealt with by local governments or water authorities. The Ombudsman's reports and findings are recommendatory only.

As a result of feedback on the draft policy papers and exposure draft Bills, it was decided that where local governments continue to operate water services, they are accountable to ratepayers through elections, council meetings and other forums that exist as part of the local government representative system. Similarly, members of smaller water authorities are elected by ratepayers. If, however, the water service was operated by a local government owned corporation, or the water authority shifted to a different institutional form (eg. a company), standards would be dealt with by the regulator rather than by the Ombudsman.

In developing guidelines for customer service standards, the Water Industry Compliance Division of the DNRM will consult with the Ombudsman to ensure their experiences in dealing with complaints about local government water supply services are an input into the development of any standards.

Drinking water quality management

The Department of Health is responsible for the regulation of drinking water quality in the State. The *Health Act 1937* provides the Minister for Health with powers to deal with health-related problems arising from contaminated drinking water and powers to take any necessary action in the event of an emergency, and permits the Department to make regulations for water quality with respect to notifiable diseases.

Progress has continued into the regulation of drinking water quality since the commencement in 2001 of a wide-ranging review of the *Health Act*. The review of arrangements for drinking water quality regulation is based on a risk management approach with a range of policy issues concerning monitoring, reporting and enforcement to be explored in consultation with local government and other drinking water providers. Drinking water quality arrangements would be in place following the completion of the review of the *Health Act*. This is not expected until mid-2003 at the earliest.

Update on the commercialisation of the Townsville-Thuringowa Water Supply Board.

The Townsville-Thuringowa Water Supply Board (TTWSB) was established in 1987 to supply bulk water to the twin cities of Townsville and Thuringowa. In 2001 the *Local Government and Other Legislation Amendment Act (no 2.) 2000* changed the legal status of the TTWSB from that of a statutory authority to a joint local government entity.

On 1 July 2001, the new entity commercialised and began trading under the name of NQ Water. As part of the process of commercialisation, the board has undertaken a review of full cost pricing arrangements within NQ Water. Tax equivalents and dividends are being paid and asset valuations have been based on the deprival method. The Board advises that it is pursuing complete compliance with full cost pricing principles.

NQ Water is currently undertaking a review of its structure and future role as a bulk water supplier. The expected restructure is anticipated to take 6 to 9 months and at that stage the board will commence a significant pricing review. The CEO has foreshadowed consolidation of bulk water infrastructure, rationalisation of non-strategic infrastructure and application of NCP principles as being the key drivers for the restructure. Further information will be provided to the NCC once the Board has adopted a specific set of proposals.

The Government has initiated the process for the declaration of NQ Water for prices oversight. The Government has directed the QCA to assess whether the water supply business activities of NQ Water meet the Criteria for Identification as a Government Monopoly Business Activity. The QCA is scheduled to report back to Government by mid June 2002. If the Criteria are met, the Government will trigger the process to declare NQ Water subject to the State based prices oversight regime (under section 19 of the *Queensland Competition Authority Act 1997*).

9.3.2 Devolution of Irrigation Scheme Management

Whether Customer Councils are an effective mechanism for irrigator input into decision making.

During 2001, SunWater established 11 Customer Councils for its water supply schemes. The Customer Councils have now been elected, with Constitutions, and have been provided a budget from SunWater for their operating costs. The budget is individually managed by each Customer Council. In three other schemes, whilst a committee has existed to discuss many of the matters below with SunWater, the committees have decided not to formalise their status as a Customer Council whilst they were negotiating with Government on water pricing policy matters.

The following issues were discussed with Customer Councils during the year:

(1) Review of standard supply contracts.

SunWater held discussions with each customer council on the standard supply contract approved by the Minister for Natural Resources and Mines in November 2000. Councils were invited to provide comment on the contracts with a view to negotiating changes to meet customer needs and concerns. Nine Customer Councils provided comments to SunWater directly, or through the Queensland Farmers Federation. SunWater discussed the issues with Customer Councils. Queensland Farmers Federation proposed 23 changes to the standard contract. A proposed contract that addresses issues raised by Customer Councils was sent out in December 2001, and SunWater is seeking comments in early 2002.

Feedback to date from Customer Councils and the Queensland Farmers Federation is that the process has been positive and many issues within the original contract have been adequately addressed.

(2) SunWater, in consultation with all Customer Councils, numbering about 140 members, is undertaking the following:

- development of scheme rules;
- development of Service Charter and Service Targets, such as planned shutdowns, unplanned shutdowns, complaints handling;
- direction of longer term planning for a water supply scheme or for schemes in each area;
- establishment and monitoring of performance against agreed standards of service;
- monitoring of performance against efficiency benchmarks;
- area wide issues such as, metering, billing, access to customer data, use of chemicals in the water supply etc;
- reporting against works programs and operational activities for each scheme, including backlog and renewals;
- advice and input into the priorities for asset and refurbishment plans for the next one and five year plan(s) after observing the impact of currently implemented actions;
- asset condition reporting;
- advice on the type and scope of information that should be communicated from SunWater to its customers;
- discussion of regulatory issues of common interest to SunWater and its customers; and
- procedures for dispute resolution.

(3) Council Chairs have met for a day meeting (late 2001), with the Minister for Natural Resources and Mines and SunWater Board members to discuss policy and operation matters. Another meeting is planned for early 2002.

(4) Transparency of Financial Information.

SunWater has provided the following information to customers for each scheme:

- total costs as a percentage of the efficient benchmarks set by the Water Reform Unit;
- total revenue as a percentage of the projected revenue set by the Water Reform Unit;
- benchmark proportion of cost between categories;
- actual proportion of costs between cost categories;
- proportion of revenue between sectors; and
- actual renewals spent compared to renewal annuity revenue collected.

(5) Water Pricing

- Where SunWater sets prices, discussions were held with Customer Councils in relation to the basis for these proposed prices, and feedback sought.

(6) An independent facilitator was contracted to work with all Customer Councils to facilitate the communication process and negotiate issues between parties.

9.4 ALLOCATIONS

9.4.1 Provision for the Environment

The Condamine Balonne Water Resource Plan

- ***Whether Queensland's final water resource plan for the Condamine-Balonne is consistent with CoAG water reform commitments. Development of the associated resource operation plan should also be well underway.***
- ***Further consideration by the Government of all relevant issues raised in submissions in determining the final Condamine-Balonne plan.***

A draft Water Resource Plan (WRP), formerly referred to as a Water Allocation and Management Plan (WAMP), was released for the Condamine-Balonne Basin in June 2000, for public review and submissions.

Since that time, some 230 public submissions received on the draft plan have been collated and considered by the Queensland Minister. On 13 September 2000, the statutory basis for developing WRPs was put into place with the enactment of the *Water Act 2000*. On 20 September 2000, in accordance with the new powers given to the Minister for Natural Resources and Mines under the *Water Act 2000*, a comprehensive moratorium was put in place in the Condamine-Balonne catchment on the starting of construction of any new works that would lead to an increase in the taking of water either in watercourses or as overland flow water. This moratorium included a hold on the commencement of new works associated with overland flow development as well as those relating to the development of existing water licences, and the issue of any new licences.

The effect of this moratorium has been to put an interim cap on the capacity to divert and store water in the basin whilst the Government considers all the relevant issues raised in submissions and further stakeholder consultation, whilst finalising the WRP.

The Government intends that the final WRP for the Condamine-Balonne will be consistent with CoAG water reform commitments. At the time of the writing of this Annual Report, the Minister for Natural Resources and Mines was engaged in considering the issues associated with the draft WRP, including the option of releasing a new draft plan for further public review and submissions. The new draft WRP would be likely to differ substantially from the June 2000 draft WRP in order to comply with the requirements of the *Water Act 2000* as well as deal with a number of issues raised in submissions and consultations on the June 2000 draft WRP. For this reason a WRP may not be finalised in the Condamine-Balonne until after June 2002.

It is noted that further detailed consultation with stakeholder groups since the release of the draft WRP in June 2001 have focused on issues that relate directly to the future implementation of a WRP and preparation of a Resource Operations Plan (ROP) for the Condamine-Balonne basin. One of the recent amendments to the *Water Act 2000* was to expedite the earlier commencement of the resource operations planning process, so that consultations undertaken on a draft WRP could be integrated more meaningfully with stakeholder discussions focused on the possible implementation of the WRP via the ROP.

The Water Infrastructure Development (Burnett Basin) Amendment Act, (December 2001) modified the environmental flow objectives contained in the Burnett Water Resource Plan that the NCC assessed as complying with CoAG commitments in June 2001.

- ***A re-examination of the modified Burnett WRP to satisfy the NCC that the new environmental objectives contained in the modified WRP are still in accordance with the provision for environment commitments under CoAG water reform.***

The *Water Infrastructure Development (Burnett Basin) Amendment Act 2001,* amended the Burnett WRP on the basis of a comprehensive impact assessment process, which included addressing public consultation requirements specified in relevant Commonwealth and State legislation. The scientific and other analysis undertaken during this process built on earlier water resource planning analysis, but was considerably more intensive, focused and comprehensive. The specific methods and results are detailed below and are publicly available in the environmental impact statements (EISs).

Following completion of the Queensland impact assessment processes, the assessments for the Burnett River Dam, Eidsvold, Jones and Barlil Weirs, the Commonwealth Minister for the Environment and Heritage granted approvals in accordance with the requirements of the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999.* The assessment report for the Walla Weir EIS has been deferred to enable government to consider integrated management arrangements for the Burnett River catchment as recommended by the Coordinator-General. In this assessment process all statutory requirements were followed, and most importantly, opportunities for public input to the process were provided.

The impact assessment reports demonstrate that the potential for economic development in the Burnett region that arises from the water made available through these projects is very significant, providing the region with the best opportunity for economic development in many years. The studies indicate 7,500 new jobs associated with increased agricultural production will be created in the Burnett region. With any projects of this size, there will be adverse impacts, and the EIS reports also outline these very clearly. However, a range of mitigating strategies have been identified that must be employed given the requirements of the Coordinator-General's report.

The amendment to the *Water Infrastructure Development (Burnett Basin) Act* provides for some technical amendments to the *Water Resource (Burnett Basin) Plan 2000*, the WRP, which arise from detailed modelling of hydrologic impact of the structures being assessed. Although these technical changes are necessary, the outcomes and the objectives of the WRP are not significantly affected by these amendments.

The magnitude of adjustments to the WRP to enable the Burnett River Dam to proceed was specifically identified in the EIS reports. The impact assessment process provided the opportunity for interested people and groups to express their views on the projects, including the need to amend the WRP. The Queensland Parliament and Commonwealth Government accepted that the full range of opinion on water infrastructure development in the Burnett had been canvassed through the extensive consultation arrangements for preparing the WRP and through the EIS process. Therefore, it was not necessary to amend the WRP through the processes contained in the Water Act.

The WRP includes a number of water allocation security objectives which, as the description suggests, specify the probability of being able to obtain water in accordance with a water allocation, whether the allocation is made for urban water supply, agricultural or industrial use. The modelling for the impact assessment studies was undertaken on the basis that all regulated water allocation security objectives in the WRP were to be met. Accordingly, no change has been proposed to any of these water allocation security objectives. The Coordinator-General's evaluation establishes a requirement that there be negotiations with the holders of existing water harvesting licences that may be affected by the construction of the dam to ensure the provision of water supplies equivalent to those provided under current licences or suitable compensation. The WRP also includes environmental flow objectives that provide for the protection of the health of natural ecosystems for the achievement of ecological outcomes.

There are two categories of environmental flow objectives in the WRP. The WRP requires that the low-flow objectives should be met if possible. The optimisation of these objectives is a principal focus of the next stage of water planning, the preparation of the ROP, which is currently under development by the DNRM in accordance with the *Water Act 2000*.

The second category of environmental flow objectives comprises medium- to high-flow objectives. These objectives must be met to comply with the WRP. The modelling undertaken for the EIS provides detailed information about the flow regime that results from the specific water allocation scenarios related to the infrastructure being proposed.

In preparing the EIS reports, significant effort was directed to developing infrastructure operation strategies that enable the environmental flow objectives to be met. It will be seen from comparing the draft EIS reports and the later supplementary reports that the strategy adopted has enabled a high degree of compliance with the original objectives to be achieved. The analyses undertaken show that when the proposed allocations associated with all five proposed water storage structures are included the high- and medium-flow objectives are complied with fully at 16 of the 19 nodes at which the objectives are specified.

At two of the remaining three nodes (nodes 2 and 3) only one of the six objectives specified for each node does not comply, and the degree of non-compliance is very small. For example, at node 3, near Gayndah, the achieved 1.5-year Average Recurrence Interval (ARI) daily volume flow is 71 per cent of the pre-development flow compared to the original WRP requirement of 74 per cent. In physical terms, this means that the flow rate achieved every 18 months on average is 13,907 megalitres per day compared with the original WRP requirement of 14,582 megalitres per day, a difference of 675 megalitres per day. This objective is one of a number that relate to channel geometry and sediment movement. It is

not unreasonable to conclude that the impact of this small change on channel geometry and sediment movement is insignificant.
At node 1, four of the seven objectives specified are not met. Three of these are again within a few per cent of the original WRP requirement. The remaining statistic, the 1.5-year ARI, is modelled at 52 per cent compared to the required 69 per cent. This means that the required flow is achieved every 1.65 years (19.8 months) instead of 1.5 years (18 months) as specified. The ROP will further refine infrastructure operation strategies to bring the achieved flow regime more closely in line with the current targets.

In addition to some flow objectives, section 11(2) of the original WRP, relating to the maintenance of lungfish habitat in the river particularly downstream of Gayndah at AMTD 200 kilometres, has been amended. The impacts on lungfish habitat of the water infrastructure development are described in the EIS documents. These include the loss of some habitat, particularly in the lake behind the dam. The mitigation strategies covered by the relevant conditions of approval must maintain the viability of the lungfish population through a range of actions in addition to managing and allocating water in that section of the river.

In summary, the amendments to the Water Infrastructure Development (Burnett Basin) Act have resulted in small changes to a handful of objectives in the Water Resource (Burnett Basin) Plan 2000. Those changes have not, in any way, threatened the integrity of the WRP or its effectiveness as a tool for managing the water resources of the Burnett Basin.

An examination of any final water resource plans where the area covered is considered to be stressed or overallocated.

The Condamine-Balonne basin is the only area in Queensland where planning is underway that has been widely acknowledged as being, or at risk of becoming, stressed or over-allocated. The comments in the above section therefore apply.

Principle 4 (in systems where there are existing users, provision of water for ecosystems should go as far as possible to sustain the ecological values of aquatic ecosystems whilst recognising the existing rights of other water users).

- ***Resource operation plans will implement the environmental flows contained in water resource plans. Reassess Principle 4 by assessing progress in finalising and implementing the first resource operation plan for the Fitzroy Basin.***

The process to commence the preparation of a draft and then final ROP for the Fitzroy Basin formally commenced on 23 November 2000 with the issue of a Section 96 public notice under the *Water Act 2000.* Some 40 submissions on the proposal were received, which are being considered along with the necessary technical assessments in preparing a draft ROP for public release and consultation. Work is progressing to release a draft ROP in April 2002. The draft ROP will contain the detailed elements required to implement the WRP as follows:

- details of amendments to be made to certain individual water entitlements to convert them to approximately 850 tradeable water allocations;

- water allocation change rules to provide for the movement of water allocations between different areas and for different purposes;

- rules for the amendment of certain entitlements not being converted to water allocations, including specification of an annual volumetric limit;

- operating rules to apply in both supplemented and unsupplemented areas to meet environmental flow and water allocation security objectives;

- water and natural ecosystem monitoring practices to be implemented in both water supply scheme areas and unsupplemented areas;

- reporting requirements to apply to infrastructure operators of water supply schemes;

- strategies for the release and/or reservation of unallocated water.

Subject to consideration of submissions on the draft ROP and any further assessments that may be necessary, it is expected the ROP process will be finalised in September 2002.

Separately, in order to preserve the WRP environmental flow and water allocation security objectives, on 13 September 2001 the Minister for Natural Resources and Mines publicly notified (under Section 40 and 55 of the *Water Act 2000*) of his intention to prepare amendments to the Fitzroy Basin WRP to regulate the taking of, or interfering with, overland flow water. A comprehensive moratorium on further overland flow developments was also announced at that time. The process to prepare an amended WRP is underway with extensive catchment-wide data collection on overland flow developments in progress. A community reference panel is now being formed and a technical advisory panel is to be engaged shortly.

Principle 5 (where environmental water requirements cannot be met due to existing uses, action, including reallocation should be taken to meet environmental needs).

- ***Queensland's response to the Condamine-Balonne water resource plan will determine whether action is being taken to meet environmental needs against this principle.***

Environmental flow objectives for the Condamine-Balonne WRP are now being developed having consideration of expert scientific opinion (by Technical Advisory Panels), results of the DNRM ongoing ambient water quality and biological monitoring programs, and DNRM's recent aquatic ecosystem research work in the Condamine Balonne (looking at eco-response to flow change).

Principle 8 (environmental water provisions should be responsive to monitoring and improvements in understanding of environmental water requirements).

- ***Assess whether environmental water provisions are responsive to monitoring and improvements in understanding of environmental water requirements by examining resource operation plans, monitoring reports and any other relevant documents.***

The DNRM is undertaking significant investment to research and better understand flow and land-use related impacts on aquatic ecosystems, to identify aquatic system health indicators

that respond to flow changes and landscape disturbance. Initially the work focussed on flow changes but quickly recognised the confounding factors caused by landscape changes. The results of the research are expected to provide a comprehensive monitoring framework and then, when plans are next reviewed, better definition of ecological outcomes in WRPs and improved indicators for plan performance monitoring. Research is currently being undertaken in Condamine Balonne and Fitzroy basins.

9.5 WATER TRADING

9.5.1 Progress with implementing interim water trading arrangements

Due to significant impediments still existing to trade, particularly permanent trade, progress with the implementation of the interim trading arrangements, resource operation plans and the associated trading rules.

Under the *Water Act 2000* there are two types of permanent trading allowed.

(1) The trading of interim water allocations (that is the existing entitlements held by SunWater customers); and

(2) Trading of water allocations at the completion of the resource operations plans.

The resource operations plans are currently being prepared in a number of catchments, and the separation of water from land and the full trading market will occur upon finalisation of these plans. In respect of the interim trading, this is undertaken by the making of a regulation under Section 193 of the *Water Act 2000*. This statutory provision continues head of powers which existed under the *Water Resources Act 1989* allowing for the permanent transfer trading trial which commenced in the Mareeba Dimbulah Irrigation Area in 1999.

The DNRM is in the process of completing an evaluation of the Mareeba trading trial with a view to extending it to a number of other SunWater supply scheme pending the completion of the resource operation plans. Trading of interim water allocations is different from trading water allocations as shown in the following table:

Interim Water Allocations	**Water Allocations**
Must be reattached to land	Separated from land title under the Water Act 2000
Terms and conditions same as licences (set periods, be cancelled, varied, amended any time)	Granted for a period of 10 years
Administrative data base and licensing system	Water allocations register.

The preliminary results of the evaluation on the Mareeba trading trial are that:

(1) There have been relatively low volumes permanently traded. Over the two and a half year period, some 785ML of a total of 150,000ML of nominal allocation has been traded. Applications for transfer of a further 400ML are pending;

(2) The requirement to do a land and water management plan as a precondition to a trade has not been an impediment;

(3) There is no need for the public advertising of a proposed transfer, given that there is a requirement for vendors to provide evidence of notification to any third party financial interests;

(4) There is a need for a sliding scale for transaction fees, given that people wanting to set up a new enterprise may need to secure small volumes of water from a number of different purchasers, and that this can bring with it significant transaction costs; and

(5) There has been an evolving refinement of the administrative procedures for processing applications, and notification requirements for SunWater to supply evidence of supply contracts with the intended purchaser.

It is proposed that this interim trading will be extended to a number of SunWater schemes, and that those schemes will be chosen on the basis of, among other things:

(a) Time until the likely implementation of permanent trading of water allocations. For example, it is not proposed to extend the permanent trading trial in the Fitzroy Basin when the release of a draft resource operations plan is imminent;

(b) Demonstrated evidence through level of temporary trading, of the demand for water by existing entitlement holders; and

(c) Whether there are significant resource management issues to be dealt with in the water resource plan (such as the Murray Darling catchments) that would make it inappropriate to introduce interim trading ahead of the current planning processes.

Taking these factors into account, and given the administrative burden it brings upon staff to implement the trading, the current DNRM proposal, subject to Government approval and stakeholder consultation, is for it to be extended to other SunWater channel systems. It is intended this will occur in the first half of this year, subsequent to the commencement of the remaining provisions of the Water Act 2000. The reason for the delay is to give priority to staff training on the new forms, databases and licence conditions that will accompany the commencement.

The implementation of trading of water allocations issued under a ROP framework will not be possible until after the formal completion of the first ROP. This is scheduled to occur with the finalisation of the Fitzroy ROP in the second half of 2002, to be followed by the Burnett ROP in the first half of 2003.

Introduction of permanent trading of water allocations in the Fitzroy Basin under a ROP will be the first major permanent water-trading regime in Queensland. The ROP for the Fitzroy basin will define the rules under which trading can occur. With the implementation of the ROP, transferable water allocations resulting from the conversion of existing licenses will be

recorded on a Water Allocation Register. The Register will be used to record details of all transferable water allocations and the corresponding dealings and interests.

More generally, the *Water Act 2000* in separating water entitlement from the land title will enable water trading to be introduced in those areas where a WRP and a ROP exist. Under the *Water Act 2000*, three types of water trading will be permitted:

- permanent transfers of water allocations;
- leases of water allocations; and
- seasonal assignments (i.e. assignments of the benefit under the licence to another person, for a water year, or all or part of the water that may be taken under an allocation.)

Land and Water Management Plans must be prepared by all irrigators before they will be able to purchase or lease water, except those purchasing seasonal assignments. However, seasonal assignments are to be used to meet unexpected water requirements and are not to be used in a systematic way.

The underlying principal for trading rules, that will established for each catchment where trading is introduced, is that transfers must not compromise the ability of the resource manager to meet the key environmental flow objectives and water allocation security objectives established in the WRP for that catchment.

9.6 ENVIRONMENT AND WATER QUALITY

9.6.1 Public Consultation and Education

Monitor developments in public consultation on water resource plans.

The DNRM is continually seeking to improve its community engagement processes for water resource planning. Examples of this are early planning discussions with representatives of the Mary River catchment committee on the most appropriate way of public consultation for the Mary River WRP. The Information Paper, to be released as part of the formal commencement of the WRP process, will seek comment on a proposed community engagement involving a citizen's panel approach and also direct stakeholder engagement. Similarly the formal initiation of the WRP process for the Burdekin Basin is now seeking community input and submissions on the process for community consultation in preparing this Plan.

10.0 ROAD TRANSPORT REFORMS

Queensland has now implemented all reforms identified for the first, second and third tranche assessments. The last remaining reform was implemented in December 2001 following system changes which allowed for the introduction of a graduated driver license suspension scheme for demerit points.

Assessable road transport reforms were drawn from the National Road Transport Commission's (NRTC) reform agenda. Reforms which were to be assessable were identified and agreed upon by the Australian Transport Council (ATC). These reforms were, at that time, under the CoAG framework.

In December 2001, the NCC wrote to all jurisdictions regarding the assessment of remaining reforms from the NRTC's 1995 work program. It was suggested that governments may wish to consider progressing remaining reforms outside of the NCP assessment process. Queensland's preferred position is to have the ministerial ATC responsible for progressing remaining reforms. This is because a number of the remaining reforms relate to ongoing long term projects and/or there have been difficulties in implementing across jurisdictions. For example, the NRTC is currently reviewing the speeding heavy vehicle reform due to difficulties in implementation across jurisdictions. As a consequence Queensland and a number of other jurisdictions have delayed implementation in this area until the matter is resolved.

ATTACHMENT 1

Legislation Review Schedule: Queensland

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Corrective Services Act 1988 Corrective Services (Administration) Act 1988 Review of Corrective Services Legislation	Corrective Services	Not for review	Reformed without Review	Corrective Services Legislation Amendment Act 1999 abolished the Queensland Corrective Services Commission and the Government Owned Corporation - Queensland Corrections. The amending legislation also established the Corrective Services Advisory Council and provided for a new head of power for the new Department of Corrective Services. The Corrective Services (Administration) Act 1988 was also amended. The legislation gives the department responsibility for corrective services in Queensland. Where the Government opts for service delivery by private contractor, there will be a competitive tendering process. New legislation (Corrective Services Act 2000) was subsequently passed by Parliament in November 2000. This legislation replaces the Corrective Services Act 1988 and the Corrective Services Administration Act 1988. The legislation, in its new form is not likely to restrict competition and, as a result, a formal review has not been undertaken.	1996/1997		Corrective Services Act 2000 passed by the Parliament on 16 November 2000 and received Royal Assent on 24 November 2000. The Act was proclaimed on 1 July 2001, with the exception of certain sections which commenced on 24 November 2000.
Education (Capital Assistance) Act 1993 Review of Education Capital Assistance Legislation	Education	Completed	Reduced NCP Review	A formal review was not undertaken. The restriction related to affiliation and has been resolved through legislative amendment which requires schools to be listed (but not affiliated) with a group. Remaining issue of the type of financial institution that can receive deposits/investments was subjected to further analysis and was determined not to be restrictive.	1998/1999	06/98	Legislation has been amended accordingly.
Education (General Provisions) Act 1989 Education (General Provisions) Regulation 1989 Review of Education General Provisions Legislation	Education	Underway	Department Review	This review is focusing on the issues of the registration of overseas curriculum and the ability to prohibit the sale of certain items from state school tuckshops. The PBT report is currently being finalised, with the review expected to be completed first quarter 2002. (Review of proposed new legislation pertaining to the establishment, registration and accountability of non-State schools has been completed as a separate exercise under "Gatekeeping" arrangements for new legislation.)	1998/1999		
Education (Overseas Students) Act 1996 Review of Overseas Student Legislation	Education	Completed	Reduced NCP Review	NCP justification provided for the 1999 amendments and this provided input to review of the Act which examined restrictions relating to the registration requirements for providers of education to overseas students and the courses provided. That review has been completed and the final report and competition impact statement were submitted to Treasury for formal endorsement on 27 April 2000. The Treasurer subsequently endorsed the review recommendations in June 2000.	1998/1999	01/00	Existing regulatory regime retained in the public interest.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Education (Teacher Registration) Act 1988 Education (Teacher Registration) Regulation 1989 & Board of Teacher Registration By-laws 1989 Review of Teachers Registration Legislation	Education	Completed	Department Review	The Department completed the review into teacher registration arrangements in May 2000. Cabinet subsequently endorsed the review recommendations in October 2000.	1998/1999	05/00	Teacher registration requirements have been retained in the public interest.
Grammar Schools Act 1975 Review of Grammar Schools Act	Education	Underway	Department Review	The review has been re-opened (original report completed in September 1997) and is being undertaken in accordance with revised PBT Guidelines. Draft PBT has been prepared which examines potentially anti-competitive provisions relating to the establishment of new public grammar schools and the annual endowment. Review is close to completion and should be submitted for Treasurer's approval first quarter 2002.	1997/1998		
Higher Education (General Provisions) Act 1989 Review of Higher Education General Provisions Act	Education	Completed	Reduced NCP Review	PBT Plan was expanded into a draft report in recognition of the accreditation provisions being nationally uniform. The PBT examined restrictions in the Act which impose limitations and accreditation procedures on non-university providers and foreign universities which seek to provide higher education courses leading to higher education awards in Queensland.	1999/2000	01/01	Existing regulatory regime retained in the public interest.
University Legislation Review of Universities Legislation	Education	Completed	Reduced NCP Review	Separate and similar Acts modelled on the James Cook University of North Queensland Act 1997 were passed under gatekeeping arrangements in 1997/98 for each university, namely Central Queensland University, University of Queensland, Griffith University, University of Southern Queensland, University of Sunshine Coast and Queensland University of Technology. Review identified and examined a "potential" restriction in relation to ability of universities to apply revenue solely for university purposes but it was considered not to significantly impact on competition. Review was completed in August 2001.	1999/2000	08/01	Existing regulatory regime retained in the public interest
Beach Protection Act 1968 Coastal Management Control Districts Regulation 1994 Review of Beach Protection Legislation	Environmental Protection Agency	Completed	Reduced NCP Review	Review supported retention of provisions which do not materially restrict competition and are in the public interest. Review report made available to the public. No issues raised in response. NCC provided with report in February 1999.	1998/1999	11/98	Provisions subjected to NCP review retained without change.
Canals Act 1958 Canals Regulation 1992 Review of Canals Legislation	Environmental Protection Agency	Completed	Reduced NCP Review	Review supported retention of provisions which do not materially restrict competition and are in the public interest. Review report made available to the public. No issues raised in response. NCC provided with report in February 1999.	1998/1999	11/98	Provisions subjected to NCP review retained without change.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Coastal Protection & Management Act 1995 Review of Coastal Protection Act	Environmental Protection Agency	Completed	Reduced NCP Review	Review supported retention of provisions which do not materially restrict competition and are in the public interest. Review report made available to the public. No issues raised in response. NCC provided with report in February 1999.	1998/1999	11/98	Provisions subjected to NCP review retained without change.
Contaminated Land Act 1991 Contaminated Land Regulation 1991 Review of Environmental Protection Legislation (incl. contaminated land)	Environmental Protection Agency	Completed	Targeted Public	Act subsumed within the Environmental Protection Act 1994 in 1997 without any increase in restrictions on competition. For further details refer to EP Act entry below.	1996/1997	08/00	
Environmental Protection Act 1994 EP (Interim) Regulation 1995 Review of Environmental Protection Legislation	Environmental Protection Agency	Completed	Targeted Public	Review incorporated Environmental Protection Policies and Regulations passed under gatekeeping arrangements in 1997/98, as well as contaminated land provisions which were subsumed within this Act. The restrictions related primarily to licensing and approval requirements. Review began in January 2000. Review report completed August 2000 and subsequently endorsed by the Treasurer.	1998/1999	08/00	Provisions subjected to NCP review retained without change.
Harbours (Reclamation of Land) Regulation 1979 Marine Land (Dredging) By-Laws under the Harbours Act 1955 (sections 91-93) Review of Harbour Land Reclamation Regulation & Marine Land Dredging Legislation	Environmental Protection Agency	Not for review		Provides for approval procedures for activities in tidal waters (eg land reclamation and harbour works). The regulation was to be removed by 30 December 2000 but was extended until end 2002. Regulations extended pending incorporation of approvals provisions in IDAS and coastal legislation. Coastal Protection and Other Legislation amendment act 2001 passed 5 december 2001. Act will repeal remaining provisions of Harbour act 1955, under which Harbour (reclamation of Land) Regulation 1979 was made.	1997/1998		
Nature Conservation Act 1992 Nature Conservation Regulation 1995 and Conservation Plans Review of Nature Conservation Legislation	Environmental Protection Agency	Completed	Reduced NCP Review	Review supported retention of provisions which are considered to be for natural resource management purposes. Targeted consultation and review report made public in January 1999.	1998/1999	07/99	Provisions subjected to NCP review retained without change.
Queensland Heritage Act 1992 Queensland Heritage Regulation 1992 Review of Heritage Legislation	Environmental Protection Agency	Completed	Reduced NCP Review	Review justified retention of provisions on public interest grounds. Review report has been made available to the public. No issues raised in response. NCC provided with report in February 1999.	1998/1999	12/98	Provisions subjected to NCP review retained without change.
Ambulance Service Act 1991 Review of Ambulance Service Act	Emergency Services	Underway	Targeted Public	PBT plan being discussed with Treasury. A minor departmental review is proposed, with targeted consultation.	2001/2002		Timetable proposed by agency indicates possible completion by 30 June 2002.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Fire Services Act 1990 Review of Fire and Rescue Authority Act	Emergency Services	Completed	Reduced NCP Review	Restrictions were identified in relation to the powers of officers which are not available to other providers under the legislation and the imposition of compulsory fire levies. Final report recommending retention of status quo was endorsed by the Treasurer in September 2000. The Report was made available to the public in July 2001.	1998/1999	08/00	Provisions subjected to NCP review retained without change.
Vocational Education, Training and Employment Act 1991 Vocational Education, Training and Employment Regulation 1991 Review of Vocational Education, Training and Employment Legislation	Employment and Training	Completed	Reduced NCP Review	Minor review was carried out in 1997 on the then proposed new Bills (a VET Bill and an Institute Bill) to replace the VET&E Act. These Bills were never introduced. A minor review was undertaken of proposed new legislation, the Training and Employment (T&E) Bill, which replaced the two Bills referred to above. The T&E Act is less restrictive than the VET&E Act that it replaced. The Act formally implements a national training framework and training package in lieu of a centrally controlled system, thus reducing State-based regulation. Providers will be required to be registered only when they wish to deliver nationally recognised training. Volume of course accreditation will diminish as providers use more national training packages. The Act will also deliver increased flexibility and will ensure specific requirements can be properly negotiated between employers, apprentices/trainees and registered training bodies. Review effectively completed in time for Cabinet consideration of an authority to introduce the Bill, in April 2000.	1998/1999	04/00	Cabinet authority to introduce the T&E Bill (which implements a national scheme and replaced the more restrictive VET&E Act) was given in April 2000. The T&E Act was assented to on 27 June 2000, with some provisions commencing immediately and the remainder commencing on 28 September 2000.
Child Care Act 1991 Child Care (Child Care Centres) Regulation 1991 & Child Care (Family Day Care) Regulation 1991 Review of Child Care Legislation	Families	Underway	Department Review	A forum was established in 1999 to examine all aspects of child care legislation in consultation with a wide cross section of stakeholders. NCP requirements were addressed as part of the forum's deliberations in developing new legislative proposals. Major themes considered included the level of prescription of the current legislation and possible tiering of regulatory requirements. PBT Plan and terms of reference approved by the Treasurer in November 2000. PBT was released for public consultation in November 2001 with feedback closing on 31 January 2001. Consultation on the exposure draft legislation will continue until end March 2002.	1997/1998		New child care legislation is expected to be implemented by mid 2002.
Cremation Act 1913 Cremation Regulation 1987 Review of Cremation Legislation	Health	Repealed	Reformed without Review	Decision taken by department to repeal the restrictive provisions without a formal NCP review.	1996/1997	12/98	Anti-competitive provisions were repealed in late 1998 following departmental examination of the legislation.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Fluoridation of Public Water Supplies Act 1963 Fluoridation of Public Water Supplies Regulation 1964 Review of Fluoridation of Public Water Supply Legislation	Health	Repealed	Reformed without Review	Decision taken by Department to repeal the restrictive provisions without formal NCP review.	1996/1997	09/97	Anti-competitive provisions were repealed late in 1997 following departmental examination of the legislation.
Food Act 1981 Food Hygiene Regulations 1989, Food Standards Regulation 1994 Review of Food Legislation	Health				1999/2000	11/01	
Core Provisions		Completed	National Review	In November 2000, COAG signed an Intergovernmental Agreement (IGA) on Food Regulation in which States and Territories agreed to enact legislation to include the 'core' provisions of the National Model Food Bill.			Amendments to the Food Act 1981 to adopt the 'core' provisions of the Model Food Bill were made in Queensland under the Health Legislation Amendment Act 2001 which was passed on 9 November 2001. The amendments commenced 1 January 2002.
Non-core Provisions		Underway	Department Review	The Intergovenrmental Agreement also stated that each jurisdiction has the discretion about which, if any, of the 'non-core' provisions in the National Model Food Bill it wished to adopt in State legislation. (Food legislation is not listed on Queensland's legislation review schedule. Work is being undertaken at State level has resulted from national review outcomes.)			The 'non-core' provisions of the Model Food Bill cover matters including the licensing and registration of food businesses and requirements about the adoption of food safety programs. To facilitate consultation with key stakeholders, a Discussion Paper on the 'non-core' provisions is expected to be released in mid-2002. This process will assist in informing Government of the 'non-core' provisions that should be adopted into the State Food Act. The 'non-core' provisions proposed to be adopted, and existing provisions to be retained, will be examined to establish if any of the provisions restrict competition. A Public Benefit Test of these provisions will then be undertaken.
Health Act 1937 Health (Private Hospitals) Regulation 1978 Review of Private Hospitals Legilsation	Health	Completed	Targeted Public	Review of relevant provisions in the Health (Private Hospitals) Regulation 1978 under Part 3, Division 4 of the Health Act 1937. PBT assessment recommended retention of a licensing regime for private hospitals and day facilities (preforming higher risk procedures) in the interests of patient wellbeing. The review rejected the formal adoption of planning controls.	1996/1997	02/99	The Private Health Facilities Act 1999, which replaces the legislation scheduled for review, was passed in November 1999. The Act and its subordinate legislation commenced on 30 November 2000.
Health Act 1937 Review of Health (Nursing Homes) Regulation 1982	Health	Completed	Department Review	Review of relevant provisions in the Health (Nursing Homes) Regulation 1982 under Part 3, Division 5 of the Health Act 1937. Department has examined Commonwealth's Aged Care Act 1997 to determine its impact on this legislation. The above Regulation was allowed to expire on 1 July 1998.	1996/1997	03/97	Restrictive provisions dealing with nursing homes expired on 1 July 1998.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Health Act 1937 Review of Health (Drugs and Poisons) Regulation 1996	Health	Underway	National Review	Review of drugs, poisons and controlled substances provisions in the Health (Drugs and Poisons) Regulation 1996 under Part 4 of the Health Act 1937. CRR agreed to a national review process. Terms of review finalised March 1999 and options paper released Feb 2000. Final review report was given to Australian Health Ministers Conference in early 2001 and forwarded to a working party of the Australian Health Ministers Advisory Council. The report and its recommendations will be forwarded to CoAG.	1998/1999		Scope and timing of legislative changes subject to COAG endorsement of national review report.
Health Act 1937 Review of Therapeutic Goods Legislation	Health	Not for review		Review of Therapeutic Goods legislation under Part 4 of the Health Act 1937 and Part 16 of the Health Regulation 1996. No formal NCP review was undertaken. Queensland Health Minister has approved, in principle, the proposal to adopt, by reference, the Commonwealth legislation. Amendments to the Commonwealth legislation are also necessary to address legal obstacles.	1997/1998		Implementation of new legislation adopting Commonwealth Therapeutic Goods Act 1989 expected by mid/late 2002.
Health Act 1937 Review of Hyperbaric Chamber Therapy under Part 6 of Health Regulation 1996	Health	Completed	Reduced NCP Review	The review examined restrictions on the provision of hyperbaric chamber therapy. Consultation has occurred with interested parties. Final PBT report (recommending the repeal of the restrictive provisions) was endorsed by the Treasurer in March 2001.	1997/1998	12/00	The restrictive provisions of the regulation were repealed in June 2001.
Health Act 1937 Review of Hairdressing, Beauty Therapy and Skin Penetration Legislation	Health	Completed	Targeted Public	Review of Sections 33 and 100A of the Health Act 1937 and Parts 5 and 15 of the Health Regulation 1996. PBT report completed late in 1999 and subsequently endorsed by Treasurer and Cabinet. The main recommendation was to replace licensing of premises with the licensing of businesses undertaking higher risk (ie skin penetrating) procedures. Licensing of other activities (eg hairdressing) will be discontinued.	1997/1998	10/99	Cabinet gave authority to prepare new legislation in March 2000. Implementation of this legislation is expected to be finalised by mid-2002.
Health Act 1937 Review of Pest Management under Parts 10&12 of the Health Regulation 1996	Health	Completed	Targeted Public	The review examined licensing of fumigators and pest control operators. PBT report completed late in 1999. The review recommended that licensing be retained but licensing criteria include new training requirements based on National Competency Standards to minimise the health risks to the public from pesticides and fumigants.	1997/1998	10/99	Pest management provisions of Health Act replaced by Pest Management Act 2001 which was passed in December 2001. Act and subordinate legislation are expected to commence by mid/late 2002. There are no NCP implications from the legislative changes being made.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Health Practitioner Registration Acts Review of Core Practice Restrictions in Health Practitioner Legislation	Health	Completed	Targeted Public	A second-stage Health Practitioner Legislation review, not individually scheduled in Queensland Legislation Review Timetable. Review addresses restrictions on practice of chiropractic, osteopathy, medicine, occupational therapy, pharmacy, physiotherapy, podiatry, psychology and speech pathology. Review examined the feasibility and public benefit of moving from a broad definition of practices reserved for prescribed practitioners to a narrower definition of core practices, that takes account of risk to patient and other relevant factors. Such an approach limits the range of reserved practices, thus providing the potential for greater consumer choice in selecting a practitioner to perform practices that are not deemed to be core practices. PBT report endorsed by Treasurer in January 2001.	1998/1999	01/01	The PBT report was considered by Cabinet in July 2001 and released for consultation. Details of the policy approach are yet to be finalised following the consultation process. The new legislation is expected to be implemented by mid 2002.
Health Practitioner Registration Acts Review of Restrictions on the Practice of Dentistry	Health	Completed	Targeted Public	A second-stage Health Practitioner Legislation review, not individually scheduled in the Queensland Legislation Review Timetable. The review commenced in 1999 and considered restrictions on the practice of dentistry including whether allied oral health practitioners should be registered and what conditions on practice should apply to certain dental practitioner groups. The PBT assessment recommended that certain restrictions be removed while others be retained. In October 2000, Cabinet endorsed the PBT Report and decided to release the Report for comment after passage of the profession specific Health Practitioner Registration Bills.	1998/1999	10/00	The PBT report was endorsed by Cabinet in October 2000 and released for consultation. Details of the policy approach are yet to be finalised following the consultation process. The new legislation is expected to be implemented by mid 2002.
Health Practitioner Registration Acts Review of Ownership Restrictions under the Pharmacy Act 1976 and By-Laws 1984	Health	Underway	National Review	A second-stage Health Practitioner Legislation review, not individually scheduled in Queensland Legislation Review Timetable. Review of relevant provisions under Part 4 of the Pharmacy Act 1976. National review undertaken looking at ownership and other restrictions. Queensland was not a party to the examination of restrictions covering registration of pharmacists as it had completed its own review (HPRA review). National review has delivered its report. A COAG working party report (outlining its response to the Review Report) has been forwarded to COAG Senior Officials.	1998/1999		Scope and timing of legislative changes subject to COAG endorsement of national review report.
Health Practitioner Registration Acts Review of Ownership Restrictions under the Optometrists Act 1974	Health	Completed	Targeted Public	A second-stage Health Practitioner Legislation review, not individually scheduled in Queensland Legislation Review Timetable. Review limited to examination of ownership and related restrictions. PBT report (recommending the removal of restrictions on the ownership of optometry practices and the supply and fitting of optical appliances) endorsed by Treasurer in January 2000 and by Cabinet in March 2000.	1998/1999	07/99	Optometrists Registration Act 2001 was passed in May 2001 and commenced on 1 Feb 2002. The Act does not contain any of the restrictions that were under review.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Health Practitioner Registration Acts Review of Health and Medical Practitioner Registration Acts	Health	Completed	Targeted Public	A review of the legislation under which 12 health professions are regulated. That review is complete. Specific restrictions on pharmacy, optometry and dentistry, and restrictions on core practice across professions, are the subject of separate reviews.	1996/1997	05/98	For the 12 Acts and associated subordinate legislation reviewed: registration provisions have been retained; some titles continue to be reserved; commercial controls removed apart from Pharmacy as this has been the subject of a separate review; removal of all prescriptive advertising controls. Registration of Medical Radiation Technologists also proposed. Health Practitioners (Professional Standards) Act 1999 and Health Practitioner Registration Boards (Administration) Act 1999 were passed in November 1999 and commenced on 7 February 2000. 13 profession-specific registration Acts were passed in May 2001. Six of the Acts have commenced with the remainder to commence by mid 2002.
Health Services Act 1991 Health Services (Public Hospitals Fees and Charges) Regulation 1992 (now titled Health Services Regulation 1992) Review of Public Hospitals Fees and Charges in Health Services Regulation 1992	Health	Repealed	Reformed without Review	Department decided that the anti-competitive provisions would be repealed (Current legislation titled Health Services Regulation 1992).	1996/1997	07/97	Anti-competitive provisions were repealed in 1997 following departmental examination of the legislation.
Mental Health Act 1974 Review of Mental Health Act	Health	Completed	Reformed without Review	No formal NCP review was undertaken. Health and Justice Departments jointly examined this matter and determined that the restrictions be repealed.	1997/1998	12/98	The anti-competitive provisions were repealed under the Guardianship and Administration Act 2000, which commenced on 1 July 2000.
Nursing Act 1992 Nursing By-Law 1993 Review of Nursing Legislation	Health	Underway	Targeted Public	Review of provisions of the Nursing Act 1992 and Nursing By-Law 1993. Department decided that the single anti-competitive provision in the Nursing By-Law should be repealed. In relation to the review of the restriction on practice in the Nursing Act, terms of reference and a PBT Plan have been developed. Public consultation was undertaken in first quarter of 2000. Since then QH have changed the focus of the PBT to a discussion paper and this was forwarded to Cabinet for endorsement of public release. The discussion paper was publicly released on 24 Nov 2001. Consultation occurred until end Jan 2002.	1998/1999		The anti-competitive provision in the Nursing By-Law was repealed in 1999 following departmental examination. The PBT report on restrictions on practice in the Nursing Act is expected to be released in March 2002. Treasury endorsement, followed by the implementation of new legislation arising from the review, is still expected to be completed by mid 2002.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Queensland Building Services Authority Act 1991 Queensland Building Services Authority Regulation 1992 & Queensland Building Services Authority Policy 1995 Review of Queensland Building Services Authority Legislation	Housing	Underway	Targeted Public Consultation	Treasury approved the PBT in October 2001. Review advertised and submissions called, closed 29 October 2001. Targeted stakeholder consultation occurred October – December 2001. The review examined similar or identical restrictions across the various States' building industry legislation. Gatekeeping processes were also examined. Independent consultant's findings were delivered in late December 2001 and, as at March 2002, a draft review report is being finalized. Government is yet to give consideration to any review recommendations. ATP scheduled for presentation April 2002, ATI scheduled for May 2002.	2001/2002		It is expected that any amending legislation will be introduced to Parliament in the May 2002 sittings.
Residential Tenancies Act 1994 Residential Tenancies Regulation 1995 Review of Residential Tenancies Legislation	Housing	Completed	Full Public Review	A public benefit test was undertaken in March 1998. The PBT supported retention of the RTA's statutory monopoly over the administration of rental bonds. Cabinet agreed to the review recommendations.	1996/1997	04/98	Current arrangements preserved in legislation.
State Housing Act 1945 and State Housing (Freeholding of Land) Act 1957 State Housing Regulation 1986 and Interest Rate Orders Review of the State Housing Legislation	Housing	Underway	Department Review	PBT Plan approved by Treasury in December 1999. Review advertised and submissions called, closed 31 January 2000. Targeted stakeholder consultation occurred in February-March 2000. The review was considered in conjunction with a wider review of the Act and was completed by late 2001. ATI to be submitted 15 April 2002 and new legislation to be tabled in Parliament in May 2002.	2001/2002	11/01	It is expected that amending legislation will be introduced to Parliament in the May 2002 sittings.
Indy Car Grand Prix Act 1990 Indy Car Grand Prix Regulations 1990 Review of Indy Car Grand Prix Legislation	Innovation and Information Economy, Sport and Recreation Queensland	Completed	Reduced NCP Review	Short-form justification, that included RIS process, supported retention of all legislative provisions under review. Legislation gives effect to conditions for staging the race, including sole promoter role, that are contained in agreements with international owner of the rights to stage the race worldwide. All services and products associated with the Gold Coast event (eg catering) are competitively tendered.	1996/1997	10/98	Provisions subjected to review retained without change.
Private Employment Agencies 1983 Private Employment Agencies Regulation 1989 Review of Private Employment Agency Legislation	Industrial Relations	Completed	Department Review	Review examined licensing and fee-charging provisions. Review report has been finalised proposing repeal of the Act, with fee charging provisions being incorporated into the Industrial Relations Act 1999. Cabinet has considered the review recommendations and endorsed the introduction of legislative changes and a transition plan to give effect to the review.	1998/1999		The Private Employment Agencies and Other Acts Amendment Bill 2001 was introduced to Parliament in December 2001. Legislation is expected to be in place in first quarter 2002.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Trading (Allowable Hours) Act 1990 Trading (Allowable Hours) Regulation 1994 Review of Trading Hours Legislation	Industrial Relations	Not for review		Queensland's approach to examination of trading hours regulation is by way of the Queensland Industrial Relations Commission's independent process for the determination of applications for extended trading hours. In July 2000 and subsequently, the Queensland Government made a submission to the QIRC regarding its obligation to consider NCP in making its trading hours decisions. The NCC has indicated that it is satisfied that the approach adopted by the QIRC is sufficiently public, independent and transparent.	1998/1999		Since 2000, the QIRC has granted the following extensions of trading hours: • Sunday trading for large hardware stores throughout Queensland. • A State-wide extension of trading hours for the period leading up to Christmas each year; • Sunday and public holiday trading in the Inner City of Brisbane (including the City Heart, Spring Hill, Fortitude Valley, Bowen Hills, Newstead and New Farm areas); and • Extended and standardised Sunday and public holiday trading in all tourist areas throughout the State. In December 2001, the QIRC decided to permit Sunday trading in limited geographic areas in the inner city of Brisbane commencing from 1 July 2002. The Queensland Government has passed legislative amendments to extend this decision in order to create a single 7 day trading hours zone for the south-east coastal area of Queensland extending from Noosa (north) to Cooloongatta (south) and west to Amberley.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
WorkCover Qld Act 1997 Review of WorkCover Act	Industrial Relations	Completed	Targeted Public	Review committee undertook targeted consultation with key stakeholders using draft PBT report between July - September 2000. Consultant's report finalised November 2000 and Review Committee report finalised December 2000. The review examined nine restrictions which were identified as potentially anti-competitive including: • Employers must maintain compulsory accident insurance for their workers; • Legislated monopoly status of Workcover; • Self-insurance licensing arrangements; • Benefit levels for hospitalisation costs; medical treatment and chiropractic/osteopathic costs; and rehabilitation costs set by Workcover; • Rehabilitation training courses to be approved by Workcover; • Workplaces with 30 or more workers must have a rehabilitation coordinator; and • Price setting mechanism for premiums and associated costs. Main findings of the review are that: • Workcover remain publicly underwritten; • Q-Comp and Workcover become completely separate entities; • Self-insurance criteria be maintained for another 3 years; • Investigation of alternative methods for the delivery of workplace health and safety outcomes in the workplaces of self-insurers; • Cost capping for private hospital, medical and rehabilitation costs be maintained; and • Q-Comp review the conditions that can be imposed on the use of allied health professional and rehabilitation service providers including the matter of mandatory referral by a medical practitioner. The review findings were endorsed by Cabinet in May 2001.	1999/2000	11/00	Ministerial Consultative Committee chaired by the Chairman of Workcover and representing stakeholder groups is being established to develop regulatory options for separation of Workcover and Q-Comp. Expected to make initial report to Minister, end February 2002. Issues paper canvassing options has been prepared. Implementation of NCP review expected by end 2002, due to complexity of task.
Workplace Health and Safety Act 1995 Workplace Health and Safety Regulations 1997 Review of Workplace Health and Safety Act 1995 and Regulation 1997	Industrial Relations	Underway	Department Review	The only part of this legislation identified as anti-competitive in the endorsed PBT Plan is Part 3 – Prescribed Occupations. The review examines the requirements for a person to hold a certificate or be a trainee in order to perform a prescribed occupation. There are three categories of prescribed occupations – certificates under the National Certification standard, Certificates under the National Certification Guidelines and Prescribed occupations unique to Queensland. Review undertaken and submitted to Queensland Treasury in November 2001. The Department is currently making minor changes as requested by Queensland Treasury.	1998/1999		Reforms being implemented over three phases which will take approximately five years to complete.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Workplace Health and Safety Act 1995 Workplace Health and Safety Regulations 1995 Review of Workplace Health and Safety Regulation 1995	Industrial Relations	Underway	Department Review	The review of the 1995 Regulation is being done progressively as parts are considered for remaking and transfer to the 1997 Regulation. Only outstanding parts are Part 8 (Amenities), Part 9 (Miscellaneous) and Part 11 (Access). These parts are currently under review and are expected to be completed by mid 2002.	1996/1997		Parts of the l995 Regulation are being remade progressively under the 1997 Regulation, following general and NCP examination.
Legal Practitioners Act 1995 Supreme Court of Queensland Act 1991 Solicitors' Admission Rules 1968 Barristers' Admission Rules 1975 Queensland Law Society Act 1952 Queensland Law Society Rule 1987, Queensland Law Society (Indemnity) Rule 1987 Queensland Law Society (Solicitors Complaints Tribunal) Rule 1997 Continuing Legal Education Rule Review of Legal Practice Legislation	Justice and Attorney-General	Underway	Full Public Review	This legislation collectively establishes the regulatory framework and regulatory body for the solicitors' stream of the legal profession and the admission requirements for the barristers' stream. The legislation contains a number of restrictions including regulation of entry to the profession, the reservation of work, controls on ownership and structure of practices, and controls on business conduct and trust accounts. The legislative scheme also allows for a discretion on the approval of insurers providing professional indemnity insurance. The legislation supports a master policy scheme. To insure with other schemes, practitioners require the Law Society's approval. NCP review started on 5 November 2001. An advertisement requesting submissions and advising of the release of an Issues Paper was placed in State and National news papers in November 2001. Consultants have been appointed by the review committee to assist in developing the Public Benefit Test Report. The Review Committee and the consultants have also commenced consultation with the stakeholder reference group and other key stakeholders, with regional consultation to take place in February 2002. The PBT Report is expected to be completed in March 2002, with decisions made prior to 30 June 2002, but full reform may extend past that time, particularly in view of the need to harmonise aspects of the regulation of the profession on a national basis.	2001/2002		Legislation required to implement the reforms identified in earlier review processes is currently being drafted and will be subject to gate keeping evaluation as part of the NCP review. The Standing Committee of Attorneys-General is considering issues such as incorporation and multi-disciplinary practices for which a national approach is highly desirable.
Trustee Companies Act 1968 Review of Trustee Companies Act	Justice and Attorney-General	Underway	National Review	A national review of trustee companies legislation commenced in May 2001 with the release of an issues paper by the Standing Committee of Attorneys-General (SCAG). This review is being co-ordinated by New South Wales. A draft Bill accompanied the issues paper as an option for future regulation. Only 6 submissions were received in response to the issues paper. As at February 2002 a draft review report is being prepared. It is anticipated that this report will be considered by SCAG at its March 2002 meeting.	1997/2002		Timing of legislative changes is subject to endorsement by SCAG.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Building Act 1975 Standard Building Regulation 1993 & Building Regulation 1991 Review of Building Legislation	Local Government and Planning	Underway	Department Review	This legislation sets building regulations (including reference to the Building Code Australia) and specifies approval procedures and accreditation of building certifiers. The review is being undertaken by independent consultants under the supervision of an interdepartmental committee. Review being undertaken in conjunction with review of Sewerage and Water Supply Act and expected to be completed by first half of 2002. Note: CRR determined that a national review of the Building Code is not required.	2000/2002		Any amendments to the Building Act as a result of the review expected to be introduced by first half of 2002.
Local Government (Harbour Town Zoning) Act 1990 Review of Local Government (Harbour Town) Legislation	Local Government and Planning	Not for review	Reformed without Review		1998/1999		Legislation was allowed to expire on 7 December 2000.
Local Government (Planning and Environment) Act 1990 Review of Integrated Planning Bill	Local Government and Planning	Completed	Reduced NCP Review	The legislation scheduled for review was the Local Government (Planning and Environment) Act 1990. NCP-related issues were examined during the preparation and introduction of the Integrated Planning Act 1997 (IPA) which replaced this Act. The examination of the proposed IPA established that it does not restrict competition.	1996/1997	10/97	The new Integrated Planning Act 1997 is far less prescriptive than the Act it replaced and merely sets up a planning framework.
Local Government Act 1993, City of Brisbane Act 1924 Local Government Finance Standard 1994 Review of Local Government Legislation	Local Government and Planning	Completed	Department Review	Major review of provisions restricting the operation of certain types of ferries to local governments was undertaken by an independent Consultant -- Review Report recommends retaining restrictions. Minor review for matters relating to local government superannuation and joint local government water supply boards undertaken by an interdepartmental Review Committee. Final Review Reports being considered by Government.	1997/2002	02/02	No amendments required to primary legislation. Amendments to Local Government (Areas) Regulation 1995 expected to be made by first half of 2002.
Local Government Laws Review of Local Government Laws	Local Government and Planning	Completed	Department Review	Local Government Act 1993 amended (Local Government Amendment Act 1997) to apply NCP legislation review requirements to local governments. Individual local governments reviewed potentially anti-competitive provisions in their local laws and local policies with oversight by the responsible department.	1997/1999	06/99	Any reforms have been implemented by each local government.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Sewerage and Water Supply Act 1949 Sewerage and Water Supply Regulation 1987 & Standard Water and Sewerage Laws Review of Sewerage and Water Supply Legislation	Local Government and Planning	Underway	Department Review	Act administered jointly with Department of Natural Resourcesand Mines (DNR&M). Restrictions in provisions administered by DNR&M substantively dealt with in Water Bill 2000. Remaining minor matters within DNR&M's responsibility being considered along with the review of occupational licensing (plumbers and drainers), plumbing and drainage standards and other matters administered by the Department of Local Government and Planning, including proposals to integrate plumbing approvals and appeal processes into the IPA. The review is being undertaken by independent consultants under the supervision of an interdepartmental committee. Review being undertaken in conjunction with review of Building Act and expected to be completed by first half 2002.	2000/2002		Any amendments to the Sewerage and Water Supply Act as a result of the review expected to be introduced by first half of 2002.
Transport Infrastructure Act 1994 Various modal-specific Regulations Review of Main Roads Restrictions in Transport Infrastructure Legislation	Main Roads	Underway	Departmental Review Reduced NCP Review	A review of the relevant sections of the legislation and associated departmental policies identified three policies requiring further review. These policy issues include limitations on services able to be provided at access points to limited-access roads, road-side advertising and delivery of Main Roads work by local government . As policy issues, these matters fall outside of the legislative review process but will be reviewed internally by the department, in consultation with Treasury, by June 2002. At this stage, there does not appear to be any legislation required. A PBT plan has been prepared and negotiated with Treasury . The department is in the process of finalising these reviews.	1998/2002		
Coal Industry (Control) Act 1948 Orders under Coal Industry (Control) Act 1948 Review of Coal Industry Legislation	Natural Resources and Mines	Repealed	Reformed without Review	Departmental examination of the legislation resulted in its repeal, but without a formal NCP review occurring.	1996/1997	12/97	The Act has been repealed.
Explosives Act 1952 Explosives Regulation 1955 Review of Explosives Legislation	Natural Resources and Mines	Not for review		NCC supported removal of legislation from review timetable on the basis that the provisions are in the public interest and are not for the purpose of restricting competition.	1998/1999		Legislation is moving in the direction of national standards and has been modernised.
Gladstone Area Water Board Act 1984 Review of Gladstone Area Water Board Act	Natural Resources and Mines	Completed	Department Review	Urban Water Board legislation, that was listed jointly with Water Resources legislation, reviewed separately. Decision taken to repeal GAWB Act as part of development of Water Act 2000.	1997/1999	02/00	Legislative restrictions removed with commencement of the Water Act 2000.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Land Act 1994 Review of Land Act	Natural Resources and Mines	Completed	Targeted Public	Review examined two restrictions: prohibiting corporations from holding perpetual leases for grazing or agricultural purposes; and limiting the number of living units that non-freehold land owners may aggregate. Review committee completed its report (May 1999). The Government directed further consultation with targetted groups in 2001 but is yet to formally consider the options.	1996/1997	05/99	
Metropolitan Water Supply and Sewerage Act 1909, and Sewerage and Water Supply Act 1949 Standard Sewerage and Water Supply Laws Review of Water Supply Legislation	Natural Resources and Mines	Completed	Department Review	Those elements of the CoAG water reform agenda which required amendments to the Metropolitan Water Supply and Sewerage Act were incorporated into Water Act 2000 and considered as part of the development of that Act. Other minor provisions potentially of a restrictive nature, which are being contemplated for inclusion in the Water Act 2000, relate to on-site sewerage, licensing of personnel working on on-site systems (part of the plumbers licensing process) and water and sewerage infrastructure standards. These are being examined in conjunction with the review of the Sewerage and Water Supply Act 1949 (See the entry on the review of the Sewerage and Water Supply Act 1949 under Local Government and Planning). It is then proposed to repeal the Metropolitan Water Supply and Sewerage Act.	1997/2000		Water Act 2000, giving effect to water reforms, commenced in part on 13 September 2000.
South East Queensland Water Board Act 1979, and Townsville/Thuringowa Water Supply Board 1987 Review of SouthEast and Townsville/Thuringowa Water Board Legislation	Natural Resources and Mines	Completed	Targeted Public	Part of broader CoAG water reform agenda. New institutional reforms for each Board led to repeal of existing Acts.	1997/1999	02/00	SEQWB Act has been repealed (the SEQ Water Board (Reform Facilitation) Act 1999. The TTWSB Act was repealed in June 2001 and a commercialised Townsville/Thuringowa Water Supply Joint Board established under the Local Government Act 1993.
Surveyors Act 1977 Surveyors Regulations 1992 Review of Surveyors Legislation	Natural Resources and Mines	Completed	Targeted Public	Review concluded in November 1997. Policy issues relating to the scope and form of future regulatory arrangements were negotiated for some time prior to consideration by government. In October 2000, Cabinet endorsed the review recommendations to retain registration of cadastral surveyors and remove certain other anti-competitive provisions, with scope to move to a co-regulatory model in the future.	1996/1997	11/97	Legislation is planned for the maintainance of status quo regarding registration of Cadastral Surveyors, with provisions - regarding business name approval and fee setting by the Surveyors Board of Queensland, and qualifications of directors of bodies corporate to be removed. Legislation is currently scheduled for May 2002.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Valuers Registration Act 1992 Valuers Registration Regulation 1992 Review of Valuers Registration Legislation	Natural Resources and Mines	Completed	Department Review	Review has been completed. Review found that in medium to long term deregulation is likely to deliver net public benefit but in the short term there would be a risk to infrequent users of valuers. Consequently, the review recommends retention of registration with a further review in three years, broadening the membership of the Valuers Registration Board to include two business and community representatives in addition to three registered valuers and removal of other geographic and price control restrictions.	1996/1997	10/99	Cabinet endorsed the review recommendations on 28 February 2000. Amending legislation was passed and assented to in October 2001. Proclamation is expected to occur early in 2002 with the introduction of supporting regulations.
Water Resources Act 1989 Water Resources (Watercourse Protection) Regulation 1993, Water Resources (Rates and Charges) Regulation 1992 Review of Water Resources Legislation	Natural Resources and Mines	Completed	Targeted Public	Part of broader CoAG water reform agenda. Discussion paper on modules for new legislation were progressively released for discussion during 1999. Draft revised legislation was released for consultation early in 2000, with the Water Act 2000 largely commencing by October 2000. The remainder of the Water Act will commence in the first quarter of 2002.	1997/1999	02/00	Water Act 2000, giving effect to water reforms, commenced in part on 13 September 2000.
South Bank Corporation Act 1989 South Bank Corporation By-law 1992, South Bank Corporation Regulation 1992 Review of South Bank Corporation Legislation	Premiers and Cabinet	Completed	Department Review	Review considered several provisions, including a public benefit assessment of the exemption provided in the legislation from the application of the Residential Tenancies Act 1994 and the Retail Shop Leases Act 1994. Review report has been formally signed off by the Premier and was provided to the Treasurer for endorsement in January 2000.	1998/1999	02/00	Any amendments flowing from the review will be included in the Bill resulting from a general review of the Act are anticipated to be in place before 30 June 2002.
Agricultural and Veterinary Chemicals (Queensland) Act 1994 Review of Agricultural and Veterinary Chemicals Legislation	Primary Industries	Completed	National Review	Three pieces of related legislation reviewed covering registration and control of use provisions. Review undertaken by Commonwealth Department of Primary Industries and Energy. Report was completed in 1999. SCARM working group is preparing a response to review report. Control-of-use issues and recommendations from national review were referred to jurisdictions for examination early in 2000. Queensland is considering recommendations and implementation issues as part of a general review of chemical distribution and chemical use legislation. This state-based review commenced in September 1999. A discussion paper was released in January 2000, with the review committee report finalised in July 2000. The DPI has gained approval from the Minister to proceed separately with the NCP reforms from the major reviews. Progressing the NCP components separately should ensure compliance with 30 June 2002 deadline. The current intention is that the NCP agvet chemicals amendments will be part of a Primary Industries Legislative Amendment (PILA) Bill in the first half of 2002.	1997/1998	07/00	Authority to prepare new legislation is expected to go to Cabinet in the first half of 2002. DPI will be consulting with industry at the ATP stage. There should not be a need for further consultation at the ATI stage. Final legislative changes late 2002/early 2003. NCP components should be complete before then (See comments column).

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Agricultural Chemicals Distribution Control Act 1996 Agricultural Chemicals Distribution Control Regulations 1970 Review of Agricultural and Veterinary Chemicals Legislation	Primary Industries	Completed	National Review	Refer to entry under Agricultural and Veterinary Chemicals (Queensland) Act 1994.	1997/1998		
Chemical Usage (Agricultural and Veterinary) Control Act 1988 Chemical Usage (Agricultural and Veterinary) Control Regulation 1989 Review of Agricultural and Veterinary Chemicals Legislation	Primary Industries	Completed	National Review	Refer to entry under Agricultural and Veterinary Chemicals (Queensland) Act 1994.	1997/1998		
Chicken Meat Industry Committee Act 1976 Review of Chicken Meat Act	Primary Industries	Completed	Targeted Public	Committee signed off on review report in November 1997. Grower representative submitted dissenting report. Treasury engaged independent consultant to examine both reports. As a result, additional recommendations were added to the committee's recommendations that are consistent with potential outcome of NSW review. These do not jeopardise the net public benefit nor impose further restrictions (they simply clarify dispute resolution process). Grower and processor representatives agreed to expanded proposal. Temporary TPA exemption for collective bargaining arrangements expired on 30 June 1999. Review has shown there to be a public benefit in continuing this legislative exemption in the CMIC Act.	1996/1997	11/97	Amending legislation commenced in October 1999 which provides: a less deterministic role for industry committee; legislative authorisation for collective bargaining arrangements with option for individual growers to negotiate directly with processor; minimum contract conditions; maximum period for mediation; and arbitration on contract conditions, excluding initial growing fee.
City of Brisbane Market Act 1960 City of Brisbane Market Regulation (formerly By-law) 1982 Review of City of Brisbane Market Legislation	Primary Industries	Completed	Full Public Review	Joint review covering ownership, competitive neutrality and legislation review.	1997/1998	05/98	Government has removed BMA's statutory monopoly status as a wholesale market in the Brisbane area, effective from 31 August 1999 and has corporatised the BMA as of 13 December 1999.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Dairy Industry Act 1993 Dairy Industry Regulation 1993, Dairy Industry (Market Milk Prices) Order 1995 Review of Dairy Industry Legislation	Primary Industries	Completed	Full Public Review	Legislative amendments developed for extending supply management arrangements, etc. in accordance with recommendations of the completed NCP review.	1997/1998	07/98	Restrictive farm-gate arrangements (including broadening scope of supply management arrangements to cover Central Qld and North Qld) were to be extended until 31 December 2003 based on findings of NCP review. Review recommended further review to occur prior to 1 January 2003 to determine extent of government involvement in dairy industry. However, in early March 2000, jurisdictions accepted the Commonwealth adjustment package for the dairy industry, which included complete deregulation of marketing arrangements by 30 June 2000. The Queensland dairy industry was deregulated on 1 July 2000.
Egg Industry (Restructuring) Act 1993 Review of Egg Industry Act	Primary Industries	Completed	Reformed without Review	Act allowed to sunset on 31 December 1998 thereby removing all anti-competitive legislative provisions.	1997/1998	12/98	Vesting and production controls (ie quotas) ceased in 1996. All remaining anti-competitive provisions were removed through the sunsetting of the Act on 31 December 1998.
Farm Produce Marketing Act 1964 Farm Produce Marketing Regulation 1984 Review of Farm Produce Marketing Legislation	Primary Industries	Completed	Full Public Review	Final report produced in June 1999. Findings: act largely ineffective as most transactions occur outside scope; no public benefit in retaining legislation; non-statutory scheme proposed; entension of sunset provisions to June 2000 to allow development of new model.	1997/1998	06/99	Legislative provisions allowed to sunset on 31 July 2000. Voluntary non-statutory "code of conduct" scheme to be introduced and negotiated between grower and wholesale representative bodies.
Fisheries Act 1994 Fisheries Regulation 1995 Review of Fisheries Legislation	Primary Industries	Underway	Full Public Review	Discussion paper released in July 1999. Interim report released in November 1999 followed by a series of public consultations. Consultant completed PBT report in January 2000 and final report completed shortly thereafter. Material is being prepared for the Minister to take to Cabinet, including an Authority to Prepare legislation.	1998/2002		ATP amending objectives of Act formed part of policy submission to Cabinet in Oct 2001. This endorsed NCP principles for design of fisheries management regimes. Cabinet agreed that the detail of how these principles will be incorporated into existing regimes will be reported back to Cabinet by December 2002. Cabinet also endorsed principles for granting of access to fisheries resources and noted that consequential amendments of existing access regimes will be submitted for approval by December 2002. As well, Cabinet endorsed widened principles for cost recovery in Queensland Fish Services (QFS) with an amended fees and charges schedule. QFS has instigated a review to develop policy and an implementation strategy for fees. This review is to be completed by 30 June 2002.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Forestry Act 1959 Forestry Regulation 1987 Review of Forestry Legislation	Primary Industries	Completed	Department Review	Review shows net public benefit in retaining funding of the Timber Research and Development Advisory Council (TRADAC) by way of a compulsory stumpage charge. In relation to the Crown native forest sawlog allocation system, small economic gains would be achieved through industry restructure. However, deregulation would result in quite significant social costs being bourne by small rural communities. There would be no material effect on the environment. While the current allocation system will be retained for now, it will need to adjust flexibly to changes in the industry and environment. Allocation system has already been adjusted in SE Qld as part of Regional Forest Agreement (RFA) outcome.	1996/1997	04/99	Legislation passed in November 1999. This implemented long-term wood supply agreements arising from RFA and extended exemption from the Trade Practices Act for non-competitive allocation system for 10 years. Compulsory funding of TRADAC via statutory stumpage payment has been removed (January 2000) following Qld Government decision relating to a number of agricultural levy arrangements.
Fruit Marketing Organisation Act 1923 Review of Fruit Marketing Act	Primary Industries	Completed	Reformed without Review	A general review commenced but was never reported. This review was combined with a review of the Primary Producers' Organisation and Marketing Act 1926. Only NCP issue in the FMO Act was the future status of dormant market intervention mechanisms. Industry recommended repeal of these provisions.	1997/1998	02/99	Act sunsetted on 21 January 2000, although statutory marketing arrangements under the Act (ie "directions") had all terminated in November 1995. Vesting not used since 1946.
Grain Industry (Restructuring) Act 1993 Review of Grain Industry Act	Primary Industries	Completed	Targeted Public	Aspects of NCP review (review panel composition and ToR) were based on Cabinet decision following previous non-NCP review of Act that failed to conclude issues under review at that time. NCP review supported retention of statutory marketing arrangements through Grainco (Australia) Ltd for export barley. Outcome influenced by Japan Food Authority policies at that time on sourcing barley from statutory marketing authorities (SMAs) and status of interstate SMA arrangements. Subsequent joint Victoria-South Australia review recommended removal of Australian Barley Board's statutory monopoly. Victorian Government agreed to deregulate on 30 June 2000 but NSW, South Australia, and Western Australia have all expressed an intention to continue with barley single desk powers, but only for export in the case of SA and WA.	1996/1997	06/97	Statutory monopoly of Grainco for export barley will be allowed to sunset on 30 June 2002. Wheat regulation also extended to 30 June 2002 but "parked" (ie on statute book but dormant or not active) while Commonwealth provisions still apply. Commonwealth has extended its national single-desk wheat provisions for a further three years (up to 2004). Regulation of all other grains (including domestic barley sales) removed. Wheat vesting powers could only be activated if a PBT indicated net public benefit. Consultations with Grainco, the Qld Produce, Seed and Grains Merchants and Agforce Grains are being initiated on the future of the State's wheat regulations.
Primary Producers' Organisation and Marketing Act 1926 Orders in Council for tobacco leaf Review of Orders in Council for Tobacco Leaf	Primary Industries	Completed	Reformed without Review	Review found Orders in Council to be totally unnecessary as Tobacco Leaf Marketing Board ceased in September 1996.	1996/1997	10/98	See entry concerning review of the PPOM legislation. Orders in Council repealed in September 1996.

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Primary Producers' Organisation and Marketing Act 1926 Orders in Council for tobacco leaf Review of Primary Producers' Organisation and Marketing Legislation	Primary Industries	Completed	Reformed without Review	General review combined with Fruit Marketing Organisation Act 1923. The only restrictive provision relates to establishing marketing boards. It is intended that the creation of such boards in future (none exist at present) will be via industry-specific legislation on each occasion, subject to a prior public benefit test as required under NCP.	1996/1997	02/99	Act sunsetted on 21 January 2000, although the statutory marketing arrangements (ie vesting and constitution of marketing boards) had ceased with the termination of the Tobacco Leaf Marketing Board in September 1996.
Sawmills Licensing Act 1936 Sawmills Licensing Regulation 1965 Review of Sawmills Licensing Act	Primary Industries	Completed	Department Review	In February 1999 Cabinet considered an Authority to Prepare submission recommending extending the mandatory review of the Regulation under Queensland's Statutory Instruments Act for one year until 30 June 2000 to permit completion of the current NCP review. This exemption was subsequently extended to 30 June 2001 and a further one-year extension (to 30 June 2002) was sought through the Department of the Premier and Cabinet. The draft PBT was released for consultation in September 2000. The PBT was finalised in December 2000.	1996/2002	12/00	In October 2001, Cabinet approved in-principle the repeal of the Act to take effect 30 Sept 2002. The intent was that the Act would be recommended for repeal in PILA Bill early in 2002. Cabinet has required the timing of repeal to be dependent on implementation of new Forest Practices Management System. (This system will not impose any legislative restrictions on competition.) This is now the responsibility of the Department of State Development. Progress on its introduction has been slow. It is possible that the repeal could become effective on a date to be proclaimed. It is now proposed that the repeal of the Sawmills Licensing Act will form part of a PILA Bill to be introduced in the first half of 2002.
Sugar Industry Act 1991 Sugar Industry Regulation 1991, Sugar Industry (Assignment Grant) Guideline 1995 Review of Sugar Industry Legislation	Primary Industries	Completed	Full Public Review	Combined with review of Sugar Milling Rationalisation Act 1991. Review was joint Commonwealth/State review. Both Governments endorsed review recommendations.	1996/1997	11/96	Compulsory acquisition and single desk selling of raw sugar retained for the export and domestic markets via new Sugar Industry Act 1999. Tariff on raw and refined sugar and related products removed effective from 1 July 1997.
Sugar Milling Rationalisation Act 1991 Review of Sugar Industry Legislation	Primary Industries	Completed	Full Public Review	Reviewed at same time as Sugar Industry Act 1991.	1996/1997	11/96	Act repealed via Sugar Industry Act 1999. Restrictions on mill closure not replicated in new Act.
Veterinary Surgeons Act 1936 Veterinary Surgeons Regulation 1991 and various Orders in Council Review of Veterinary Surgeons Legislation	Primary Industries	Completed	Full Public Review	Review has been completed. Key legislative changes will include retention of registration for appropriately qualified veterinary surgeons; retention of an amended list of prohibited practices; removal of ownership restrictions; removal of advertising restrictions; and removal of controls on the use of business names.	1998/1999	04/00	Cabinet endorsed the review findings in October 2000 and gave authority to prepare amendments to the legislation in line with the review recommendations Amendments to the Act introduced under PILA Bill, October 2001. The Veterinary Surgeons Act and new regulations were proclaimed 21 December 2001.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Architects Act 1985 Architects Regulation 1985 Review of Architects Legislation	Public Works	Completed	National Review	National review undertaken by Productivity Commission. Final Report released November 2000. Working Group of States and Territories formed to recommend a response to the Commission. Amending legislation is in accordance with the National Working Group's recommendation to adopt the Productivity Commission's alternative approach.	1998/2002	12/01	ATP submission was considered by Cabinet on 10 December 2001. Cabinet consideration of ATI proposed for late April 2002 with introduction of Bill during May or June 2002.
Professional Engineers Act 1988 Professional Engineers Regulation 1992 Review of Professional Engineers Legislation	Public Works	Completed	Full Public Review	Review conducted by an interdepartmental committee supplemented by a consumer representative and an independent member with engineering expertise. Review report was released in November 2000. Review finalised in the first half of 2001. The review consultant recommended that future regulation of the profession be by 'co-regulation', i.e. joint administration by the engineering profession and a statutory body. The proposed amendments to the existing legislation are consistent with the review outcome.	1998/1999	06/01	ATP submission was considered by Cabinet on 10 Dec. 2001, while ATI proposed for late April 2002 with introduction of bill during April or May 2002.
Industrial Development Act 1963 Review on Industrial Development Act	State Development	Completed	Reformed without Review	Only identified restriction relates to the acquisition and use of land for industrial purposes only, thereby precluding other uses.	1996/1997	09/97	Definition in the Act was amended in 1998 to remove sole restriction that limited Act to development for industrial purposes.
Retail Shop Leases Act 1994 Retail Shop Leases Regulation 1994 Review of Retail Shop Leases Legislation	State Development	Completed	Department Review	The legislation provides protection to lessees of premises in defined retail shopping centres -- such protection does not apply to similar premises outside such defined centres. The statutory review undertaken in 1998/99 included consideration of NCP-related issues. The review recommended retention of existing restrictions to ensure that fair and equitable lease arrangements exist for small lease holders in shopping centres. The review also justified amendments requiring prospective lessees to obtain a pre-lease certificate relating to the nature of, and consequences of entering, a lease agreement.	1998/1999	11/99	The Act has been amended, including amendments to provide for the introduction of pre-lease certificates as recommended by the NCP review. The Retail Shop Leases Amendment Act 2000 was assented to in June 2000 and commenced on 1 July 2000, with the exception of those sections dealing with unconscionable conduct. These sections cannot be proclaimed until amendments to the Trade Practices Act 1974 are effected.
State Transport (People-movers) Act 1989 Review of People Movers Act	Transport	Underway	Department Review	In terms of NCP, the Act provides for non-exclusive licensing arrangements and other matters dealing with the provision of people movers. Provisions required to ensure compliance with the principles of natural justice (as it relates to existing licence holders) are proposed to be saved. The Act has been included in the schedule for repeal in the Transport Legislation Amendment Bill 2001. This is currently scheduled for April 2002._However, after consultation with both existing operators in 2001, the department is re-examining the issue of whether to repeal the Act.	1998/1999		The existing legislation is scheduled to be repealed in the Transport Legislation Amendment Bill 2001 (currently scheduled for April 2002), subject to considerations outlined under Comments on Review.

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State Transport Act 1960 State Transport Regulation 1987 Review of Restricted Goods Legislation	Transport	Completed	Reduced NCP Review	The Act has been repealed by proclamation of certain provisions of the Transport Operations (Road Use Management) Act. Any future legislative control of restricted goods will be via regulation and subject to public benefit test requirements.	1996/1997	09/98	The Act has been repealed.
Tow-Truck Act 1973 Tow-Truck Regulation 1988 Review of Tow Truck Legislation	Transport	Completed	Reduced NCP Review	Public benefit justification has been provided in short-form for: the consumer protection and industry regulation provisions in the Act (which actually facilitate a competitive industry); and proposed amendments to strengthen consumer protection giving effect to Criminal Justice Commission recommendations. Public notification has occurred. Sections of industry have since raised concerns. As a result, Queensland Transport has revised some proposals. The proposed changes do not affect the public benefit justification.	1997/1998	01/99	Legislative amendments introduced in 1999 strengthen consumer protection provisions and retain industry regulatory provisions. The new legislation commenced 1 July 1999.
Transport Infrastructure - Ports Legislation Transport Infrastructure (Ports) Regulation 1994 under the Transport Infrastructure Act 1994 Review of Harbour Towage Restrictions	Transport	Completed	Department Review	This review examines harbour towage restrictions in the Transport Infrastructure (Ports) Regulation 1994 under the Transport Infrastructure Act 1994. A Public Benefit Test report has been finalised. The review concludes allowing individual ports flexibility and discretion for exclusive towage licensing if local conditions warrant.	1998/1999		Cabinet submission proposed for March 2002.
Transport Infrastructure - Ports Legislation Transport Infrastructure (Ports) Regulation 1994 under the Transport Infrastructure Act 1994 Review of Restrictions on Port Activities Outside Prescribed Port Limits	Transport	Completed	Department Review	The review examines restrictions on port activities outside of port limits contained in the Transport Infrastructure Act 1994. The review has been completed. There has been Ministerial and Treasury signoff. There is public benefit justification for retaining the current regulatory regime. Therefore, no legislative amendments are proposed. Public notification of findings occurred in Dec 2001. Review of the provisions is proposed in 10 years.	1998/1999	06/01	No reforms proposed.
Transport Operations (Marine Safety) Act 1994 Transport Operations (Marine Safety) Regulation 1995 Review of Marine Pilotage Provisions	Transport	Completed	Department Review	Review recommends some pro-competitive legislative changes to take effect at end of three-year transition period for transfer of responsibility for pilotage services from Transport Dept to port authorities. Final review recommendations comprise licensing of marine pilots by Queensland Govt to be retained, each port authority to determine service delivery arrangements for its port (including "in-house" provision and competitive tendering) and removal of price controls with prices determined by each port authority subject to QCA oversight arrangements . Licensing of marine pilots ensures safety of vessels/crews and avoids port closures and environmental damage caused by maritime accidents due to inappropriately qualified/experienced pilots.	1996/1997	05/99	Final report recommended retention of marine pilot licensing arrangements, giving each port authority the power to determine service delivery arrangements and pilotage fees within its port. Legislative amendments took effect on 1 July 2001. (Department is currently reviewing the results of the above legislative changes in view of experiences following introduction of the new pilotage arrangements.)

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Transport Infrastructure (Rail) Regulation 1996 under the TIA 1994	Transport	Underway	Departmental Review	Legislation not initially scheduled for review. Draft PBT has been prepared addressing rail safety related provisions that may possibly restrict competition. Some consultation with agencies has occurred. Department has proposed amendments to safety legislation designed to overcome problems of responsibilities. These amendments are affecting the timing of the NCP review.	2001/2002		
Transport Operations (Passenger Transport) Act 1994 Transport Operations (Passenger Transport) Regulation 1994 Review of Passenger Transport Legislation	Transport	Completed	Full Public Review	A review was undertaken by a steering committee comprising senior officers from Queensland Transport, Queensland Treasury and the Department of the Premier and Cabinet. The report noted that service contracts and the existing system of market entry restrictions for taxis, buses and air services are largely justified, but noted some areas where improvements could be made. The report recommended that market entry restrictions be retained for those areas of the limousine industry that compete directly with the taxi industry, but that the remainder of the limousine industry be deregulated. Cabinet considered the review committee report and directed it be released for further consultation. This occurred in September 2000. Queensland Transport has sought industry comment on the report and is preparing a submission seeking Cabinet approval of policy and authority to prepare appropriate legislation.	1998/1999		
Art Unions and Public Amusements Act 1992 Art Unions and Public Amusements Regulation 1992 Review of Charitable and Non-profit Gaming Legislation	Queensland Treasury	Underway	Reduced NCP Review	The Charitable and Non-profit Gaming Act 1999 (which replaced the Art Unions and Public Amusements Act 1992) provides for a range of licence, permit and approval requirements in regard to the conduct of art unions and games such as bingo. The review was deferred subject to the outcome of the 1999 Productivity Commission inquiry into gaming in Australia. A single NCP report on all gambling legislation in the Treasury portfolio is currently being developed and is due for completion by first half 2002.	1998/2002		Public amusements, which were also regulated under the Art Unions and Public Amusements Regulation 1992, were completely deregulated in June 1997.
Casino Agreement Acts Review of Casino Agreements Legislation	Queensland Treasury	Completed	Reduced NCP Review	These four Agreement Acts covering casinos at the Gold Coast, Brisbane, Townsville and Cairns were not originally scheduled for review on the basis that they underpin commercial arrangements entered into prior to NCP for the provision of major casino/tourism facilities provided by the private sector. A confidential summary report on the review of the four Agreement Acts was provided to the NCC as part of 1998 Annual Report.	1997/1998	03/98	Provisions retained without change following reduced review.

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Casino Control Act 1982 Casino Control Regulation 1984 Review of Casino Control Legislation	Queensland Treasury	Underway	Reduced NCP Review	This legislation provides for the granting of casino licences by the Queensland Government to conduct gaming (which would otherwise be illegal) subject to prescribed probity, structural, financial and other qualifications and prescribes subsequent restrictions on the conduct of licensees and casino operations. The review was deferred subject to the outcome of the 1999 Productivity Commission inquiry into gaming in Australia. A single NCP report on all gambling legislation in the Treasury portfolio is currently being developed and is due for completion by first half 2002.	1998/2002		
Electricity Act 1994 Electricity Regulation 1994 Review of Electricity Legislation	Queensland Treasury	Underway	Targeted Public	A separate NCP review was not undertaken in 1997 when electricity legislation was amended to give effect to the broader CoAG electricity reform process (e.g. to give effect to market restructuring). A separate review is now underway and is being undertaken in two parts as follows: **Part 1** covers the non-safety related provisions in the legislation relating to the conduct of the industry including the issuing of authorities for generation, transmission and supply entities; powers (including 'reserve Ministerial powers') about electricity pricing and restrictions on the trading activities of transmission and generation authorities and supply entities. A draft report PBT was prepared by independent consultants and released for consultation on 2 February 2002. The review is due to be completed in the first half 2002; and **Part 2** covers the safety related provisions which are also being examined in the context of preparing new electrical safety legislation. It includes assessment of provisions relating to occupational licensing of electrical workers, electrical contractors, etc and the application of technical standards. A PBT Report was prepared by independent consultants under the supervision of an Inter-Departmental Committee. The Report's recommendations and an implementation strategy were endorsed by Cabinet in February 2002	2000/2002		Three tranches of significant amendments to the Act were passed and changes made to the Regulation as part of the reforms. These legislative amendments during 1997 gave effect to CoAG reforms including the establishment of a National Electricity Market. Any anti-competition provisions to be retained will be rewritten and incorporated into the new stand-alone Electrical Safety legislation to be administered by Department of Industrial Relations. This is expected to be in place by the end of 2002.

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Financial Intermediaries Act 1996 Review of Financial Intermediaries Act	Queensland Treasury	Underway	Department Review	The Act was established to provide prudentially-based supervision of a cooperative housing societies, terminating building societies and other similar entities. It had been expected that the supervision of all such institutions would be transferred to the Commonwealth following the establishment of APRA. However, some cooperative housing societies do not meet the requirements for transfer. The review is considering alternatives to identified restrictions and other arrangements. The review is expected to be completed in the first half of 2002.	2001/2002		
Gaming Machine Act 1991 Gaming Machine Regulation 1991 Review of Gaming Machine Legislation	Queensland Treasury	Underway	Reduced NCP Review	The legislation licenses the possession and playing of gaming machines, which would otherwise be illegal. The review was deferred subject to the outcome of the 1999 Productivity Commission inquiry into gaming in Australia. A single NCP report on all gambling legislation in the Treasury portfolio is currently being developed and is due for completion by first half 2002	1997/2002		Act amended in November 1999 to take into consideration community well being in the determinations on gaming machine applications.
Gas Act 1965 Gas Regulations 1989 Review of Gas and Petroleum Legislation	Queensland Treasury	Underway	Targeted Public	Initial NCP analysis of the existing legislation was completed as a part of a fundamental review of Gas and Petroleum legislation undertaken as part of the implementation of the overall CoAG gas reform framework. An exposure draft of a combined Bill to replace the Petroleum Act 1923 and the Gas Act 1965 was released in May 2001 seeking further input. The initial NCP analysis is being updated to address a number of subsequent policy changes and issues raised in response to the exposure draft and by the NCC in its third tranche assessment. The update of the initial analysis will be completed by 30 June 2002. A separate review will be undertaken of the public benefits and costs of full retail contestability and any need for continuing price control for selected customer classes.	1997/2002		
Gas Suppliers (Shareholdings) Act 1972 Review of Gas Suppliers Shareholding Act	Queensland Treasury	Completed	Reformed without Review	The restriction limits the level of ownership of shares in a nominated gas supplier and has only ever related to one company. In July 1998, the proclamation under the Act expired, removing that company from the protection of the Act.	1997/1998		Act repealed in October 2000.

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Keno Act 1996 Review of Keno Act	Queensland Treasury	Underway	Reduced NCP Review	This legislation permits the holder of a keno licence to have the right to conduct the game of keno on a State-wide basis through approved outlets for a defined period. NCP issues were examined prior to the introduction of the Bill and a draft report compiled on outstanding issues. Completion of this exercise was deferred subject to the outcome of the 1999 Productivity Commission inquiry into gambling in Australia. A single NCP report on all gambling legislation in the Treasury portfolio is currently being developed and is due for completion by first half 2002.	1996/2002		
Liquid Fuel Supply Act 1984 Review of Liquid Fuel Supply Act	Queensland Treasury	Not for review		NCC supported removal of Act from review timetable on the grounds that the legislation is in place to serve the public interest in terms of controlling liquid fuel usage in times of shortage or emergencies. Provisions have never been used.	1997/1998		
Lotteries Act 1997 Review of Lotteries Act	Queensland Treasury	Underway	Reduced NCP Review	The 1997 Act amounts to a winding-back of anti-competitive provisions by replacing the statutory monopoly provisions with a limited period of exclusivity to enable the Golden Casket Corporation time to adjust to commercial environment following its corporatisation. The review was deferred subject to the outcome of the 1999 Productivity Commission inquiry into gaming in Australia. A single NCP report on all gambling legislation in the Treasury portfolio is currently being developed and is due for completion by first half 2002	1998/2002		The introduction of the Lotteries Act 1997 has resulted in the statutory monopoly provisions applying to the Golden Casket Corporation being replaced with a limited duration exclusive licence.
Motor Accident Insurance Act 1994 Review of CTP Insurance Legislation	Queensland Treasury	Completed	Full Public Review	The NCP review was undertaken in conjunction with a statutory review of Act and an examination of CTP scheme affordability. The review recommended retention of fundamental CTP scheme aspects, including mandatory insurance requirement, licensing of insurers, community rating and Nominal Defendant. The review also recommended removing specific entry barriers (in terms of minimum market share and re-entry requirements) and premium setting by government to be replaced by its setting a premium range within which private insurers can determine their own premiums subject to approval by government.	1998/1999	11/99	Legislative amendments to give effect to the review's recommendations were passed by the Parliament in May 2000, with the majority of the changes commencing in October 2000.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Superannuation (Government and Other Employees) Act 1988 and other superannuation legislation Review of Superannuation Legislation	Queensland Treasury	Not for review		Closer examination of the legislation established that the sole management of investments by the Queensland Investment Corporation is not a restriction on competition as the legislation allows for the appointment of alternative providers to manage all or part of the investments. Two other matters regarding the administration of the Queensland public sector superannuation scheme - sole provision by QSuper and administration by the Government Superannuation Office - were also examined and considered to be in the public interest. However, the NCC has requested justification in Queensland's sixth Annual Report.	2000/2001		
Tobacco Products (Licensing) Act 1988 Tobacco Products (Licensing) Regulation 1993 Review of Tobacco Products Legislation	Queensland Treasury	Completed	Reformed without Review	Restrictive provisions no longer have effect constitutionally following High Court decision in Ha & Lim v NSW. Only transitionary provisions remain which have no NCP implications.	1998/1999	10/98	Provisions that were deemed to restrict competition no longer have effect constitutionally following High Court decision in Ha & Lim v NSW.
Wagering Act 1998 Review of Wagering Bill (that replaces part of Racing and Betting Act 1980)	Queensland Treasury	Underway	Reduced NCP Review	The Racing and Betting Legislation has been reviewed in two components: 1. TAB Monopoly -- Following the examination by the Racing Industry Taskforce of the statutory monopoly enjoyed by the QLD TAB, the TAB was granted a 15 year exclusive licence under the new Wagering Act 1998. The Wagering Act will be considered as part of the single NCP report on all gambling legislation in the Treasury portfolio currently being developed and due for completion by first half 2002; and 2. Bookmakers, conduct of race meetings and other related restrictions concerning the operation of race events -- Undertaken as a separate review (see entry under Tourism, Racing and Fair Trading on the review of the Racing and Betting Act).	1997/1998		The statutory monopoly arrangements applying to TAB replaced by an exclusive licence of limited duration upon proclamation of the Wagering Act in 1999.
Auctioneers and Agents Act 1971 Auctioneers and Agents Regulation 1986 Review of Agents and Motor Dealers Legislation	Tourism, Racing and Fair Trading	Completed	Targeted Public	The legislation scheduled for review has been replaced by the Property Agents and Motor Dealers' Act 2000 which was also the subject of legislation review. An issues paper prepared on the legislation was released in February 2000 and was finalised prior to the introduction and passage of the new legislation through Parliament. Following are main competition-related differences between the A&A Act and the new PA&MD Act: **Licensing:** • Continuation of licensing with reduced entry restrictions such as removal of residency requirement, lowering of age restrictions, relaxation of business premises standards, continued requirement for licence holders to operate at principal office. Replacement of "fit and proper" with	1996/1997	10/00	The PA&MD Act was assented to on 24 November 2000. The main reforms in the new Act are given in the previous column. Additionally, in endorsing the Report, the Review Committee provided the following recommendations, several of which address transitional issues concerning reform of the existing legislation. Review Committee Recommendations ----- • Within five years the Department carry out a review of pastoral house licensing against requirements for real estate and

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
				suitability test for persons seeking licences. • Managers' licences and restricted auctioneers' licences rationalised into general licensing category and all licences to be reduced to a single licence class with occupational conditions. • Restricted letting agents may operate in respect of more than one building. • All licensing qualification criteria to be competency based. • Developers and real estate marketeers to be included in the licensing and conduct provisions of the legislation. • Salespersons' entry requirement of an examination was discontinued. Minimum competency based qualifications required. **Conduct:** • De-regulation of fees and commissions across all occupations. Transitional arrangements with community education and information campaign implemented to avoid or minimise the negative effects of unequal bargaining positioning of consumers and agents. • Remove any cap on the level of buyer premium that an auctioneer may charge a buyer at auction. • The review findings support the principle of a real estate agent, motor dealer or commercial agent acting for only one party to a transaction. • The review findings support the introduction of a 60 day limit on sole or exclusive agency agreements. • The review also supported the introduction of legislation allowing del credere sales of livestock. • Cooling off periods and statutory warranties for used motor vehicles were recommended as a net benefit had been identified during the PBT from these additional regulatory requirements. • A separate PBT review was undertaken on the proposal to licence and regulate motor dealer brokers. This recommended that such regulation would be appropriate in the public interest. These provisions form part of the new legislation.			auctioneering licensing and assess whether there is a continuing need or justification for different licensing criteria for pastoral houses, pastoral house directors and employees; and • An effective community education and information program should be implemented throughout the State prior to de-regulation of residential real property commissions. This education and information campaign is intended to assist in removing or diminishing the existing culture of refusing to negotiate fees and charging the maximum fee regardless of the level of service offered or provided. The community education and information program should include the following elements – • Negotiation skills, bargaining; • Contracting; • Addressing the power relationships between agent and client, (both vendors and purchasers); • Alternative options for buying and selling real property; • Disclosure requirements and legal advice; and • The Department implement appropriate monitoring and information gathering processes and maintain and store statistical and other information relevant to the real estate, motor dealing, auctioneering and commercial agency industries and markets to allow quantitative analysis of issues and problems as they emerge or develop. Review of Commission Scales under the Act are currently being reviewed.

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Business Names Act 1962 Business Names Regulation 1986 Review of Business Names Legislation	Tourism, Racing and Fair Trading	Underway	Reduced NCP Review	The Business Names Act requires that businesses which wish to trade under a name other than their own legal name must register their trading names. The Registrar uses a "subjective names" test to ensure the proposed name will not be confused with existing business names. The review considered moves to discontinue registration or the adoption of an "identical names" test, along with some minor restrictions. Draft PBT Report released for public comment on 15 December 2001 with submissions closing 14 January 2002. Final report submitted and awaiting Treasury approval before being submitted to the Government for approval. Review contemplates retaining the subjective names test.	1998/2002	03/02	Minor amendments to streamline the operation of the Act proposed.
Co-operative and Other Societies Act 1967 Co-operative and Other Societies Regulation 1968 Review of Co-operatives Legislation	Tourism, Racing and Fair Trading	Completed	Joint Jurisdictional	A formal review was not undertaken in Queensland. A new Act, the Co-operatives Act 1997, is based on work and NCP justification undertaken by Victoria as a national scheme of regulation. The new Act replaces the existing Cooperatives and Other Societies Act and Primary Producers Co-operative Associations Act.	1996/1997	04/97	New Cooperatives Act 1997 providing for a national scheme of regulation has been enacted.
Credit Act 1987 Credit Regulations 1988 Review of Credit Legislation	Tourism, Racing and Fair Trading	Underway	Joint Jurisdictional	Uniform Consumer Credit Code -- National review commenced late 1999 with Queensland as the lead agency. The review process has been approved by CRR. SCOCA is currently considering an out of session paper regarding the public release of the PBT report. Credit Act 1987 (Qld) -- This Act was established to regulate the provision of personal loans up to $40,000. The scope of the Act was limited by the introduction of the Consumer Credit Code in November 1996 and now only regulates a small number of personal loans entered into prior to November 1996. A report proposing repeal without review was endorsed by the Queensland Treasurer in September 2001.	1997/2002	09/01	Credit Act 1987 (Qld) to be repealed in 2002/2003 following finalisation of outstanding litigation.
Credit (Rural Finance) Act 1996	Tourism, Racing and Fair Trading	Underway	Reduced NCP Review	The Credit (Rural Finance) Act provides for the issuing of default notices and relieving orders to protect farmers against the arbitrary enforcement of mortgages over essential farming equipment. Draft PBT Report released for consultation on 8/12/01. Submissions closed 18/1/02. Review currently being finalised. Amendments associated with the repeal of the Hire Purchase Act (see entry on Hire Purchase Act) also being reviewed.	2001/2002		

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Fair Trading Act 1989 Fair Trading Regulation 2001 Review of the Fair Trading Legislation	Tourism, Racing and Fair Trading	Underway	Targeted Public	A targeted public review is being undertaken by the Office of Fair Trading. Potential restrictions include prohibition of mock auctions, use of obscene material, various provisions relating to door to door selling (eg prescribed contracts, cooling off periods, trading hours, identification requirements), product information and safety standards and Ministerial prohibitions on unsafe products. An issues paper was released on 15 December 2001 seeking public comment. Submissions closed 21 January 2002. A Draft PBT report is currently being prepared.	2001/2002		
Funeral Benefit Business Act 1982 Funeral Benefit Business Regulation 1989 Review of Funeral Benefit Business Legislation	Tourism, Racing and Fair Trading	Underway	Department Review	The Funeral Benefit Business Act 1982 regulates schemes providing for the prepayment of funeral expenses. Potential restrictions include scheme registration, business conduct requirements, record keeping, regular actuarial valuations, advertising controls, benefit limits and approval for the sale or deregistration of schemes. Final NCP report submitted to Treasury and under consideration by the Government. Expected completion first half 2002.	1997/2002		
Hawkers Act 1984 Hawkers Regulation 1994 Review of Hawkers Legislation	Tourism, Racing and Fair Trading	Completed	Reduced NCP Review	The Hawkers Act provides for the licensing of hawkers and regulates their business conduct. Restrictions include a fit and proper person test, geographical limits, identification requirements and limits on trading hours. Cabinet endorsed PBT report and recommendation to repeal the Act in October 2001.	1997/2002	10/01	Cabinet approval to be sought in early March 2002 to introduce Bill to implement reforms.
Hire Purchase Act 1959 Review of Hire Purchase Act	Tourism, Racing and Fair Trading	Completed	Reduced NCP Review	The Hire Purchase Act has been largely superseded by the Uniform Consumer Credit Code. Two provisions, which continue to be used by the farming sector, provide for a moratorium on repossession of farm machinery at critical times and accounting for surplus monies following repossession. Review completed November 2001. Final report recommending repeal of the Hire Purchase Act endorsed by Treasurer in December 2001. The Credit (Rural Finance) Act 1996 will be amended to provide similar protection to that provided under the Hire Purchase Act in relation to farm machinery. The Credit (Rural Finance) Act, including the proposed amendments, is under review.	2000/2002	11/01	The Hire Purchase Act to be repealed and continuing provisions to be included in the Credit (Rural Finance) Act.
Invasion of Privacy Act 1971 Invasion of Privacy Regulations 1986 Review of Invasion of Privacy Act	Tourism, Racing and Fair Trading	Completed	Reduced NCP Review	The Invasion of Privacy Act regulates credit reporting agents, entry to dwellings and the use and supply of listening devices. Restrictions relate to the operation of credit reporting agents and include licensing, payment of fees, a suitable person test, and business conduct standards for information collection, storage and disclosure. Final PBT Report recommending repeal of the credit reporting provisions endorsed by Cabinet in February 2002.	1998/2002	02/02	Cabinet approval to be sought in early March 2002 to introduce Bill to implement reforms.

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Land Sales Act 1984 Land Sales Regulation 1989 Review of Land Sales Legislation	Tourism, Racing and Fair Trading	Completed	Department Review	The Land Sales Act regulates the sale of lots in land development schemes. Restrictions include requirements for local government development approval, payments to be held in trust accounts, deposit limits, exemptions for small subdivisions, lot descriptions and information disclosure requirements Final PBT report was endorsed by the Treasurer in November 2001. No changes recommended.	2000/2002	11/01	No legislative amendments required.
Liquor Act 1992 Liquor Regulation 1992 Review of Liquor Act	Tourism, Racing and Fair Trading	Completed	Full Public Review	Review completed in February 2000. The Government endorsed the recommendations of the final report, including: continuation of the "specialist provider" model for sale of take-away liquor (ie restricted to hoteliers); abolition of payment of premiums for General and Special Facility Licences; increase in allowable distance between detached bottle shops and increase in allowable retail floor space for these shops; abolition of daily limit on volume of take away liquor per member from clubs; reduction in distance for casual visitors to clubs; permitting casual drinking in On Premises Licences pertaining to Meals and Cabaret, conditional on the business operation meeting its primary purpose of providing meals; and strengthening current provisions to ensure new licence proposals are fully considered in terms of the interests of the community.	1998/1999	02/00	Cabinet endorsed the review recommendations on 28 February 2000 and endorsed an authority to prepare related amendments to the Act on 8 May 2000. The Liquor Amendment Bill 2000 was introduced into Parliament in November 2000. This Bill lapsed in January 2001, but was reintroduced on 22 March 2001, assented to on 7 June 2001, and commenced by proclamation on 1 July 2001.
Loan Fund Companies Act 1982 Review of Loan Fund Companies Act	Tourism, Racing and Fair Trading	Completed	Reduced NCP Review	The Act provides for the licensing and the regulation of business conduct of "loan fund companies" (LFC) which seek to apply pyramid selling principles to the provision of home loans. There are no existing LFCs. The Act effectively prohibits the formation of new LFCs, but at least one scheme with similar characteristics is currently under examination. Cabinet endorsed the PBT report in February 2002 recommending repeal of the Act and the incorporation of the outright prohibition on LFCs in the Fair Trading Act.	1998/2002	02/02	Cabinet approval to be sought in early March 2002 to introduce Bill to implement reforms.
Mercantile Act 1867 Review of Mercantile Act	Tourism, Racing and Fair Trading	Completed	Reformed without Review	Provisions previously identified as restrictions on competition have been repealed or contained within the Partnership (Limited Liability) Act which is also on the review timetable. Completion of review requirements confirmed on 10 December 1998 by Treasury letter to the then Department of Equity and Fair Trading.	1998/1999	12/98	No further action required.
Mobile Homes Act 1989 Mobile Homes Regulation 1994 Review of Mobile Homes Legislation	Tourism, Racing and Fair Trading	Underway	Department Review	The legislation covers agreements between mobile home park owners and owners and occupiers of mobile homes. As part of an extensive general policy review of the mobile homes legislation, the Government has decided to repeal the existing Mobile Homes Act and replace it with a new Act. NCP-related issues identified in the proposed new Act are relatively minor and are being addressed as part of the preparation of the new Act which is expected to be considered by Parliament in 2002.	1998/2002		Mobile Homes Legislation to be repealed. NCP issues to be considered in the context of new legislation.

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Partnership (Limited Liability) Act 1988 Partnership (Limited Liability) Regulation 1993 Review of Partnership Legislation	Tourism, Racing and Fair Trading	Completed	Reduced NCP Review	Both the Partnership Act and Partnership (Limited Liability) Act reviewed together. Restrictions in the Partnership (Limited Liability) Act include registration, information disclosure requirements and a prohibition on limited partners participating in the management of the firm. Final report recommends retaining the restrictions but with minor changes to clarify the definition of taking part in the management of the firm. Cabinet endorsed the PBT report in October 2001.	1998/1999	10/01	Cabinet approval to be sought in early March 2002 to introduce Bill to implement reforms.
Partnership Act 1891 Review of Partnership Act	Tourism, Racing and Fair Trading	Completed	Reduced NCP Review	Both the Partnership Act and Partnership (Limited Liability) Act reviewed together. The Partnership Act includes restrictions on the activities of partners by providing that they must account to the firm for private profits from transactions concerning the firm and not compete directly with the firm. Final report recommends no changes to the Partnership Act. Cabinet endorsed the PBT report in October 2001.	1998/2001	10/01	No further action required.
Pawnbrokers Act 1984 Pawnbrokers Regulation 1984 Review of Pawnbrokers and Secondhand Dealers Legislation	Tourism, Racing and Fair Trading	Underway	Targeted Public	Legislation provides for licensing of pawnbrokers along with entry requirements, disciplinary processes and business conduct requirements. This review is being undertaken as a combined review with the Second-hand Dealers legislation. A discussion paper was released in October 2001. A draft PBT Report is currently being prepared. The review is expected to be completed in the first half of 2002.	1997/2002		
Primary Producers Co-operative Associations Act 1923 Primary Producers Co-operative Association Regulation Review of Cooperatives Legislation	Tourism, Racing and Fair Trading	Completed	Joint Jurisdictional	A formal review was not undertaken in Queensland. A new Act, the Co-operatives Act 1997, is based on work and NCP justification undertaken by Victoria as a national scheme of regulation. The new Act replaces the existing Cooperatives and Other Societies Act and Primary Producers Co-operative Associations Act.	1996/1997	04/97	New Cooperatives Act 1997 providing for a national scheme of regulation has been enacted.
Profiteering Prevention Act 1948 Review of Profiteering Prevention Act	Tourism, Racing and Fair Trading	Underway	Reduced NCP Review	The Profiteering Prevention Act 1948 introduced powers to control prices in the context of severe shortages of goods and services in the period following World War II. PBT Report being considered by the Minister.	1998/2002		

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Racing and Betting Act 1980 Racing and Betting Act Regulation 1981 Review of Racing and Betting Legislation	Tourism, Racing and Fair Trading	Completed	Department Review	The Racing and Betting Legislation has been reviewed in two components, namely provisions relating to: 1. TAB Monopoly -- See entry under Queensland Treasury on the review of the Wagering Act; and 2. Bookmakers, conduct of race meetings and other related restrictions concerning the operation of race events -- The review on these provisions recommended that regulations that maintain and enhance probity, integrity and public confidence in the industry (eg licensing) be retained, and the prohibitions on entry of new codes of racing, conduct of proprietary racing and racing bookmakers' advertising be removed. Recommendations of the NCP review were endorsed by Cabinet in November 2000. Following approval by Cabinet in November 2000 of the NCP review of the Act, drafting of a new Racing Act has been under way. However, legislation to provide for an interim governance structure for thoroughbred racing was introduced and commenced in December 2001. Since this legislation will be incorporated into the new Act, a further review of this and any other relevant aspects of the new Act will be undertaken before the legislation is taken to Cabinet and Parliament.	1997/1998	11/00	During 2000, the Act was amended to remove the majority of non-probity based, competition restrictions on bookmakers, in particular those relating to minimum phone bet, betting type and recording of bets. It is intended to introduce the new Racing Act into Parliament by 30 June 2002 or as soon as possible thereafter.
Racing Venues Development Act 1982 Review of Racing Venues Development Act	Tourism, Racing and Fair Trading	Not for review		The Act applies only to Albion Park. On close examination, it became apparent that the Act does not contain any provisions that restrict competition. In particular, it was determined that the provisions that specify the terms of a lease by trustees of a racing venue are not anti-competitive.	1998/1999		
Retirement Villages Act 1988 Retirement Villages Regulation 1989 Review of Retirement Villages Legislation	Tourism, Racing and Fair Trading	Completed	Reduced NCP Review	Draft Bill had been released for public consultation, but results indicated the need for further consideration of various issues. The revised Bill was presented to Cabinet in July 1999 and was supported by NCP justification. Certain changes were made to the Bill in Parliament. These changes were also reviewed under NCP.	1996/1997	07/99	Bill was passed on 30 November 1999. Competition-related aspects of the new legislation comprise: retention of entry requirements for village operators; business conduct requirements more stringent but provide greater clarity for operators and residents; statutory charge requirements less stringent than current legislation.
Sale of Goods Act 1896 Sale of Goods (Vienna Convention) Act 1986 Review of Sale of Goods Legislation	Tourism, Racing and Fair Trading	Completed	Department Review	Final PBT Report endorsed by the Treasurer on 27 November 2001. No restrictions identified.	2000/2001	11/01	Not required -- no restrictions identified.

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Second-hand Dealers and Collectors Act 1984 Second-hand Dealers and Collectors Regulation 1994 Review of Pawnbrokers and Second-hand Dealers Legislation	Tourism, Racing and Fair Trading	Underway	Targeted Public	This legislation provides for the licensing of second-hand dealers as well as registration, entry requirements, the reservation of practice, disciplinary processes and business conduct requirements. This review is being undertaken as a combined review with the Pawnbrokers legislation. A discussion paper was released in October 2001. A draft PBT Report is currently being prepared. The review is expected to be completed in the first half of 2002.	1997/2002		
Security Providers Act 1992 Security Providers Regulation 1995 Review of Security Providers Legislation	Tourism, Racing and Fair Trading	Underway	Targeted Public	This legislation provides for the licensing of security officers (except in-house officers), private investigators and crowd controllers, entry requirements and reservation of practice. Issues paper released 1 December 2001 (submissions closed 4 January 2002). Draft PBT Report being prepared. The review is expected to be completed in the first half of 2002.	1997/2002		
Trade Measurement Act 1990 Trade Measurement (Administration) Act 1990 Review of Trade Measurement Legislation	Tourism, Racing and Fair Trading	Underway	National Review	National review by inter-jurisdictional committee with Qld as the lead agency. In 1998, SCOCA endorsed the review being undertaken in two stages. Stage 1, which was carried out by an independent Consultant, has been completed. The consultant concluded that most restrictions were justified, but that further investigation was warranted on the restriction on the sale of non-prepacked meat. Stage 2 which involves a PBT undertaken by the review committee on non-prepacked meat is expected to be presented to CRR in April 2002. Due to national protocols and approval processes, MCCA may not have considered and endorsed the NCP reports by 30 June 2002. Review of Trade Measurement Administration Act 1990 (Qld) completed. Restrictions not anti-competitive. Draft PBT report released for comment on 24 November 2001 (submissions closed 10 December 2001). Final PBT Report endorsed by the Treasurer February 2002.	1998/1999 2001/2002	 02/02	
Travel Agents Act 1988 Travel Agents Regulations 1988 National Review of Travel Agents Legislation	Tourism, Racing and Fair Trading	Underway	National Review	National Review undertaken under the co-ordination of Western Australia. CRR advised that PBT report did not satisfy NCP requirements and that a more rigorous assessment had to be provided in a supplementary report. A draft supplementary report has been circulated to jurisdictions. WA is currently seeking CRR advice on the supplementary report.	1997/2002		

Name of Legislation Review Name	Agency	Status	Review Model	Comments on Review	Date of Review	Date Review Completed	Reform Progress
Wine Industry Act 1994 Wine Industry Regulation 1995 Review of Wine Industry Legislation	Tourism, Racing and Fair Trading	Completed	Department Review	A statutory review that included consideration of NCP issues was completed late in July 1999.	1998/1999	07/99	A single "producer" licence system will be replaced with a two-tier licensing system that provides for licensing under the Wine Industry Act of both "producers" and "merchants". The blending restrictions will be removed, thereby relying on Commonwealth standards. The Wine Industry Amendment Bill 2000 was introduced into Parliament in August 2000. This Bill lapsed in January 2001, but was reintroduced on 22 March 2001, assented to on 7 June 2001, and commenced by proclamation on 1 July 2001.

ATTACHMENT 2

OCCUPATIONAL THERAPISTS AND SPEECH PATHOLOGISTS DETAILED RESPONSE UNDER LEGISLATION REVIEW

The NCC has raised some fundamental issues in relation to the continuing regulation of both Occupational Therapists and Speech Pathologists. The following detailed response provides the public benefit rationale for continuing to regulate both professions, while at the same time addresses the NCC's specific queries.

The *Occupational Therapists Registration Act 2001* and the *Speech Pathologists Registration Act 2001* prohibit persons from using the title "occupational therapist" or "speech pathologist" unless they are registered under the respective Acts. The Acts do not impose any restrictions on who may practise occupational therapy or speech pathology.

The benefits and costs of the registration of occupational therapists and speech pathologists are as follows:

Benefits to Consumers

Protects consumers from risk of harm from inadequately trained or incompetent providers - The risk of harm to consumers from the provision of health services by incompetent occupational therapists and speech pathologists, while not as great as the risk of harm from health services provided by other registered health professionals (eg. doctors), is nevertheless significant. For example, rehabilitation services provided to a disabled person by an incompetent occupational therapist could make the person's disability worse. Similarly, inappropriate/ineffective speech pathology services provided by an incompetent provider to a child with a severe speech disorder could have long-term harmful effects (psychological, social or economic) on the child.

Registration protects consumers from these risks by ensuring that registered providers have attained minimum standards of competence or training and that such standards are maintained (eg. by way of the complaints/disciplinary processes under the *Health Practitioner (Professional Standards) Act 1999* and the *Heath Rights Commission Act 1991*).

Assures consumers of registrant's competence - Registration provides an assurance to consumers that registrants, having satisfied registration requirements, are appropriately trained and are fit to practise in a safe and competent manner.

Provides information which reduces consumers' search costs - Registration enables consumers who are choosing a provider to differentiate between registered providers (who have attained the qualifications necessary for registration and have been assessed by the respective registration board as fit to practise) and unregistered providers. This reduces the need for consumers to incur search costs in seeking to identify competent providers.

Benefits to Government

Minimises volume of complaints about providers - The consumer protection offered by registration (as noted above) minimises the volume of consumer complaints to the government and the Health Rights Commission about providers and therefore reduces the consequential administrative costs associated with dealing with such complaints.

Promotes public confidence in government's ability to protect health consumers - Through registration, the government assures consumers that registrants are safe and competent to practise. This assurance promotes public confidence in the government's ability to protect health consumers.

Benefits to Profession

Benefits from use of professional title - Restricting the use of the professional title to registrants may benefit registrants by giving them more ability than non-registrants to promote their services. However, as noted below, considerable scope exists for non-registrants to promote their services.

The use of the professional title may also be seen by registrants as increasing their professional/social status.

Cost to Consumers

Limits consumers' ability to gain information about services provided by non-registrants - Occupational therapists and speech pathologists provide a wide range of services, many of which are also provided by non-registrants (eg. rehabilitation services, speech tuition). Although non-registrants are prevented from using the professional title, they still have considerable scope to promote their services to consumers, either by reference to the specific type of services offered (eg. occupational health and safety), or by the use of unrestricted titles (eg. rehabilitation consultant, speech tutor). Therefore, the extent to which registration limits the provision of information to consumers about services provided by non-registrants is not considered to be significant.

Increases cost of services due to registrants passing on registration costs to consumers - As registration fees are set at a level (see below) that does not impose a significant financial burden on registrants, having regard to the income levels of the relevant professions, it is unlikely that registrants would seek to pass on these costs to consumers. Therefore, registration has a negligible effect on the cost of services.

Cost to Government

Administrative costs associated with the legislation establishing the registration system - These costs largely involve the costs of developing/maintaining the legislation regulating the respective professions. These costs have been minimised by the economies of scale resulting in the legislation being largely uniform across all regulated health professions and being developed and passed in conjunction with the other Health Practitioner Registration Acts.

While the government provides funding for the operation of the Professional Conduct Review Panel and the Health Practitioners Tribunal (disciplinary bodies for all 12 regulated health professions) these costs would still be incurred if occupational therapists and speech pathologists were not subject to registration. The operating costs (eg. staffing, payment of board members) of the respective registration boards are fully met from registration fees.

Cost to Profession

Registration fees - Registration payable by occupational therapists is $120 for initial registration and $181 for annual renewal of registration and, for speech pathologists, $100 for initial registration and $200 for annual renewal of registration. Fees are fully tax deductible.

Cost to Unregistered providers

Restricts ability of unregistered providers to promote/supply their services - As noted above, the extent of this restriction is considered to be minimal, as title restrictions do not significantly impede non-registrants in promoting and supplying their services.

Net Costs/Benefits

Consumers - It is considered that registration offers a net benefit to consumers on the basis that costs identified above are minimal while the benefits, in particular, the consumer protection offered by registration, are significant.

Government - The net effect on government is virtually nil given that the costs to government associated with registration are not likely to be significant, and the extent of the potential benefits to government, while difficult to quantify, are considered to be minimal.

Profession - Given that registration costs do not impose a significant financial burden on registrants, it is considered that registration offers a net benefit to registrants.

Unregistered providers - As noted above, it is not considered that registration (ie restrictions on title) imposes significant costs on non-registrants.

Conclusion

The combination of the net benefits to consumers, particularly in the area of consumer protection, together with the minimal impact on the government, the respective professions and non-registrants, produce an overall net public benefit. The objectives of the legislation regulating the respective professions are also achieved.

Alternatives

Self–regulation - Self-regulation would rely on the respective professional associations setting the standards for entry into the professions and for the conduct of its members. However, this does not prevent providers who are not members, because they have not undertaken appropriate training or have been expelled from membership (eg. on the grounds of misconduct), from using the professional title.

Membership of a professional association may not necessarily inform consumers that a provider is competent given that a group of unqualified providers could potentially form their own association.

In addition, consumer redress against unscrupulous/incompetent providers would only lie through the courts, either under fair trading legislation or by civil action. The complaints/disciplinary processes available in respect of the other registered health professionals would not be available. This approach does not offer the protection to the public provided by the registration system and therefore does not meet the objectives of the legislation regulating the respective professions.

Negative Licensing - Under this approach, any person may practise the profession or use the professional title but legislation would specify what conduct is not acceptable by providers. Sanctions imposed by the court for engaging in such conduct could include excluding persons from the occupation or aspects of the occupation.

This approach does not provide as high a degree of consumer protection as registration because it allows government intervention only after unscrupulous/incompetent providers have been identified. Unlike registration, it provides no assurance to consumers that providers using the professional title have met minimum standards before they commence practice. In addition, this approach would be likely to involve greater costs to government resulting from the need to take court action against providers, increased search costs to consumers and an increase in consumer complaints. Therefore, it is not supported.

ATTACHMENT 3

COMPLIANCE WITH CPA CLAUSE 5 "GATEKEEPING" ARRANGEMENTS FOR NEW LEGISLATION

Legislation Title	Priority Area?	Public Interest Rationale
Consumer Credit (Queensland) Amendment Act 2001	Yes	The Uniform Consumer Credit Code has undergone a complete NCP review, which is due for release shortly. That review noted the non-regulation of pay-day lending and agreed with the recommendation that pay day lending be brought within the Code. The amendment will ensure all consumer lenders are covered by the same rules. The Act was proclaimed on 10 December 2001.
Dangerous Goods Safety Management Act 2001 *Dangerous Goods Safety Management Regulation 2001*	No	Two matters were examined in the NCP review of the proposed Act and found to be in the public interest, namely the safety-related benefits of the various legislative provisions compared to the economic cost to industry, and restricting the class of eligible auditors of safety requirements. The new Act gives effect to national standards for handling and storage of dangerous goods. The subsequent review of the proposed regulation found there to be a public benefit in the proposed additional restrictions on competition – licensing arrangements and controls over packaging.
Education (Accreditation of Non-State Schools) Act 2001	Yes	The Act requires all non-State schools be accredited and provides mechanisms to make decisions about school accreditation more independent of those relating to eligibility for Government funding. The objectives of the legislation are to uphold the standards of education, to foster diversity of education choices in the State and enable school's governing bodies to become eligible for Government funding for non-State schools. This is to be achieved through establishing a Non-State Schools Accreditation Board, an accreditation regime and a Non-State Schools Eligibility for Government Funding Committee. A number of restrictions were identified in a Public Benefit Test of the new legislation

Legislation Title	Priority Area?	Public Interest Rationale
		including: • The requirement for governing bodies of non-State schools seeking accreditation to be corporations; • The application of suitability criteria to directors of the governing bodies of non-State schools; • The requirement for non-State schools to be accredited (or provisionally accredited) as a condition of operation; • Determining the eligibility for Government funding to a non-State school subject to an assessment of the impact of the proposed (or modified) school on the operation of other schools in the area; • Linking the granting of accreditation to assessments of financial viability to the extent that assessment of financial viability might be influenced by eligibility for Government funding; • Restricting the frequency of applications for Government funding; The review found that 'on balance' the benefits of the restrictions would be likely to outweigh the costs. This conclusion was drawn in recognition of the complexity of factors influencing competition in the schools market, including the State's reasonable planning interest as funding agency and provider of long term education infrastructure. Accordingly the review recommended that the legislation be reviewed after a period of three to five years.
Electricity Amendment Act 2001	Yes	This Act amended the *Electricity Act 1994* to give the Queensland Competition Authority (QCA) the responsibility for the regulation of distribution network pricing for the Mt Isa/Cloncurry network (which is not connected to the national grid). The amendment was to address an oversight that occurred when the pricing responsibility for connected networks was transferred from the Department of Mines and Energy to the QCA, thereby leaving the Mt Isa/Cloncurry network unregulated. An NCP review was not undertaken because it involved the extension of the COAG arrangements to an unconnected but significant distribution network.

Gaming Machine Amendment Act 2001	Yes	This Act amended the Gaming Machine Act 1991 to impose: • a Major Facilities levy on super profits of gaming machines in hotels to finance major sporting and cultural facilities of significant community benefit; and • a State-wide cap on the number of gaming machines in hotels. An NCP review was not undertaken at the time on the basis that the competition issues would be considered as part of the omnibus review of Queensland gambling legislation.
Gas Amendment Act 2001	Yes	This Act amended the *Gas Act 1965* to defer the commencement of contestability for small customers in Queensland's natural gas market from 1 September 2001 to 1 January 2003. This deferral was not subject to NCP review at the time on the basis that a review of the overall benefits and costs of full retail contestability (FRC) would be undertaken. This review will be completed before the 1 January 2003 commencement of FRC.
Introduction Agents Act 2001	No	An NCP review of the proposal to regulate the introduction agency industry was conducted from November 1999 to October 2000. The review was undertaken by an independent NCP Review Committee, consisting of relevant departments and a consumer representative. Independent consultants were engaged to conduct a PBT. The review concluded that the draft Bill would, with relatively minor amendments, be the most appropriate means of achieving the government's consumer protection objectives.
Land Protection Act 2001	No	The Bill was examined under NCP. Potential restrictions on competition are likely to arise in associated regulation which is currently being subjected to NCP examination.
Property Agents and Motor Dealers Regulation 2001	Yes	Competition issues were considered as part of the NCP review of the Auctioneers and Agents Act and the then proposed Property Agents and Motor Dealers (PAMD)Bill.

		General provisions of the Regulation commenced on 1 July 2001. Staged commencement of Code of Conduct: Motor Dealers Code 1 July 2001; Real Estate Agents Code, Auctioneers Code, Restricted Letting Agents Code and Commercial Agents Code 1 August 2001; Property Developers Code 1 September 2001.
Property Agents and Motor Dealers Act & Other Acts Amendment Act 2001	Yes	Competition issues were not considered in relation to this amendment on the basis that the regulation of developers and real estate marketeers was specifically examined and found to be in the public interest in the review of the Auctioneers and Agents Act and the then proposed PAMD Bill. The amendments followed continued problems with the activities of property marketeers selling investment properties at prices well above market values. The amendments involved introducing an offence based on unconscionable conduct similar to that in the Commonwealth *Trade Practices Act 1974*.
Public Works Legislation Amendment Regulation (No. 1) 2001	Yes	This amending regulation increased by the Consumer Price Index the fees payable pursuant to Schedule 3 of the *Architects Regulation 1996* and Schedule 1 of the *Professional Engineers Regulation 1992*. The amendment related primarily to budgetary matters. The regulation will remain in force until completion of the reviews of the relevant legislation.
QBSA Board Policies – Licensing Classes for Contractors – Completed Building Inspection (made 20/09/2001) Licensing Classes for Contractors – Completed Building Inspection (made 13/12/2001) Professional Indemnity Insurance Requirements (made 20/09/01)	Yes	A public benefit test was not undertaken for these amendments. These amendments are subject to the NCP review of the Building Services Authority Legislation, which is continuing. One aspect of that review is the consideration of current 'gatekeeping' processes, and the implementation of procedures to ensure that those processes include public interest consideration. The respective amendments regulate the financial and/or technical requirements of licensing.

11A Broadform Public And Products Liability (made 21/06/01) Financial Requirements for Contractors (other than Builders) with a Turnover of less than $75,000 pa – Company (made21/06/01) Financial Requirements for: (Individual) – trade contractors and building designers with a turnover of between $75,000 - $250,000 pa – builders with an annual turnover of less than $250,000 (made 21/06/01) Financial Requirements for: (Company) – trade contractors and building designers with a turnover of between $75,000 - $250,000 pa – builders with an annual turnover of less than $250,000 (made 21/06/01) Financial Requirements for Contractors (other than Builders) with a Turnover of less than $75,000 pa – Individual (made21/06/01) Licence Classes for Contractors – Fire Fighting Appliances (made 15/11/01) Licence Classes for Contractors – Fire Fighting Appliances (made 17/05/01) Licence Classes for Contractors – Fire Fighting Appliances (made 13/12/01)		The Board policies relating to the technical and financial requirements of licensing provide consumer confidence that persons performing building work have appropriate levels of competence and experience and have the financial capacity to complete the works and pay subcontractors. An analysis of licensing per se, and the financial and technical requirements of the current system in particular, is being undertaken as part of the current scheduled review. The Board policies relating to the insurance policy terms and conditions establish the conditions under which consumers may make a claim on the statutory insurance fund. An analysis of the insurance scheme is being undertaken as part of the current scheduled review.

Licence Classes for Contractors – Hydraulic Services Design (made 15/03/01) Licence Classes for Contractors – Hydraulic Services Design (made 15/11/01) Insurance Policy Conditions Edition 5 – effective 1 July 2001 (made 21/06/01) Licence Classes for Contractors – Kitchen, Bathroom and Laundry Installations (made 26/07/01) Licence Classes for Contractors – Site Classifier (made 15/11/01) Financial Requirements for Contractors (other than Builders) with a Turnover of less than $75,000 pa – Declaration (made 25/10/01) Financial Requirements for: (Declaration) – trade contractors and building designers with a turnover of between $75,000 - $250,000 pa – builders with an annual turnover of less than $250,000 (made 25/10/01)		
Queensland Building Services Authority Amendment Regulation (No.1) 2001	Yes	A public benefit test was not undertaken for these amendments. The amendments give effect to the decision of the Government to amend the license fee structure so that license fees would be determined in relation to the annual turnover of licensees. Previously licence fees were determined in relation to licence class, regardless of turnover.

		The amendments reflect a policy of cost recovery for administrative actions required when assessing licence applications and renewals. The amendments are subject to the NCP review of the Building Services Authority Legislation, which is continuing. One aspect of that review is the consideration of current 'gatekeeping' processes, and the implementation of procedures to ensure that those processes include public interest consideration.
Queensland Building Services Authority Amendment Regulation (No.2) 2001	Yes	A public benefit test was not undertaken for these amendments. The amendments require a person installing fire protection systems to be appropriately qualified. The amendments change the licencing structure by providing that anyone who wishes to undertake 'fire protection systems' work must be licenced. The amendment also updated the exemption for licensed electrical mechanics to take into account developments to the Electricity Regulations. This removed the requirement for electrical mechanics carrying out fire protection work to hold dual licences, which removes a restriction on competition. These amendments are subject to the NCP review of the Building Services Authority Legislation, which is continuing. One aspect of that review is the consideration of current 'gatekeeping' processes, and the implementation of procedures to ensure that those processes include public interest consideration.
Queensland Building Services Authority Amendment Regulation (No.3) 2001	Yes	A public benefit test was not undertaken for these amendments. The amendments were in line with Government policy regarding reviewing fees. The amendments provided that fees and charges, which had not been increased in the previous year, were indexed by inflation for the 12 month period. These amendments are subject to the NCP review of the Building Services Authority Legislation, which is continuing. One aspect of that review is the consideration of current

		'gatekeeping' processes, and the implementation of procedures to ensure that those processes include public interest consideration.
Queensland Building Services Authority Amendment Regulation (No.4) 2001	Yes	A public benefit test was not undertaken for these amendments. The amendments brought the *Queensland Building Services Authority Regulations* into line with developments in the National Training Agenda and amendments to the *Training and Employment Act 2000.* The amendments also expanded the option for applicants to meet the technical requirements for licensing to include all available options under the National Training Agenda, or any combination of these. These amendments are subject to the NCP review of the Building Services Authority Legislation, which is continuing. One aspect of that review is the consideration of current 'gatekeeping' processes, and the implementation of procedures to ensure that those processes include public interest consideration.
Tobacco and Other Smoking products (Prevention of Supply to Children) Amendment Act 2001	Yes	The Act restricts advertising and promotion of tobacco, restricts the supply of tobacco to children, and establishes a framework for monitoring, investigative and enforcement activities. The purpose of the amendment Act was to give effect to a nationally agreed strategy and community standards. The restrictions are in the public interest.
Workplace Health and Safety (Miscellaneous) Amendment Regulation 2001	No	The amendment extended the expiry of the *Workplace Health and Safety (Miscellaneous) Regulation 1995* to 30 June 2002. The review of the *Workplace Health and Safety Regulation 1995* is scheduled on the Queensland Legislation Review Timetable. The review is currently underway and is being undertaken progressively as parts are considered for remaking and transfer to the 1997 Regulation. It is anticipated that the current provisions of the 1995 Regulation will be substantially changed in order to be introduced into the *Workplace Health and Safety Regulation 1997*. Any provisions which are changed for introduction into the 1997

		Regulation will be the subject of review in terms of potential restrictions on competition.
Workplace Health and Safety Amendment Regulation 2001	No	The following amendments were made to the *Workplace Health and Safety Regulation 1997* during 2001: • removal of provisions exempting the rural industry from complying with workplace health and safety standards for noise exposure (No.1); • introduction of complementary provisions for the use of mixed gas in recreational diving and minor amendments clarifying the intent of provisions for underwater diving work (No.2); and • amendment to workplace fees in line with CPI increases. These fees relate to the assessment of an applicant's competence to engage in a prescribed activity (No.3). Amendment Regulations No.1 and No.2 were considered to impose a limited competition (i.e. cost) impact on industry. However, this was regarded as reasonable on the grounds of the benefits from increased workplace health and safety. Amendment Regulation No.3 did not impose measures that restrict competition.

ATTACHMENT 4

Business Management Assistance Program: Components and Outcomes

Prepared by the Local Government Association of Queensland, February 2002

Background

Increasingly local governments are asked to provide a greater range of services to their community. Many Councils have seen the economic base of their community eroded through structural change, others are experiencing an aging and declining of population and industry, and those along the coastal fringe are experiencing major population growths that are pressuring infrastructure provision.

Councils that put in place plans to redress the impacts of these external changes will be better positioned to serve the needs of their community. Such plans will need to be underpinned by effective financial management systems that detail costs of providing services and enable Councillors to judge the best use of funds at Council disposal.

There are 125 local governments in Queensland, of which, under NCP, the largest 18 were required by legislation to consider some form of structural reform, whereas the remaining 107 Councils had the option of considering the application of the Code of Competitive Conduct (Full Cost Pricing) and COAG Water reforms. The Queensland Competition Authority (QCA) assesses progress in implementation and recommends payments to local government from the $150M financial incentive package (FIP).

A significant number of local governments are missing out on their payment entitlements. There are a number of reasons for this including:

- lack of awareness of the QCA requirements and confusion due to the complexity and multiplicity of requirements;
- non-recognition that changes already implemented are consistent with NCP reform criteria and hence qualify for bonus payments;
- insufficient in-house resources in terms of staff time and knowledge and financial systems that are not robust enough to provide the data required for Council assessments; and
- lack of resolve to pursue efforts by Councillors and/or staff.

Perhaps the more important reason for non-action is the lack of understanding that many of the outstanding NCP reforms in local government do not require the introduction of competition, but primarily require more transparent financial and decision making processes. To address these issues the State, through the Department of Local Government and Planning (DLGP) has funded the Local Government Association of Queensland (LGAQ) to undertake a range of activities to address these issues and improve the financial management capacity of local government. This initiative is known as the Business Management Assistance Program (BMAP).

BMAP Components

The component parts have been developed in response to the needs advised by local governments and include:

- council briefings on BMAP and to discuss council's intentions and requirements;
- development of a guide to assist in the implementation of outstanding reforms and to maximise competition payments;

- in-house audits and assistance to develop implementation actions list (when invited);
- technical workshops (incorporating local government best practice examples) in regions;
- the establishment of a consultant/mentor service to provide telephone and e-mail technical support to councils and monitor their progress for the duration of BMAP;
- the compilation of a list of pre-qualified consultants that can provide support to councils implementing reforms; and
- negotiation with a major software supplier to local government to incorporate simplified FCP accounting in their software.

Council Participation

While all councils were invited to participate in the program, the greatest emphasis was placed on assisting the small to medium sized local governments. In Queensland, this consists of the 107 councils that do not have business activities of a size that require consideration of commercialisation or corporatisation.

To help establish which of the 107 are more important, the number of water connections was used as a basis for differentiation. Eleven (11) local governments have over 5,000 water connections. Forty one (41) have between 1,000 and 5,000 and 55 have less than 1,000 water connections. As local governments vary significantly, any method of delineation would have a flaw. Using this method undue emphasis is placed on a number of councils in the category with the 1000-5000 water connections, where the population is spread over a number of centres, and where the larger centres are often mining towns where infrastructure has been contributed. Never the less, it was necessary to make sure that significant local government areas were identified so that the program could be directed at them.

All 125 local governments, through the LGAQ:

- were advised of the program and invited to receive a briefing of Council and an in-house assessment;
- were invited to attend technical workshops in the regions (conducted during February and March 2002);
- have received simplified guides to the implementation of reforms to their type 3 business activities; and
- have received details of the pre-qualified consultants.

For BMAP to provide effective support it was agreed to extend the FIP deadline for implementation to 30 June 2003. The Department of Local Government and Planning advised Councils of the requirements for an extension, whereby each councils must resolve to apply the reforms within the timeline and provide evidence that they have a plan that will enable them to meet the implementation deadline. The requirements for the extension have been further discussed with councils by the BMAP consultants while providing in-house support, and through the workshops.

Sixty-one local governments participated in councillor briefings. Many felt that such briefings were not required and that a more useful point of entry to the program would be an in-house assessment.

Ninety six of the 107 local governments received an in-house assessment. In addition Mackay, one of the larger councils, also sought an assessment. The in-house assessments resulted in the development of an action plan for each nominated business activity. The action plan identifies what has been done and what is still required. It provides a comprehensive guide, covering every aspect that needs to be considered. A generic plan is attached.

Details on the 11 Councils not participating in the program are as follows:-

Number of water connections	Council	Comment
20,956	Redcliffe	Have undertaken significant reforms and are committed to good management practice. Are intending to make the appropriate resolutions and demonstrate that they meet the NCP requirements.
3945	Calliope	Significantly advanced with reforms and are being used as a best practice example for councils of a similar size.
4662	Douglas	Are intending to implement reforms within the timeframe and have engaged a consultant to manage a team of experts to ensure that appropriate assessments are made and appropriate implementation occurs.
2089	Goondiwindi	CEO advised that they have engaged a consultant.
4541	Hinchinbrook	CEO advised that they have made the resolutions and engaged a consultant to undertake the work.
1652	Isis	Advised that assistance is not required.
>1000	Peak Downs	Advised that assistance is not required as reforms are substantially implemented.
4536	Whitsunday	CEO advised that they have engaged a consultant.
>1000	Barcoo	CEO advised that they have engaged a consultant.
>1000	Burke	Have been seeking advice, have attended a technical workshop and have just engaged a consultant.
>1000	Mornington Island	Have attended a technical workshop and are now investigating employing a consultant.

All 97 Councils that have participated in the program will receive on-going support and technical advise from the consultant that undertook the in-house assessment. In addition the consultant will contact council staff every two months to monitor progress and provide encouragement.

Some of the big 18 have participated in the program as follows:

- Townsville has sought advice on the appropriateness of their on-going compliance arrangements;
- Mackay has had an action plan prepared;
- Cairns is using the BMAP action plan proforma to develop their own action plan for their outstanding areas for reform; and
- Cairns, Thuringowa, Hervey Bay, Caboolture, Mackay, Rockhampton and Ipswich have participated in Workshops.

Details of the participation in the technical workshops are as follows:

Venue	Number of Participants	Number of Councils
Normanton (Carpentaria Shire)	10	4
Tully (Cardwell Shire)	48	9
Roma	21	8
Longreach	14	7
Toowoomba	41	18
Bundaberg	20	10
Mackay	40	7
Rockhampton	20	7
TOTAL	**214**	**70**

The major issues discussed by participants at the workshops have included:

- achieving a rate of return on assets;
- optimised/contributed assets;
- water pricing;
- community service obligations;
- overhead allocations;
- roads activity;
- managing and reporting changes; and
- the benefits of using existing documents such as Total Management Plan, Revenue Statements, Budget, Annual Report, Corporate Plan etc. to demonstrate compliance.

Other Supports for Local Governments

Guides

Guides, suitable for application to type 3 activities, have been developed covering all aspects of the reform package. These have been provided to all local governments. In addition, they have been made available to local government accountants attending local government accountant's conferences and to each person participating in the technical workshops.

Pre-qualification of Consultants

Most local governments rely on consultants for some aspects of the NCP reforms. To assist councils to identify possible consultants able to assist with their specific needs, BMAP approached the commercial arm of LGAQ, Local Buy, to arrange for consultants able to provide a broad range of services, to be prequalified. Of the 18 applications, 8 individuals/firms have been prequalified. In addition there are a number of quality consultants working with Councils that did not seek to be prequalified. Local governments now have a wide variety of consultants prepared to work in this field. In 1997 the number of consultants offering services was very limited and the quality of the service provided was variable.

Financial Software

Six financial software providers have Queensland local governments as their clients. It is important that the software providers understand the requirements and provide appropriate packages. Practical Computer Services provides software to 87 local governments. As a significant supplier to local governments, discussions with Practical are well advanced and it is anticipated that the software packages will be enhanced to provide greater support local government needs, in time for use in the 2002/2003 financial year.

BMAP Outputs

- Guides have been developed to assist with the application of the reforms to type 3 business activities. They have been distributed widely within local government, i.e. to all councils, to local government finance officers attending local government accountant's conferences and to participants at the technical workshops.
- All 97 local governments participating in the program have an action plan for each of their nominated business activities outlining the tasks that have been done and still need to be undertaken to ensure compliance with the reforms.
- Eight technical workshops were conducted in February and March 2002. Two hundred and fourteen participants from across 70 local governments have attended the workshops. (Small remote councils were unable to attend. However they will be contacted during March).
- Arrangements have been put in place for mentoring of the 97 local governments involved in the program from March 2002 to May 2003.
- Changes required to financial software packages have been identified and some providers notified.
- Eight consultants have been prequalified to supply consulting services to local government requiring assistance with implementation of reforms.

BMAP Outcomes

Further outcomes of BMAP will be identified in April 2002, July 2002 and July 2003.

Councils requiring an extension to 30 June 2003 are required to have resolutions in place by 30 March 2002 and advise the Department of Local Government and Planning by 12 April 2002, that appropriate resolutions have been made and that they have a plan to achieve implementation by 30 June 2003.

Council returns to the Queensland Competition Authority outlining actions as at 30 June 2002, will show the extent to which Councils have been able to implement changes for incorporation in their 2002/2003 budget. Similarly the 2003 return will indicate the degree to which all councils will have implemented change.

BMAP Generic Action Plan

Item	*Description*	*Due Date*	*Responsibility*	*Status*
N1	**Council Resolution to Apply Code**			
N1.1	Undertake FCD impact calculations	31/01/2002		
N1.2	Present report to Council	28/02/2002		
N1.3	Adopt the Code of Competitive Conduct by Council resolution	31/03/2002		
N1.4	Review and identify business activities annually	2002/3 Budget		
N2	**Management Reporting**			
N2.1	Amend the operational plan and chart of accounts so that each activity which is applying the code is separately identified. Separate regulatory and business activities, and Roads and Other Roads activities	2002/3 Budget		
N2.2	Review and amend management responsibilities, delegations and accountabilities	Feb-03		
N2.3	Each of these activities should be shown in the budget separately, and a statement is included in the budget in accordance with LGFS s97	2002/3 Budget		
N2.4	A statement should be included in the annual report/financial statements in accordance with LGFS s99	2000/2 Annual Report		
N4	**Allocate Indirect and Direct Costs**			
N4.1	Identify any direct and indirect costs which are not charged to relevant activities	2002/3 Budget		
N4.2	Change the budgets accordingly for the next budget	2002/3 Budget		
N4.3	Amend accounting processes and documentation for the new financial year	2002/3 Budget		
N4.4	Train relevant employees involved in the new procedures, and issue relevant instructions	2002/3 Budget		
N5	**Allocate Overheads**			
N5.1	Identify each of the corporate and administrative overheads to be allocated	2002/3 Budget		
N5.2	Exclude Governance costs, and the CEO's costs related to Governance	2002/3 Budget		
N5.3	Modify the accounting records if necessary to distinguish between governance and other corporate and overhead costs	2002/3 Budget		
N5.4	Identify a cost driver for each of the activities to be allocated using Activity Based Costing or the suggested simplified list of cost drivers	2002/3 Budget		

Item	*Description*	**Due Date**	Responsibility	*Status*
N5	**Allocate Overheads (Cont)…**			
N5.5	Determine the number of items in each cost driver (eg – number of employees) related to each Council activity	2002/3 Budget		
N5.6	If possible, set up automatic monthly journals to allocate the actual cost of non-governance corporate and overhead costs to each activity in proportion to the activity's share of costs associated with the each cost driver (Oncost and plant hire systems can be used to allocate costs if the system has no automatic journal process)	2002/3 Budget		
N5.7	Implement related budget changes and advise the management in each activity	2002/3 Budget		
N5.8	Review the reasonableness of the overheads in the business compared to total operating costs	2002/3 Budget		
N5.9	Review annually as part of the budget process	2003/4 Budget		
N6	**Asset Valuation**			
N6.1	Value all Council assets on a deprival basis subject to QAO audit	30/06/2002		
N6.2	Prepare Officer's Report estimating the value of excess and contributed assets(WS&S only)			
N6.3	Adjust the asset base used for pricing purposes to exclude contributed and excess assets (WS&S)			
N7	**Depreciation**			
N7.1	Determine the renewals annuity required to maintain asset condition (preferably under a Strategic Asset Management Plan and TMP or Asset Management Plan)	30/06/2002		
N7.2	Amend Councils' depreciation policy to fund depreciation on a renewals annuity basis where applicable	2002/3 Budget		
N7.3	Adopt the budget on a renewals annuity basis for funded depreciation, and implement related accounting transactions	2002/3 Budget		
N7.4	Apply the accounting depreciation to pricing decisions if there is no renewals annuity			

Item	*Description*	Due Date	Responsibility	*Status*
N8	**Rate of Return**			
N8.1	Review the capital structure and implement a debt swap up to a 60% debt to equity ratio, if desired	2002/3 Budget		
N8.2	Apply a rate of return based on the recommended factors to be achieved over a period of up to five years	2002/3 Budget		
N8.3	Determine price paths to achieve the required rate of return (taking all FCD factors into account, including CSO's).	2002/3 Budget		
N9	**Cost of Indirect Capital Usage**			
N9.1	Identify all assets used by the activities, including those under the responsibility of another part of the Council	2002/3 Budget		
N9.2	Ensure the charges (apportionment of administration and overheads) or plant hire charges incorporate a component for the cost of capital	2002/3 Budget		
N9.3	Base cost of capital estimates for council's financial resources on approach outlined in FCP guidelines and LGAQ Bulletin 06/01 (This could be achieved by introducing internal loans if appropriate, or charging local market hire rates, reviewed on an annual basis and set in the budget)	2002/3 Budget		
N9.4	Review the interest rate applied annually to ensure it takes account of prevailing interest rates and the equivalent commercial rate which would be applicable in the private sector	2002/3 Budget		
N10	**Tax Equivalents**			
N10.1	Use special rate codes to charge activities for general rates and land tax (if over the threshold);	2002/3 Budget		
N10.2	Use the on-cost process for charging payroll tax if above the payroll tax threshold and not already incurred	2002/3 Budget		
N10.3	If a pre-tax rate of return is not used, calculate income tax based on the accounting profits in accordance with guidelines. Incorporate in the annual budget and transfer by automatic journal monthly	N/A		
N10.4	Ensure that the correct GST is applied to prices set by Council	completed		
N10.5	Ensure that FBT is budgeted and charged to the relevant activities in Council	2002/3 Budget		

Item	*Description*	Due Date	Responsibility	*Status*
N11	**Community Service Obligations**			
N11.1	Council implements a CSO policy framework based on the council's corporate objectives (eg. Corporate Plan and Revenue Policy)	31/03/2002		
N11.2	Council resolution to provide a CSO in a particular activity	31/03/2002		
N11.3	Identify the cost of meeting the CSO	2002/3 Budget		
N11.4	Develop the budget to pay the CSO amount to the activity providing the service, possibly funded from the additional rate of return from the activity	2002/3 Budget		
N11.5	Document the CSO's in the Budget and Financial statements as per LGFS s94 and LGFS s95	2002/3 Budget		
N12	**Other Neutrality Adjustments**			
N12.1	If not applying a pre-tax rate of return, adjust the budget and accounting procedures for the benefit of the State Government debt guarantee, using automatic journals, using a separate natural account	N/A		
N12.2	Review the significance of any other advantages or disadvantages of public ownership, and adjust by applying automatic journals for any material CN adjustments which can be reasonably quantified	2002/3 Budget		
N13	**Complaints Process**			
N13.1	Pass the necessary Council resolutions to implement a complaints process	31/03/2002		
N13.2	Appoint a review officer or officers (either by the Council or delegating to the CEO the power to appoint review officers)	31/03/2002		
N14	**Ongoing**			
N14.1	Ensure that the Corporate planning is linked to all of council's operations	2002/3 Budget		
N14.2	Ensure that Operational and business activity planning is congruent	2002/3 Budget		
N14.3	Ensure management information systems include critical full cost pricing elements	2002/3 Budget		
N14.4	Develop financial and non-financial performance standards and KPI's for business activities	30/09/2002		
N14.5	Establish ongoing monitoring and adjustments of the process based on transparent KPI's and benchmarking	2003/4 Budget		

Item	*Description*	*Due Date*	Responsibility	*Status*
N14	**Ongoing (Cont)…**			
N14.6	Link the TMP/Asset Management Plans to the budget and accounting procedures	2003/4 Budget		
N14.7	Incorporate KPI's in the Operational Plans, and monitor and report to Council	2003/4 Budget		
W1	**Water Pricing**			
W1.1	Complete Part A or Part B report	31/03/2002		
W1.2	Council resolves to apply the COAG Water reforms and advise the QCA	30/04/2002		
W1.3	Council implements a two-part tariff structure with an access charge and usage charge	2002/3 Budget		
W1.4	Ensure approximately half of the water revenue comes from the usage charge (unless it can be demonstrated that the LRMC is lower).	2002/3 Budget		
W1.5	Ensure that the assessment of Full Cost Recovery forms part of the full cost decision-making for the water and sewerage business activity. If the Business is a Type I or II, the Council is applying commercialisation to the water and sewerage business activity	2002/3 Budget		
W1.6	Identify any cross subsidies by consumer group, report to Council, and incorporate in the Annual Report	Annual Report 2001		
W1.7	Provide evidence that CSO's have been identified, costed and funded	2002/3 Budget		
W1.8	Provide evidence that a process has been established for ongoing performance	2003/4 Budget		

ATTACHMENT 5

Type	Council	Business Activity	Reform being applied (to July 2001)	Competitive Neutrality		Pricing Detail		Comments
				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
TYPE 1 BUSINESSES								
Type 1	Brisbane	Brisbane Transport	Commercialisation	N	In House	All	Y	
Type 1	Brisbane	Cleansing (refuse)	Full Cost Pricing	N	In House	All	Y	
Type 1	Brisbane	Water and Sewerage	Commercialisation	N	In House	All	Y	
Type 1	Gold Coast	Cleansing (refuse)	Commercialisation	N	In House	All	Y	
Type 1	Gold Coast	Water and Sewerage	Commercialisation	N	In House	All	Y	
Type 1	Logan	Water and Sewerage	Commercialisation	N	QCA	Most	Y	
Type 1	Maroochy	Water and Sewerage	Commercialisation	N	In House	All	Y	
Type 1	Townsville	Water and Sewerage	Commercialisation	N	QCA	All	Y	
Type 1	Ipswich	Water and Sewerage	Commercialisation	N	In House	All	Y	
TYPE 2 BUSINESSES								
Type 2	Caboolture	Water and Sewerage	Commercialisation	N	In House	All	Y	
Type 2	Cairns	Refuse	Full Cost Pricing	N	In House	All	Y	
Type 2	Cairns	Water and Sewerage	Commercialisation	N	In House	All	Y	
Type 2	Caloundra	Water and Sewerage	Commercialisation	N	QCA	All	Y	
Type 2	Hervey Bay	Water and Sewerage	Commercialisation	N	QCA	All	Y	Council initially nominated this activity for commercialisation. Subsequently the activity has been corporatised.
Type 2	Ipswich	Cleansing (refuse)	Commercialisation	N	In House	All	Y	
Type 2	Logan	Cleansing (refuse)	Commercialisation	N	In House	All	Y	
Type 2	Mackay	Water and Sewerage	Commercialisation	N	QCA	Most	Y	
Type 2	Maroochy	Cleansing (refuse)	Full Cost Pricing	N	In House	All	Y	
Type 2	Noosa	Water and Sewerage	Commercialisation	N	QCA	Most	Y	
Type 2	Pine Rivers	Water and Sewerage	Commercialisation	N	QCA	Most	Y	
Type 2	Redland	Cleansing (refuse)	Commercialisation	N	In House	All	Y	
Type 2	Redland	Water and Sewerage	Commercialisation	N	QCA	All	Y	
Type 2	Rockhampton	Water and Sewerage	Commercialisation	N	QCA	Most	Y	
Type 2	Thuringowa	Water and Sewerage	Commercialisation	N	QCA	Many	Y	
Type 2	Toowoomba	Water and Sewerage	Full Cost Pricing	N	In House	Most	Y	
Type 2	Townsville	Cleansing (refuse)	Commercialisation	N	In House	All	Y	

Type	Council	Business Activity	Reform being applied (to July 2001)	Competitive Neutrality		Pricing Detail		Comments
				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
NEW TYPE 2 BUSINESSES								
New Type 2	Brisbane	City Parking	Commercialisation	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
New Type 2	Bundaberg	Water and Sewerage	Commercialisation	N	In House	Some	Y	Council has yet to establish a separate business unit for the activity.
New Type 2	Pine Rivers	Refuse Management	Commercialisation	N	In House	All	Y	
New Type 2	Redcliffe	Redcliffe Works	Commercialisation	N/A	N/A	N/A	N/A	Council has resolved to commercialise this activity.
TYPE 3 BUSINESSES								
Type 3	Aramac	Roads	Code of Competitive Conduct	N	Nil	Some	N	
Type 3	Banana	Roads	Code of Competitive Conduct	N	In House	Many	N	
Type 3	Barcoo	Roads	Code of Competitive Conduct	N	Nil	N/A	N	Council has resolved to apply the code from the 2001/2002 financial year.
Type 3	Beaudesert	Building Services	Code of Competitive Conduct	N	In House	Some	N	
Type 3	Beaudesert	Sports and Recreation	Code of Competitive Conduct	N	In House	Some	N	
Type 3	Blackall	Roads	Code of Competitive Conduct	N	QCA	N/A	N/A	Council has resolved to apply the code but no other information is available.
Type 3	Boonah	Private Works	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has resolved to apply the code but no other information is available.
Type 3	Booringa	Great Artesian Spa	Code of Competitive Conduct	N	In House	Most	Y	Council advised that many of the CSOs associated with this business have been identified.
Type 3	Booringa	Maranoa Retirement Village	Code of Competitive Conduct	N	In House	Most	Y	Council advised that many of the CSOs associated with this business have been identified.
Type 3	Brisbane	Brisbane Entertainment Centre	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Brisbane	Cemeteries and Crematoria	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Brisbane	City Assets	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Brisbane	City Design	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Brisbane	City Fleet	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Brisbane	City Hall Venues	Code of Competitive Conduct	N	In House	All	Y	

Type	Council	Business Activity	Reform being applied (to July 2001)	Competitive Neutrality		Pricing Detail		Comments
				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Type 3	Brisbane	City Pools	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Brisbane	External Road	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Brisbane	Golf Courses	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Brisbane	QEII Sports Complex	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Brisbane	Sleeman Sports Complex	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Bundaberg	Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has yet to resolve to apply the code to this business. The code is compulsory for type 3 roads activities.
Type 3	Burnett	Caravan Parks	Code of Competitive Conduct	N	In House	Many	Y	
Type 3	Caboolture	Building Services	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Caboolture	Caravan Parks	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Caboolture	Roads	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has yet to resolve to apply the code to this business. The code is compulsory for type 3 roads activities.
Type 3	Cairns	Building Services	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Cairns	Car Parking	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Cairns	Cemeteries	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Cairns	Cultural - City Place	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Cairns	Cultural - Civic Theatre	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Cairns	Cultural - Tank Art	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Cairns	Cultural - Ticketlink	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Cairns	Laboratory	Code of Competitive Conduct	N	In House	Many	Y	
Type 3	Cairns	Sports and Recreation	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Cairns	Tourism	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Calliope	Fleet Management	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Caloundra	Building Services	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.

Type	Council	Business Activity	Reform being applied (to July 2001)	Competitive Neutrality		Pricing Detail		Comments
				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Type 3	Caloundra	Caravan Parks	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Caloundra	Child Care	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Caloundra	Cultural	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Caloundra	Sports and Recreation	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Carpentaria	Plant and Equipment	Code of Competitive Conduct	N/A	Nil	Some	N	
Type 3	Cooloola	Building Services	Code of Competitive Conduct	N/A	Nil	Many	Y	Council investigated whether any CSOs applied to this activity and was unable to identify any.
Type 3	Cooloola	Recoverable Works	Code of Competitive Conduct	N/A	Nil	Many	Y	Council investigated whether any CSOs applied to this activity and was unable to identify any.
Type 3	Crows Nest	Highfields Cultural Centre	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Crows Nest	Roads	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Dalby	Natural Gas	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Dalby	Roads	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Dalrymple	Roads	Code of Competitive Conduct	N	QCA	Many	N	
Type 3	Emerald	Land Development	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Emerald	Private Works	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Gatton	Child Care	Code of Competitive Conduct	N/A	N/A	Some	N/A	Council provided no further information on this activity this year. In previous returns council indicated that it had resolved to apply the code.
Type 3	Gatton	Roads	Code of Competitive Conduct	N/A	N/A	Some	N/A	Council provided no further information on this activity this year. In previous returns council indicated that it had resolved to apply the code.
Type 3	Gold Coast	Building Services	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Gold Coast	Quarry	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.

Type	Council	Business Activity	Reform being applied (to July 2001)	Competitive Neutrality		Pricing Detail		Comments
				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Type 3	Gold Coast	Tourism	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Hervey Bay	Building Services	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Hervey Bay	Caravan Parks	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Hervey Bay	Roads	Code of Competitive Conduct	N	QCA	N/A	N	Council has not yet resolved to implement full cost recovery.
Type 3	Ipswich	Building Services	Code of Competitive Conduct	N	In House	Most	Y	Council inestigated whether any CSOs applied to this activity and was unable to identify any..
Type 3	Ipswich	Cultural	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Ipswich	Information Technology	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity. Council initially indicated activity would apply code of competitive conduct, however the activity has subsequently been corporatised.
Type 3	Ipswich	Plant Provider Unit	Code of Competitive Conduct	N	In House	Most	Y	Council advises that some CSOs have been funded.
Type 3	Ipswich	Sports and Recreation	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Isis	Private Works	Code of Competitive Conduct	N	In House	Some	N	
Type 3	Isisford	Quarry	Code of Competitive Conduct	N	In House	Some	Y	Council investigated whether any CSOs applied to this activity and was unable to identify any.
Type 3	Livingstone	Caravan Parks	Code of Competitive Conduct	N	In House	Some	N	
Type 3	Logan	Building Services	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Mackay	Building Services	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Mackay	Entertainment	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Mackay	Roads	Code of Competitive Conduct	N	QCA	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Mackay	Sports and Recreation	Code of Competitive Conduct	N	In House	Many	Y	
Type 3	Mareeba	Design	Code of Competitive Conduct	N	In House	Many	Y	Council advises that many CSOs have been identified.
Type 3	Mareeba	Laboratory	Code of Competitive Conduct	N	In House	Many	Y	Council advises that many CSOs have been identified.
Type 3	Maroochy	Aerodromes	Commercialisation	N	In House	All	Y	
Type 3	Maroochy	Building Services	Code of Competitive Conduct	N	In House	Many	Y	Council has resolved not to apply the code for the 2001/02 Financial Year
Type 3	Maroochy	Caravan Parks	Code of Competitive Conduct	N	In House	All	Y	Council has resolved to commercialise this activity.

Type	Council	Business Activity	Reform being applied (to July 2001)	Competitive Neutrality		Pricing Detail		Comments
				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Type 3	Maroochy	Cemetaries	Code of Competitive Conduct	N	In House	Many	Y	
Type 3	Maroochy	Child Care	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Maroochy	Cultural	Code of Competitive Conduct	N	In House	Many	Y	
Type 3	Maroochy	Design	Code of Competitive Conduct	N	In House	All	Y	Council has resolved not to apply the code for the 2001/02 Financial Year
Type 3	Maroochy	Quarry	Code of Competitive Conduct	N	In House	All	Y	Council has resolved to commercialise this activity.
Type 3	Maroochy	Roads	Code of Competitive Conduct	N	In House	Some	N	
Type 3	Maroochy	Sports and Recreation	Code of Competitive Conduct	N	In House	Many	Y	
Type 3	Mt Isa	Building Services	Code of Competitive Conduct	N/A	Nil	Many	Y	Council advised CSOs have been identified.
Type 3	Mt Isa	Entertainment	Code of Competitive Conduct	N/A	Nil	Many	Y	Council advised CSOs have been identified.
Type 3	Mt Isa	Roads	Code of Competitive Conduct	N	QCA	N/A	N/A	Council has recently resolved to apply the code to this activity.
Type 3	Mt Isa	Tourism	Code of Competitive Conduct	N/A	Nil	Most	Y	Council advised CSOs have been identified.
Type 3	Murgon	Tourism	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Murilla	Roads	Code of Competitive Conduct	N	QCA	Most	N	
Type 3	Nanango	Building Services	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Nanango	Plant and Equipment	Code of Competitive Conduct	N	In House	Some	N	
Type 3	Noosa	Building Services	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Noosa	Caravan Parks	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Noosa	Child Care	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Noosa	Quarry	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Noosa	Sports and Recreation	Code of Competitive Conduct	N	In House	Many	Y	Council advised CSOs have been identified.
Type 3	Peak Downs	Quarry	Code of Competitive Conduct	N	In House	Many	N	
Type 3	Pine Rivers	Building Services	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Pine Rivers	Child Care	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Pine Rivers	Commercial Properties	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Pine Rivers	Sports and Recreation	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Redcliffe	Cemeteries	Code of Competitive Conduct	N	In House	Many	Y	Council advised CSOs have been identified.
Type 3	Redcliffe	Entertainment	Code of Competitive Conduct	N	In House	Many	Y	Council advised CSOs have been identified.

Type	Council	Business Activity	Reform being applied (to July 2001)	Competitive Neutrality		Pricing Detail		Comments
				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Type 3	Redland	Building Services	Commercialisation	N	In House	N/A	N/A	Council previously advised its intention to commercialise this activity.
Type 3	Redland	Caravan Parks	Commercialisation	N	In House	N/A	N/A	Council previously advised its intention to commercialise this activity.
Type 3	Redland	Cemeteries	Commercialisation	N	In House	N/A	N/A	Council previously advised its intention to commercialise this activity.
Type 3	Redland	Child Care	Commercialisation	N	In House	N/A	N/A	Council previously advised its intention to commercialise this activity.
Type 3	Redland	Cultural	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Redland	Entertainment Centre/Hall	Commercialisation	N	In House	N/A	N/A	Council previously advised its intention to commercialise this activity.
Type 3	Redland	Family Day Care	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Redland	Land Development	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Redland	Outside School Hours Care	Commercialisation	N	In House	N/A	N/A	Council previously advised its intention to commercialise this activity.
Type 3	Redland	Private Works	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Redland	Respite Care	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Rockhampton	Aerodromes	Code of Competitive Conduct	N	In House	Some	Y	
Type 3	Rockhampton	Building Services	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Rockhampton	Entertainment	Code of Competitive Conduct	N	In House	Some	Y	
Type 3	Rockhampton	Roads	Code of Competitive Conduct	N	QCA	N/A	N/A	
Type 3	Tambo	Roads	Code of Competitive Conduct	N	In House	All	Y	Council investigated whether any CSOs applied to this activity and was unable to identify any.
Type 3	Thuringowa	Building Services	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Tiaro	Private Works	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has resolved to apply the code of conduct
Type 3	Tiaro	Roads	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has resolved to apply the code of conduct
Type 3	Toowoomba	Cemeteries	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Toowoomba	Competitive Development Assessment	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Toowoomba	Entertainment	Code of Competitive Conduct	N	In House	All	Y	Council has subsequently corporatised this activity.
Type 3	Toowoomba	Laboratory	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.

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				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Type 3	Toowoomba	Roads	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Toowoomba	Sports and Recreation	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Torres	Private Works	Code of Competitive Conduct	N	In House	Some	N	
Type 3	Townsville	Building Services	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Townsville	Commercial Properties	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Townsville	Land Development	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Townsville	Nurseries	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Townsville	Plant and Equipment	Code of Competitive Conduct	N	In House	All	Y	
Type 3	Wambo	Design	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Wambo	Laboratory	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Type 3	Wambo	Quarry	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Wambo	Roads	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Warwick	Parks and Gardens	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Warwick	Recreation and Aquatic Centre	Code of Competitive Conduct	N	In House	Most	Y	
Type 3	Warwick	Saleyards	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Warwick	Workshop and Plant Hire	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Type 3	Whitsunday	Aerodromes	Code of Competitive Conduct	N	In House	Many	N	
Type 3	Whitsunday	Jetty	Code of Competitive Conduct	N	In House	Many	N	
Type 3	Whitsunday	Quarry	Code of Competitive Conduct	N	In House	All	N	
Type 3	Winton	Private Works	Code of Competitive Conduct	N/A	Nil	Many	N	
Type 3	Winton	Roads	Code of Competitive Conduct	N/A	Nil	Many	N	
Type 3	Beaudesert	Roads	Code of Competitive Conduct	N	In House	Many	N	
NON TYPE 3 BUSINESSES								
Non Type 3	Aramac	Private Works	Code of Competitive Conduct	N	Nil	Some	N	

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				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Non Type 3	Banana	Cultural	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Banana	Other Roads	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Banana	Private Works	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Banana	Refuse Management	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Banana	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Barcaldine	Other Roads	Code of Competitive Conduct	N	QCA	Some	N	
Non Type 3	Barcaldine	Quarry	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Barcaldine	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Barcoo	Other Roads	Code of Competitive Conduct	N	Nil	N/A	N	Council has resolved to apply the code from the 2001/2002 financial year.
Non Type 3	Beaudesert	Other Roads	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Beaudesert	Refuse Management	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Beaudesert	Water and Sewerage	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Biggenden	Other Roads	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has resolved to apply the code, no other information is available.
Non Type 3	Blackall	Other Roads	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has resolved to apply the code, no other information is available.
Non Type 3	Booringa	Other Roads	Code of Competitive Conduct	N	In House	Most	Y	Council advised that many of the CSOs associated with this business have been identified.
Non Type 3	Booringa	Water and Sewerage	Code of Competitive Conduct	N	In House	Most	Y	Council advised that many of the CSOs associated with this business have been identified.
Non Type 3	Boulia	Other Roads	Code of Competitive Conduct	N	In House	All	Y	Process in place to identify CSOs. None identified at this stage. Competitive Neutrality complaints process partially established.
Non Type 3	Boulia	Plant and Equipment Hire	Code of Competitive Conduct	N	In House	All	Y	Competitive Neutrality Complaints process partially established.
Non Type 3	Bowen	Other Roads	Code of Competitive Conduct	N	In House	N/A	N	Council has not yet resolved to implement full cost recovery.
Non Type 3	Bowen	Plant and Equipment	Code of Competitive Conduct	N	In House	N/A	N	Council has not yet resolved to implement full cost recovery.
Non Type 3	Bowen	Plant and Equipment Hire	Code of Competitive Conduct	N	In House	N/A	N	Council has not yet resolved to implement full cost recovery.
Non Type 3	Bowen	Quarry	Code of Competitive Conduct	N	In House	N/A	N	Council has not yet resolved to implement full cost recovery.
Non Type 3	Bowen	Water and Sewerage	Code of Competitive Conduct	N	In House	N/A	N	Council has not yet resolved to implement full cost recovery.
Non Type 3	Brisbane	Plumbing Certification	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Brisbane	River City Technology	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Broadsound	Other Roads	Code of Competitive Conduct	N	QCA	N/A	N/A	

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Non Type 3	Burdekin	Refuse Management	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council is undertaking a public benefit analysis to establish whether to apply the code.
Non Type 3	Burnett	Other Roads	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Burnett	Refuse Management	Code of Competitive Conduct	N	In House	Many	Y	
Non Type 3	Burnett	Water and Sewerage	Code of Competitive Conduct	N	In House	Many	Y	
Non Type 3	Calliope	Other Roads	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Calliope	Park Maintenance	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Calliope	Private Works	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Calliope	Refuse Management	Code of Competitive Conduct	N	In House	Many	Y	
Non Type 3	Calliope	Water and Sewerage	Code of Competitive Conduct	N	In House	Most	Y	
Non Type 3	Caloundra	Other Roads	Code of Competitive Conduct	N	In House	N/A	N	Council has resolved to apply the Code to its Construction and Maintenace Service Unit of which this activity forms a part.
Non Type 3	Caloundra	Parks and Gardens	Code of Competitive Conduct	N	In House	N/A	N	Council has resolved to apply the Code to its Construction and Maintenace Service Unit of which this activity forms a part.
Non Type 3	Caloundra	Refuse Management	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Cambooya	Other Roads	Code of Competitive Conduct	N	QCA	Some	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Carpentaria	Other Roads	Code of Competitive Conduct	N/A	Nil	Some	N	
Non Type 3	Carpentaria	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Some	N	
Non Type 3	Charters Towers	Other Roads	Code of Competitive Conduct	N/A	Nil	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Charters Towers	Refuse Management	Code of Competitive Conduct	N/A	Nil	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Charters Towers	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Many	N	
Non Type 3	Chinchilla	Land Development	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Chinchilla	Other Roads	Code of Competitive Conduct	N	QCA	Some	N	
Non Type 3	Chinchilla	Plant and Equipment	Code of Competitive Conduct	N	In House	Most	N	
Non Type 3	Chinchilla	Water and Sewerage	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Clifton	Other Roads	Code of Competitive Conduct	N/A	Nil	N/A	Y	Council has not yet resolved to implement full cost recovery.
Non Type 3	Cooloola	Other Roads	Code of Competitive Conduct	N	QCA	N/A	N/A	
Non Type 3	Cooloola	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Many	Y	Council investigated whether any CSOs applied to this activity and was unable to identify any.
Non Type 3	Crows Nest	Commercial Properties	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Crows Nest	Other Roads	Code of Competitive Conduct	N	QCA	All	Y	

				Competitive Neutrality		Pricing Detail		
Type	Council	Business Activity	Reform being applied (to July 2001)	Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	Comments
Non Type 3	Crows Nest	Plant and Equipment	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Crows Nest	Water and Sewerage	Code of Competitive Conduct	N	In House	All	Y	Council advised that most of the CSOs associated with this business have been identified.
Non Type 3	Dalby	Other Roads	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Dalby	Refuse Management	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Dalby	Water and Sewerage	Code of Competitive Conduct	N	In House	Most	Y	
Non Type 3	Diamantina	Other Roads	Code of Competitive Conduct	N	In House	Most	Y	Council investigated whether any CSOs applied to this activity and was unable to identify any.
Non Type 3	Duaringa	Other Roads	Code of Competitive Conduct	N	QCA	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Eacham	Other Roads	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Eacham	Refuse Management	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Eacham	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Emerald	Other Roads	Code of Competitive Conduct	N	In House	Some	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Emerald	Refuse Management	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Emerald	Water and Sewerage	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Esk	Other Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Esk	Refuse Management	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Esk	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	Y	
Non Type 3	Etheridge	Other Roads	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Gatton	Other Roads	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council provided no further information on this activity this year. In previous returns council indicated that it had resolved to apply the code.
Non Type 3	Gatton	Refuse Management	Code of Competitive Conduct	N/A	N/A	Some	N/A	Council provided no further information on this activity this year. In previous returns council indicated that it had resolved to apply the code.
Non Type 3	Gatton	Water and Sewerage	Code of Competitive Conduct	N/A	N/A	Some	N/A	Council provided no further information on this activity this year. In previous returns council indicated that it had resolved to apply the code.
Non Type 3	Hervey Bay	Aerodromes	Code of Competitive Conduct	N	In House	All	N	
Non Type 3	Hervey Bay	Refuse Management	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.

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Non Type 3	Hinchinbrook	Other Roads	Code of Competitive Conduct	N	In House	Many	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Hinchinbrook	Water and Sewerage	Code of Competitive Conduct	N	In House	Most	Y	
Non Type 3	Ipswich	Other Roads	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Isis	Other Roads	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Isis	Refuse Management	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Isis	Sports and Recreation	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Isis	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Isisford	Other Roads	Code of Competitive Conduct	N	In House	Some	Y	Council investigated whether any CSOs applied to this activity and was unable to identify any.
Non Type 3	Jericho	Other Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Jericho	Water and Sewerage	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Kilcoy	Other Roads	Code of Competitive Conduct	N/A	Nil	Some	N	
Non Type 3	Kilcoy	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Many	N	
Non Type 3	Kilkivan	Other Roads	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Kilkivan	Roads	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Kilkivan	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Some	N	
Non Type 3	Kingaroy	Other Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Competitive Neutrality Complaints process partially established. Council has resolved to apply the code from the 2001/2002 financial year.
Non Type 3	Kingaroy	Refuse Management	Code of Competitive Conduct	N	In House	N/A	N/A	Competitive Neutrality Complaints process partially established. Council has resolved to apply the code from the 2001/2002 financial year.
Non Type 3	Kingaroy	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	Council has resolved to apply the code from the 2001/2002 financial year.
Non Type 3	Livingstone	Refuse Management	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Livingstone	Water and Sewerage	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Mackay	Cemetaries	Code of Competitive Conduct	N	In House	Many	Y	
Non Type 3	Mackay	Land Development	Code of Competitive Conduct	N	In House	Many	Y	
Non Type 3	Mackay	Other Roads	Code of Competitive Conduct	N	In House	Many	Y	
Non Type 3	Mackay	Plant and Equipment	Code of Competitive Conduct	N	In House	Many	Y	
Non Type 3	Mackay	Plumbing Permits and Inspections	Code of Competitive Conduct	N	In House	All	Y	
Non Type 3	Mackay	Public Toilets	Code of Competitive Conduct	N	In House	Most	Y	

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Non Type 3	Mackay	Refuse Management	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Mackay	Workshop	Code of Competitive Conduct	N	In House	Most	Y	
Non Type 3	Mareeba	Other Roads	Code of Competitive Conduct	N	In House	Some	Y	Council advises that many CSOs have been identified.
Non Type 3	Mareeba	Refuse Management	Code of Competitive Conduct	N	In House	All	Y	Council advises that many CSOs have been identified.
Non Type 3	Mareeba	Water and Sewerage	Code of Competitive Conduct	N	In House	All	Y	Council advises that many CSOs have been identified.
Non Type 3	Mareeba	Workshop	Code of Competitive Conduct	N	In House	Most	Y	Council advises that many CSOs have been identified.
Non Type 3	Maroochy	Other Roads	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Maryborough	Aerodromes	Code of Competitive Conduct	N	In House	Some	Y	
Non Type 3	Maryborough	Refuse Management	Code of Competitive Conduct	N/A	Nil	Some	Y	Council investigated whether any CSOs applied to this activity and was unable to identify any.
Non Type 3	Maryborough	Showground	Code of Competitive Conduct	N/A	Nil	Some	Y	
Non Type 3	Maryborough	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Some	Y	Council inestigated whether any CSOs applied to this activity and was unable to identify any..
Non Type 3	Miriam Vale	Other Roads	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has previously resolved to implement full cost pricing. No further information is available.
Non Type 3	Miriam Vale	Water and Sewerage	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has previously resolved to implement full cost pricing. No further information is available.
Non Type 3	Mt Isa	Refuse Management	Code of Competitive Conduct	N/A	Nil	Most	Y	Council inestigated whether any CSOs applied to this activity and was unable to identify any..
Non Type 3	Mt Isa	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Most	Y	Council inestigated whether any CSOs applied to this activity and was unable to identify any..
Non Type 3	Mundubbera	Roads	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Mundubbera	Water and Sewerage	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Murgon	Other Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Murgon	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Murilla	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Nanango	Other Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Nanango	Refuse Management	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Nanango	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Noosa	Refuse Management	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Paroo	Other Roads	Code of Competitive Conduct	N	QCA	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Paroo	Water and Sewerage	Code of Competitive Conduct	N	In House	Some	N	

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				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Non Type 3	Peak Downs	Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Peak Downs	Water and Sewerage	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Quilpy	Other Roads	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Redcliffe	Other Roads	Code of Competitive Conduct	N	In House	Many	Y	Council advised CSOs have been identified.
Non Type 3	Redcliffe	Refuse Management	Code of Competitive Conduct	N	In House	Many	Y	Council advised CSOs have been identified.
Non Type 3	Redcliffe	Water and Sewerage	Code of Competitive Conduct	N	In House	Many	Y	Council advised CSOs have been identified.
Non Type 3	Redland	Other Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Redland	Plant and Equipment	Commercialisation	N	In House	N/A	N/A	Council previously advised its intention to commercialise this activity.
Non Type 3	Redland	Quarry	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Rockhampton	Refuse Management	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Tambo	Other Roads	Code of Competitive Conduct	N	In House	All	Y	Council inestigated whether any CSOs applied to this activity and was unable to identify any..
Non Type 3	Taroom	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Some	N	
Non Type 3	Tiaro	Other Roads	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has resolved to apply the code of conduct
Non Type 3	Tiaro	Refuse Management	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has resolved to apply the code of conduct
Non Type 3	Tiaro	Water and Sewerage	Code of Competitive Conduct	N/A	N/A	N/A	N/A	Council has resolved to apply the code of conduct
Non Type 3	Torres	Other Roads	Code of Competitive Conduct	N	In House	Some	N	
Non Type 3	Torres	Water and Sewerage	Code of Competitive Conduct	N	In House	Many	Y	
Non Type 3	Townsville	Other Roads	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Wambo	Other Roads	Code of Competitive Conduct	N	In House	All	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Warwick	Other Roads	Code of Competitive Conduct	N	In House	Most	Y	
Non Type 3	Warwick	Refuse Management	Code of Competitive Conduct	N	In House	Most	Y	Council has a policy in place to identify CSOs. None were identified for this activity.
Non Type 3	Warwick	Water and Sewerage	Code of Competitive Conduct	N	In House	Most	Y	
Non Type 3	Whitsunday	Building Services	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Whitsunday	Other Roads	Code of Competitive Conduct	N	In House	Most	N	
Non Type 3	Whitsunday	Water and Sewerage	Code of Competitive Conduct	N	In House	Many	N	
Non Type 3	Winton	Other Roads	Code of Competitive Conduct	N/A	Nil	Many	N	
Non Type 3	Winton	Water and Sewerage	Code of Competitive Conduct	N/A	Nil	Most	N	

Type	Council	Business Activity	Reform being applied (to July 2001)	Competitive Neutrality		Pricing Detail		Comments
				Complaints Received	Form of Process (QCA or In-House)	Level of Full Cost Pricing Utilised	CSOs Identified, Costed and Funded?	
Non Type 3	Wondai	Other Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Wondai	Water and Sewerage	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.
Non Type 3	Woocoo	Other Roads	Code of Competitive Conduct	N	In House	N/A	N/A	Council has not yet resolved to implement full cost recovery.

ATTACHMENT 6

GLOSSARY FOR SECTION 9.0 WATER REFORMS

The following glossary is intended as a guide to the acronyms and technical terms used in Section 9.0 Water Reforms.

BMAP	Business Management Assistance Program
CoAG	Council of Australian Governments
CSO	Community Service Obligation
DLGP	Department of Local Government and Planning
DNRM	Department of Natural Resources and Mines
FIP	Local Government NCP Financial Incentive Package
GAWB	Gladstone Area Water Board
LGAQ	Local Government Association of Queensland
MIWB	Mount Isa Water Board
QCA	Queensland Competition Authority
ROP	Resource Operations Plan. ROPs state infrastructure operations rules, water sharing and transfer rules, and operational responsibilities of a water storage manager, under the *Water Act 2000*.
TER	Tax Equivalent Regime
TTWSB	Townsville Thuringowa Water Supply Board (trading as NQ Water)
WACC	Weighted Average Cost of Capital
WRP	Water Resource Plan. WRPs are a basin-wide planning process involving the assessment of environmental flow requirements, water entitlements and development potential. WRPs are being prepared by DNRM for each major catchment in the State.

ATTACHMENT 8

	Number of Water Connections	2 Pt Tarriff Assessment Completed?	Assesment found 2 pt cost effective?	Has Council Resolved to Implement 2 Pt Tariff?	Comments	Level of Full Cost Recovery Utilised (None, Some, Many, Most, All)	CSOs Identified, Costed and Funded	Cross Subsidies Identified	WACC Water	WACC Combined Water & Sewerage
18 LARGEST LOCAL GOVERNMENTS										
Brisbane City Council	347,342	Y	Y	Y		All	Y	Y	N/A	8.87%
Gold Coast City Council	182,730	Y	Y	N	Cross Subsidy report conducted and established that no cross subsidies exist within business.	All	Y	Y	N/A	8.90%
Logan City Council	59,347	Y	Y	Y		Most	Y	Y	5.24%	2.41%
Redland Shire Council	56,219	Y	Y	Y		All	Y	Y	N/A	5.19%
Maroochy Shire Council	49,000	Y	Y	Y		All	Y	Y	4.70%	4.70%
Cairns City Council	48,214	Y	Y	Y		All	Y	Y	N/A	5.40%
Ipswich City Council	44,360	Y	Y	Y	Cross Subsidy report conducted and established that no cross subsidies exist within business.	All	Y	Y	N/A	6.50%
Pine Rivers Shire Council	39,710	Y	Y	Y	2 Part Tariff will be implemented from 01/07/2002.	Most	Y	Y	6.80%	6.80%
Caboolture Shire Council	39,270	Y	Y	Y		All	Y	Y	7.52%	7.32%
Townsville City Council	34,818	Y	N	N		All	Y	Y	N/A	3.90%
Toowoomba City Council	34,080	Y	Y	Y		Most	Y	Y	N/A	3.44%
Caloundra City Council	28,889	Y	Y	Y		All	Y	Y	-0.06%	1.75%
Mackay City Council	25,653	Y	Y	Y	Cross Subsidy report conducted and established that no cross subsidies exist within business.	Most	Y	Y	4.73%	5.60%
Hervey Bay City Council	19,227	Y	Y	Y		All	Y	Y	0.86%	1.33%

	Number of Water Connections	2 Pt Tarriff Assessment Completed?	Assesment found 2 pt cost effective?	Has Council Resolved to Implement 2 Pt Tariff?	Comments	Level of Full Cost Recovery Utilised (None, Some, Many, Most, All)	CSOs Identified, Costed and Funded	Cross Subsidies Identified	WACC Water	WACC Combined Water & Sewerage
Noosa Shire Council	18,971	Y	Y	Y	Cross Subsidy report conducted and established that no cross subsidies exist within business.	Most	Y	Y	3.10%	4.20%
Thuringowa City Council	18,474	Y	Y	Y	Cross Subsidy report conducted and established that no cross subsidies exist within business.	Many	Y	Y	0.02%	0.59%
Bundaberg City Council	16,342	Y	Y	Y		Some	Y	Y	-2.88%	-2.05%
Rockhampton City Council	N/A	Y	N	n/a	Council has resolved to further consider a two part tariff as part of their 2002/03 budgetary process.	Most	Y	Y	N/A	3.54%
LOCAL GOVERMENTS WITH GREATER THAN 5000 WATER CONNECTIONS										
Redcliffe City Council	20,956	Y	Y	Y		Most	N	N	-3.06%	-2.00%
Gladstone City Council	10,201	Y	Y	Y	2 Part Tariff will be implemented from 01/07/2002.	Not Indictated	N	N	No information	
Maryborough City Council	9,326	Y	N	N		Some	N	N	6.30%	2.50%
Cooloola Shire Council	8,308	Y	Y	Y	2 Part Tariff will be implemented from 01/07/2002.	All	N	N	5.89%	5.30%
Livingstone Shire Council	7,511	Y	Y	Y	2 Part Tariff will be implemented from 01/07/2002.	All	N	N	2.85%	3.64%
Johnstone Shire Council	7,428	Y	Y	Y		Many	N	N	No information	
Mount Isa City Council	7,004	Y	N	N		All	Y	N	4.63%	3.18%
Warwick Shire Council	6,506	Y	Y	Y		Most	Y	Y	2.49%	2.75%
Beaudesert Shire Council	6,253	Y	Y	Y		All	N	N	3.14%	4.27%
Burdekin Shire Council	6,121	Y	Y	Y		Many	N	N	0.18%	0.18%
Burnett Shire Council	5,442	Y	Y	Y		All	Y	Y	11.98%	9.06%

	Number of Water Connections	2 Pt Tarriff Assessment Completed?	Assesment found 2 pt cost effective?	Has Council Resolved to Implement 2 Pt Tariff?	Comments	Level of Full Cost Recovery Utilised (None, Some, Many, Most, All)	CSOs Identified, Costed and Funded	Cross Subsidies Identified	WACC Water	WACC Combined Water & Sewerage
LOCAL GOVERNMENTS WITH 1000 TO 5000 WATER CONNECTIONS										
Douglas Shire Council	4,662	N		N	Council provided no return this year.	Not Indicated			No information	
Hinchinbrook Shire Council	4,541	Y	Y	Y		Most	Y	Y	7.77%	4.51%
Whitsunday Shire Council	4,536	Y	N	N		Many	N	N	N/A	4.47%
Bowen Shire Council	4,277	Y	Y	N		Many	N	N	-0.58%	-0.08%
Mareeba Shire Council	4,247	Y	Y	Y		All	Y	N	5.90%	3.30%
Emerald Shire Council	4,128	N	n/a	Y	Already had a 2 part tariff in place.	All	Y	Y	7.21%	6.79%
Dalby Town Council	4,119	Y	Y	Y		Most	Y	N	3.88%	2.70%
Atherton Shire Council	4,091	Y	Y	Y		Many	N	N	No information	
Cardwell Shire Council	4,001	Y	N	N		Many	N	N	No information	
Kingaroy Shire Council	3,972	Y	Y	Y		Many	N	N	return on Capital	
Calliope Shire Council	3,945	Y	Y	Y		Most	Y	Y	1.30%	0.46%
Banana Shire Council	3,643	Y	N	N		Some	N	N	-1.12%	-1.53%
Belyando Shire Council	3,598	N		N	Council provided no return this year	Not Indicated	N	N	No information	
Jondaryan Shire Council	3,310	Y	Y	Y	Council provided no return this year	Not Indicated	N	N	No information	
Charters Towers City Council	3,220	Y	Y	N		Many	N	N	0.69%	0.31%
Gatton Shire Council	3,018	Y	Y	Y		Most	N	N	17.20%	12.00%
Sarina Shire Council	2,783	N		N	Council provided no return this year	Not Indicated	N	N	No information	
Crow's Nest Shire Council	2,754	Y	Y	Y		All	Y	N	8.79%	7.60%
Roma Town Council	2,735	N		N		Not Indicated				
Esk Shire Council	2,673	Y	Y	Y	2 PT not yet implemented	Some	Y	N	2.81%	0.94%
Duaringa Shire Council	2,546	Y	N	N	Council provided no return this year	Not Indicated			No information	
Stanthorpe Shire Council	2,418	Y	Y	Y		Most	N	N	-0.01%	-0.26%
Cloncurry Shire Council	2,308	Y	N	N		Some	N	N	No information	
Broadsound Shire Council	2,227	N		N	To implement 2 PT on 1 July 2002.	Not Indicated			No information	
Goondiwindi Town Council	2,089	Y	N	N	Council provided no return this year	Not Indicated	N	N	No information	

	Number of Water Connections	2 Pt Tarriff Assessment Completed?	Assesment found 2 pt cost effective?	Has Council Resolved to Implement 2 Pt Tariff?	Comments	Level of Full Cost Recovery Utilised (None, Some, Many, Most, All)	CSOs Identified, Costed and Funded	Cross Subsidies Identified	WACC Water	WACC Combined Water & Sewerage
Chinchilla Shire Council	1,789	Y	Y	Y		Most	N	N	1.91%	-1.93%
Boonah Shire Council	1,769	Y	Y	Y	Council provided no return this year	Not Indicated	Y	N	No information	
Isis Shire Council	1,652	Y	Y	Y		Some	N	N	N/A	0.15%
Mundubbera Shire Council	1,529	Y	Y	Y		Many	N	N	4.70%	3.30%
Rosalie Shire Council	1,472	Y	Y	Y		Some	N	N	No information	
Balonne Shire Council	1,450	Y	Y	Y	2 schemes	Some	N	N	-0.20%	0.18%
Fitzroy Shire Council	1,419	Y	Y	Y		Some	N	N	No information	
Longreach Shire Council	1,404	N		N		Many	N	N	No information	
Wondai Shire Council	1,380	Y	Y	Y		Many	N	N	No information	
Eacham Shire Council	1,220	Y	Y	Y	Timetable for implementing 2pt yet to be established	Many	N	N	4.90%	6.40%
Herberton Shire Council	1,189	N		N	Council has previously resolved to undertake a report.	Many	N	N	No information	
Pittsworth Shire Council	1,114	Y	Y	Y		Many	N	N	No information	
Murgon Shire Council	N/A	Y	Y	Y		All	N	N	3.40%	13.40%
Nanango Shire Council	N/A	Y	Y	Y		Many	N	N	No return on Capital	
Paroo Shire Council	N/A	Y	N	N		Many	N	N	No information	
Peak Downs	N/A	Y	N	N		Not Indicated	N	N	N/A	3.54%