



**REPORT TO THE NATIONAL COMPETITION COUNCIL  
IMPLEMENTATION OF NATIONAL COMPETITION POLICY  
AND RELATED REFORMS**

**IN**

**SOUTH AUSTRALIA**

**MARCH 2000**

## ABBREVIATIONS

ACCC	Australian Competition and Consumer Commission
ANZMEC	Australia and New Zealand Mines and Energy Council
ARMCANZ	Agriculture & Resource Management Council of Australia and New Zealand
CCA	Conduct Code Agreement
COAG	Council of Australian Governments
CPA	Competition Principles Agreement
GBE	Government Business Enterprise
GBE Act	Government Business Enterprises (Competition) Act 1996
GRIG	Gas Reform Implementation Group
LGA	Local Government Association
NCC	National Competition Council
NCP	National Competition Policy
NEM	National Electricity Market
NRTC	National Road Transport Commission
OLG	Office of Local Government
SAIPAR	South Australian Independent Pricing and Access Regulator
TPA	Trade Practices Act 1974

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## 1. INTRODUCTION

This report summarises progress during calendar year 1999 by the South Australian Government in implementing the obligations contained in the three Intergovernmental Agreements (National Competition Policy Agreements) endorsed by the Council of Australian Governments (CoAG) on 11 April 1995 -

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

The report fulfils the formal requirements of the Competition Principles Agreement (CPA) to publish an annual report concerning implementation of competitive neutrality requirements (refer CPA, Clause 3.(10)) and legislation review requirements (refer CPA, Clause 5.(10)). Other aspects of competition policy are also covered.

It can be read in conjunction with the SA Government's three previous annual reports to the National Competition Council (NCC) covering calendar years 1996, 1997 and 1998. Also relevant are the NCC's first and second tranche assessment reports, and supplementary reports on those assessments. All these reports are listed in the bibliography.

This report is structured under the broad headings of Conduct Code Agreement, Competition Principles Agreement, and Related Reforms. A small bibliography provides details of relevant publications.

The report has been prepared by the Department of the Premier and Cabinet, in consultation with other agencies of the SA Government, including particularly the Department of Treasury and Finance, Justice Department, Department of Environment & Heritage, and Department for Transport, Urban Planning & the Arts. Inquiries about the report may be directed to the Economic Reform Branch, Department of the Premier and Cabinet, telephone (08) 8226 0903.

## 2. CONDUCT CODE AGREEMENT

The Conduct Code Agreement (CCA) obliges the South Australian Government to enact Application of Laws legislation to apply the Competition Code, without modification, in South Australia. The Competition Code (effectively the restrictive business practice provisions of Part IV of the *Trade Practices Act, 1974 (C/wth)*) is applied to all persons in South Australia, including the Crown in so far as it carries on a business.

Clause 2.(1) of the CCA requires that written notice of all exemptions made by State law, in reliance on section 51.(1) of the *Trade Practices Act*, will be given to the Australian Competition and Consumer Commission (ACCC) within 30 days of enactment. Clause 2.(3) requires written notice to be given to the ACCC by 20 July 1998 of section 51.(1) exemptions in existence at the commencement of the CCA and which will continue to have effect after 20 July 1998.

The *Competition Policy Reform (South Australia) Act, 1996 (SA)* and the *Competition Policy Reform (South Australia) Savings and Transitional Regulations, 1996 (SA)* came into force on 21 July 1996, and have continued in operation unaltered since that date. This legislation satisfies the obligations contained in clause 5 of the CCA. It applies the Competition Code to all persons coming within South Australia's jurisdictional reach, including those unincorporated persons, not engaged in interstate or foreign trade or commerce, to whom Part IV of the *Trade Practices Act* does not apply for constitutional reasons.

Over the last three and a half years, SA Government business agencies have become more familiar with the requirements of the competition laws and consequently there have been no allegations of contraventions by them during the reporting period. Nevertheless, the Government is aware of the requirement for its agencies to put compliance programs in place, and to maintain compliance awareness. Over the last three and a half years several agencies assessed as most at risk have been targeted with compliance seminars. The Crown Solicitor's Office maintains a Competition Law Unit that can assist agencies with Trade Practices compliance and risk management. The Competition Law Unit maintains contact with the ACCC Adelaide Regional Office on issues that concern both the Government and the ACCC, including substantive trade practices matters and matters of mutual policy interest.

Within the reporting period, South Australia has not enacted any new section 51.(1) exemptions required to be notified pursuant to clause 2.(1) of the CCA.

As part of the SA Government's obligation to review its legislation under clause 5 of the CPA, the Department of Primary Industries & Resources has undertaken a legislative review of the *Dairy Industry Act 1992*. The review has recommended that, subject to agreement between the Commonwealth and the States, the provisions dealing with price equalisation and regulation, which include the section 51 exemption, should be removed from the *Dairy Industry Act*. It is anticipated that, in accordance with the Commonwealth deregulation and industry restructuring package, these changes will be in effect by 1 July 2000.

### **3. COMPETITION PRINCIPLES AGREEMENT**

The Competition Principles Agreement puts in place policy elements additional to those contained in the Conduct Code which are considered essential for a comprehensive National Competition Policy. These additional policy elements are:

- independent oversight of prices charged by monopoly Government businesses;
- competitive neutrality, to ensure significant Government businesses do not enjoy any net competitive advantage simply as a result of public sector ownership;
- structural reform of public monopolies prior to privatisation or introducing competition to the market supplied by the monopoly;
- review of legislation which restricts competition;
- third party access to services provided by means of significant infrastructure facilities;
- application of these principles to Local Government.

### 3.1 PRICES OVERSIGHT

The *Government Business Enterprises (Competition) Act 1996* came into operation on 15 August 1996. The Act establishes an independent prices oversight mechanism by a Competition Commissioner for monopoly or near monopoly Government Business Enterprises (GBEs) and provides for public consultation as part of the mechanism. SA Water Corporation was declared for prices oversight under this Act in October 1996. The declaration was for a period until 21 November 1999. During 1999 no other GBEs were declared for prices oversight.

The declaration of SA Water was allowed to lapse on 21 November 1999 for two reasons. One was the passage of the *Independent Industry Regulator Act 1999* which created the SA Independent Industry Regulator. While the electricity supply industry is the only industry covered by the SA Independent Industry Regulator at present, the Act allows other industries to be brought within scope in future.

The second factor was that future regulatory arrangements for water and sewerage pricing are currently being considered. The Government released a discussion paper on water pricing on 6 December 1999, and a discussion paper on sewerage pricing on 7 March 2000. Comments were invited by 15 February and 28 April 2000 respectively. The Government aims to determine its future direction for water and sewerage charges by mid 2000.

### 3.2 COMPETITIVE NEUTRALITY

This section provides the Government's annual report for the 12 months to December 1999 on the implementation of the competitive neutrality policy and principles, as required by Clause 3.(10) of the CPA.
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Competitive neutrality principles are being progressively applied to the Government's significant business activities. The timetable for implementation was outlined in the Government's original competitive neutrality policy statement of June 1996 and was updated in a revised policy statement endorsed by Cabinet in March 1999, which is expected to be published in April or May 2000.

The principles of competitive neutrality under section 16 of the *Government Business Enterprises (Competition) Act 1996* were proclaimed on 12 June 1997. The basic competitive neutrality principles are corporatisation, tax equivalent payments, debt guarantee fees and private sector equivalent regulation. Where application of these four principles is inappropriate, the CPA specifies that prices charged by significant Government business activities should reflect full cost attribution. The mechanism chosen to achieve competitive neutrality depends on the extent to which potential benefits outweigh the costs.

The original proclamation identified seven Category 1 Government businesses (ie those with revenue greater than \$2 million or assets valued at greater than \$20 million). Further gazettals were made on 7 May 1998 and 13 May 1999 so that a total of 31 Category 1 government business activities and 17 Category 2 business activities are now identified.

A Guide to the Implementation of Competitive Neutrality was prepared in March 1998 to assist agencies responsible for implementing the principles of competitive neutrality. Considerable progress has been made in implementing the principles of competitive neutrality for the majority of Category 1 government businesses. Work is also in progress for a number of Category 2 government businesses, especially in respect to the implementation of cost reflective pricing.

To date, the following reforms have been implemented or are underway for Category 1 businesses -

- Corporatisation of water and ports utilities;
- Leasing electricity businesses to private sector operators;
- Completion of the corporatisation of the Adelaide Festival Centre Trust and TransAdelaide;
- Implementation of corporatisation plans for Public Trustee and Forestry SA is well underway;
- Commercialisation of the West Beach Trust and the Enfield General Cemetery Trust is also at an advanced stage;
- Commercialisation of Police Security Services Division of the South Australian Police has commenced;
- Reviews of the most appropriate competitive neutrality reforms have been undertaken for most Category 1 government businesses and implementation is underway;
- Scoping reviews were undertaken in respect of SAGRIC International Pty Ltd, TAB and the Lotteries Commission during 1999 as part of the Government's asset sales program. In February 2000 the Government announced that the TAB and the Lotteries Commission would be sold by way of a trade sale. Further details will be announced during the course of the calendar year 2000. In April 1999, the Government announced that SAGRIC would be sold through a public trade sale. In December 1999, the Government approved the sale of SAGRIC for the value of \$4.6 million.

## **Forestry SA**

Corporatisation and the full range of private sector equivalence measures was considered the preferred model of competitive neutrality for Forestry SA. The Government approved a proposal to establish Forestry SA as a full public corporation under the *Public Corporations Act 1993* with oversight by a board of management. Forestry SA is a public trading enterprise that controls significant State-owned resources. While it undertakes a range of community service activities, these comprise only a minor proportion of overall activities and can be structurally and financially separated from commercial operations. Corporatisation will provide the business with clear commercial and non-commercial objectives, improved incentive arrangements and a commercial board. The cost benefit assessment concluded that the benefits of increased commercial flexibility would outweigh the minimal transaction costs associated with the corporatisation. Subject to the Parliamentary process, it is the intention of the Government that Forestry SA operate as a corporatised entity from July 2000.

## **TransAdelaide**

In 1994 the SA Parliament passed legislation that facilitated the competitive tendering of public transport services in the Adelaide metropolitan area. This process culminated in July 1998 with the Government approving a proposal to establish TransAdelaide as a public corporation with oversight by an independent board. Legislation establishing TransAdelaide under the *Public Corporations Act* was passed by Parliament later in 1998.

On 27 January 2000, results from the third round of competitive tendering of metropolitan passenger bus services were announced. Eighty-seven bids were received from 16 companies and consortia. The Passenger Transport Board evaluated the bids against a number of factors including price, technical competence and service quality.

The contract terms are five years, with a five year extension option dependent on satisfactory performance. Serco, Torrens Transit and ATE will commence their new service responsibilities in April 2000. Transitplus will commence operations when new contract terms are agreed, but no later than September 2000 when the existing contract with Hills Transit expires. TransAdelaide was not successful in winning any bids in its own right.

Savings after taking account of whole of Government costs are anticipated to be about \$7 million a year (\$70 m over 10 years).

This was the last step in diminishing the monopoly provision of metropolitan bus services. Previously TransAdelaide (and formerly the State Transport Authority) was the single service provider. The Passenger Transport Board will continue to set all public transport fares, manage the ticketing system and manage the Passenger Information Centre.

## **Adelaide Festival Centre Trust**

In June 1998, the Government endorsed a strategy to protect the long term viability of the Adelaide Festival Centre Trust. A key component of this strategy is the application of significant provisions of the *Public Corporations Act* to the Trust which should provide the necessary focus and incentive for improved commercial performance through the implementation of a corporate governance model that has clear accountabilities and stakeholder roles. Work is still proceeding on the development of a charter and performance statement for the Trust.

## **Public Trustee**

The Public Trustee was established as a body corporate by statute in 1881. Currently, the Public Trustee Office, an instrumentality of the Crown, operates as a statutory corporation solely under the control and direction of the Minister.

Whilst the enactment of the new Public Trustee Act in 1995 did not fundamentally change the functions of the Public Trustee or its role as an administrator, executor or manager of last resort, it did open the common funds to approved classes of investors. In addition, it is also contemplated that the Public Trustee would operate

commercially, requiring it to pay taxation equivalents and a dividend, similar to any other trustee company.

As part of the requirements of NCP, an inter-agency steering committee chaired by the Public Trustee undertook a scoping study of the entity and recommended that the Public Trustee Office be proclaimed under the Public Corporations Act.

Following Government approval, a Corporatisation Implementation Committee was established with the objective of setting up an appropriate corporate governance structure including the recruitment of members for the Board, reviewing the scope of Public Trustee operations, developing a Charter and a Performance Statement and examining the Community Service Obligations of the Public Trustee for the purpose of transparency of funding. A number of sub-committees have been established to determine the capital structure and financial arrangements appropriate for a corporatised Public Trustee and to manage and resolve the industrial relations issues relating to the corporatisation of Public Trustee.

The plan developed by the Corporatisation Implementation Committee is to have the Public Trustee proclaimed and gazetted as a public corporation under the Public Corporations Act by October 2000. This process will involve substantial amendments to the Public Trustee Act and a competition policy review of the Act will precede the amendments, taking into account competitor and community comment.

### **Police Security Services Division (PSSD)**

PSSD operations reflect only a small proportion of the overall resources and annual budget of the South Australian Police. Due to the relative size of PSSD and the organisational context, full corporatisation has not been considered appropriate for achieving competitive neutrality. Commercialisation is considered the most appropriate model to adopt. PSSD has established a commercialisation steering committee to oversee the process.

### **West Beach Trust and Enfield General Cemetery Trust**

For both the West Beach Trust and the Enfield General Cemetery Trust, commercialisation has been approved by Cabinet as the mechanism to achieve competitive neutrality. Commercialisation should clarify the relationship between Government and the Trust, increasing transparency and accountability. The benefits of corporatisation are expected to be achieved but at a lower overall cost. The commercialisation process should be completed by 30 June 2000.

### **Category 2 (Other Significant) Business Activities**

Category 2 is the name given to those significant government business activities which have revenue of \$2 million or less per annum and assets valued at \$20 million or less. In addition to the Category 2 business activities gazetted on 7 May 1998, a further list of Category 2 activities was approved by Cabinet in March 1999 and gazetted on 13 May 1999. It is expected that the majority of these businesses will adopt cost reflective pricing to eliminate any competitive advantages from government ownership. Due to the size of their operations and revenue, full corporatisation or commercialisation will probably not be cost effective. The

recommended models will be presented to Cabinet for approval by the middle of 2000 with implementation to be undertaken over the remainder of 2000.

## **Review of the SA Government's Competitive Neutrality Policy Statement**

In December 1998 Cabinet endorsed the establishment of a process to review the 1996 Competitive Neutrality Policy Statement (the 1996 Statement), and the relevant part of the *Government Business Enterprises (Competition) Act 1996* (GBE Act).

The 1996 Statement required that its effectiveness be reviewed and a new policy statement published by 30 June 2000. However, this review was brought forward for a number of reasons, including -

- The timeframes set down in the statement had proven not to be achievable and there was a need for greater prioritisation in implementing reforms;
- The report of the Competition Commissioner into the first formal competitive neutrality complaint highlighted the need for greater definition and clarity of terms such as "government" and "business";
- The section referring to competitive neutrality complaints needed updating to reflect that the GBE Act had been enacted, a Competition Commissioner appointed and a complaints secretariat established.

The review was conducted by a working group comprising representatives from the Departments of the Premier and Cabinet; Justice; Treasury and Finance; Administrative and Information Services; Industry and Trade; Human Services; and Education, Training and Employment.

In March 1999 a revised SA Government Competitive Neutrality Policy Statement was proposed to replace the previous policy statement. The new statement provides greater definition and guidance on the meaning of "business" and "significant" for the purposes of competitive neutrality policy. The proposed policy statement also updates the complaints mechanism and revises the implementation timetable. The implementation process involves a significant workload for agencies and there is a need to prioritise implementation during 2000. The new statement also includes an updated, consolidated list of the gazetted Category 1 and 2 (other significant) government business activities.

As the revised policy statement reflects proposed amendments to the GBE Act, its public release (also that of the revised Clause 7 Statement – see section 3.6) is dependant upon the successful passage of these amendments through Parliament. The GBE (Amendment) Bill 1999 was introduced into the Parliament in November 1999. It has passed through the House of Assembly and is awaiting further debate and passage through the Legislative Council during the session of Parliament which commences on 28 March 2000.

## **Competitive Neutrality Complaints**

The *Government Business Enterprises (Competition) Act 1996* came into operation in August 1996. The GBE Act provides for the appointment of Competition Commissioners who can be assigned to investigate complaints of infringement of competitive neutrality principles. In August 1997, a Commissioner was appointed by the Governor to investigate complaints referred to him by the Premier.

The Department of the Premier and Cabinet provides a secretariat for the complaints mechanism. It responds to enquiries from potential complainants. A package of information relevant to competitive neutrality complaints has been compiled and is available to persons seeking further information.

Upon receipt of a written complaint against a State or local government business activity, and subject to being within the scope of the GBE Act, the complaint is referred to the State agency or local government(s) concerned for investigation, response and possible resolution. Where the complaint cannot be satisfactorily resolved at this stage, consideration is given to the assignment of the Competition Commissioner.

Two complaints within the scope of GBE Act were received during 1999. One complaint, which was against the South Australian Totalizator Agency Board (SATAB), has been held pending resolution of an extraneous matter. The SATAB has ceased the activity complained about in the interim. The other complaint has been referred to the agency concerned (Human Services) for initial investigation and possible resolution.

Five investigations were incomplete at the end of 1998, and all were with the Commissioner for investigation. The Commissioner completed four investigations during 1999. The remaining investigation has been held pending sale of the government business activity (State Flora).

A summary of complaint statistics and formal complaint information appear in tables 1 and 2 below.

### **3.3 STRUCTURAL REFORM**

The electricity sector was the subject of considerable structural reform in 1998, and developments during 1999 are reported in section 4.1 under the heading of Related Reforms.

As part of the process leading to the in-principle decision in March 1999 to sell Ports Corporation, structural review work was undertaken, as well as during the subsequent sale preparation work during 1999/2000.

Following approval by State Government of the final overall proposals, certification of a proposed State-based access regime in accordance with Clause 6 will be sought in conjunction with demonstrating how the overall proposals comply with Clause 4 of the Competition Principles Agreement.



**TABLE 2**

**FORMAL COMPLAINTS FINALISED IN 1999**

<i>Date of receipt of complaint</i>	<i>Target of complaint</i>	<i>Nature of complaint<sup>(1)</sup></i>	<i>Findings of investigation and recommendation</i>	<i>Date of formal advice to complainant</i>	<i>Date of formal advice to target of complainant</i>	<i>Action taken or proposed following recommendation<sup>(2)</sup></i>	<i>Other relevant information<sup>(3)</sup></i>
27/10/97	Department of Industry and Trade – South Australian Sports Institute	Government Business Activity: Competitive Neutrality principles not being applied	Investigation completed – complaint dismissed	8/3/99	8/3/99	Report accepted by relevant Minister: undertaking given to ensure prices charged for public use remain in line with market trends in future	Prices charged for public use of gymnasium were increased during the investigation

(1) *brief description including any issues peculiar to the complaint*

(2) *including action by : Minister, target of complaint and dissatisfied complainants*

(3) *including reason for delay in resolving complaint where applicable*

<i>Date of receipt of complaint</i>	<i>Target of complaint</i>	<i>Nature of complaint <sup>(1)</sup></i>	<i>Findings of investigation and recommendation</i>	<i>Date of formal advice to complainant</i>	<i>Date of formal advice to target of complainant</i>	<i>Action taken or proposed following recommendation <sup>(2)</sup></i>	<i>Other relevant information<sup>(3)</sup></i>
18/6/98	Department of Education, Training & Employment – English Language Courses	Government Business Activity: Competitive Neutrality principles not being applied	Investigation completed – complaint dismissed  Appropriate competitive neutrality principles had been complied with, with a minor exception of not explicitly allowing for its advantage of sales tax exemption on purchases	20/1/99	20/1/99	Report and recommendations accepted by relevant Minister – allowance to be made in instances where tax exemption arises solely due to government ownership	

(1) *brief description including any issues peculiar to the complaint*

(2) *including action by : Minister, target of complaint and dissatisfied complainants*

(3) *including reason for delay in resolving complaint where applicable*

<i>Date of receipt of complaint</i>	<i>Target of complaint</i>	<i>Nature of complaint <sup>(1)</sup></i>	<i>Findings of investigation and recommendation</i>	<i>Date of formal advice to complainant</i>	<i>Date of formal advice to target of complainant</i>	<i>Action taken or proposed following recommendation <sup>(2)</sup></i>	<i>Other relevant information<sup>(3)</sup></i>
2/10/98	Department of Industry and Trade – SA Centre for Manufacturing	Government Business Activity: Competitive Neutrality principles not being applied	Investigation completed – complaint upheld  Full cost attribution pricing to be applied to SACFM's rapid prototyping services	20/5/99	20/5/99	Recommendations accepted – consultants engaged and new pricing structure subsequently put in place	Full review of the future role of the Technical Services Group of SACFM was also conducted

(1) *brief description including any issues peculiar to the complaint*

(2) *including action by : Minister, target of complaint and dissatisfied complainants*

(3) *including reason for delay in resolving complaint where applicable*

<i>Date of receipt of complaint</i>	<i>Target of complaint</i>	<i>Nature of complaint <sup>(1)</sup></i>	<i>Findings of investigation and recommendation</i>	<i>Date of formal advice to complainant</i>	<i>Date of formal advice to target of complainant</i>	<i>Action taken or proposed following recommendation <sup>(2)</sup></i>	<i>Other relevant information<sup>(3)</sup></i>
8/10/98	Department of Education, Training & Employment – Hairdressing Courses	Government Business Activity: Competitive Neutrality principles not being applied	Investigation completed – complaint upheld in part  Commissioner found that: <ul style="list-style-type: none"> <li>• the courses constituted a significant government business activity.</li> <li>• the appropriate competitive neutrality principles had been complied with, minor sales tax exemption issues aside.</li> </ul>	23/11/99	23/11/99	Report being considered by agency	DETE maintained throughout investigation that the hairdressing courses were not a significant government business activity

(1) *brief description including any issues peculiar to the complaint*

(2) *including action by : Minister, target of complaint and dissatisfied complainants*

(3) *including reason for delay in resolving complaint where applicable*

### **3.4 LEGISLATION REVIEW**

This section provides the Government's annual report for the 12 months to December 1999 on the review of legislation that restricts competition, as required by clause 5.(10) of the CPA.

#### **Reviews completed by December 1999**

Good progress continued to be made during 1999 with reviews of the 178 Acts containing restrictions on competition. The legislation review timetable was updated and re-published in December 1999. Attachment 1 summarises the reviews that were (according to the December 1999 timetable) scheduled to be completed in 1996, 1997, 1998, 1999 or 2000 and indicates whether the review has been completed. The reviews are grouped according to scheduled year of completion and, within that, by portfolio and alphabetical order.

During 1999, the *Criminal Law Consolidation Act 1935* was removed from the program by Cabinet. However the *Southern State Superannuation Act 1994*, which was reviewed at the request of the NCC, has been added meaning that the total number of Acts in the program remains at 178.

Note that Attachment 1 reflects the restructuring of Ministerial portfolios in February 2000 which resulted in changes in the committal of certain Acts.

Currently 101 reviews have been completed, 72 are underway and 5 will commence in 2000.

### **3.5 THIRD PARTY ACCESS**

#### **Port Facilities**

The SA Government has announced its in-principle decision to sell the ports vested in the South Australian Ports Corporation by way of a trade sale. As part of the sale, the South Australian Government is intending to introduce a legislated third party access scheme covering maritime services. It is intended that maritime services will be defined to include access to channels, port facilities and berths.

At present, draft legislation is being prepared which contemplates a negotiate / arbitrate access model, with disputes referred to the South Australian Independent Industry Regulator. It is intended that the access regime will be submitted to the NCC for certification as an effective State based access regime and preliminary discussions have been held with the NCC secretariat in furtherance of this end.

#### **Rail Facilities**

The SA and NT Governments have legislated to create an access regime for the Tarcoola to Darwin railway. The existing railway line from Tarcoola to Alice Springs, currently owned and managed by the Australian Rail Track Corporation, will be transferred to the builders of the new line from Alice Springs to Darwin at the time construction commences, scheduled to be in mid-late 2003. The regime will be proclaimed to take effect from that time. Mirror legislation was passed by the SA and

NT Parliaments in the first half of 1999. The *Australasia Railway (Third Party Access) Act 1999* commenced in both jurisdictions on 2 September 1999.

In March 1999, the Governments made a joint application to the NCC “asking the Council to recommend that the Commonwealth Minister decide that the regime is an effective access regime”. The Council undertook public consultation on the regime during mid 1999, following which extensive discussions were held between the respective Governments and the Council on a range of matters. The Governments agreed to a number of changes to the regime to meet the Council’s requirements, and in November 1999 the Council prepared a draft recommendation that accepted all but one aspect of the regime, on which discussions were continuing. This draft recommendation was put to a second round of public consultation in December 1999. The outstanding matter related to the treatment of government asset and financial contributions within the methodology used for the valuation of assets. This matter was material to the determination of ceiling prices within the regime. It was anticipated that, following consideration of matters raised in the second round of consultation, all outstanding matters should be resolved early in 2000.

### **Gas Fields**

South Australia has continued to take an active role in the Australia and New Zealand Mines and Energy Council (ANZMEC) / Gas Reform Implementation Group (GRIG) Upstream Issues Working Group. Recommendations of the Working Group in relation to acreage management and an allocation framework for exploration tenements that facilitate competitive outcomes have been picked up in the new *Petroleum Bill 1999*. The Bill was tabled in Parliament in December 1999 and will be debated in the Autumn Session of Parliament 2000.

With regard to addressing restrictions on intra-basin competition in the Cooper Basin, the Deputy Premier wrote to the President of the NCC on 24 December 1999 setting out the Government’s response to the recommendations arising from the legislation review of the *Cooper Basin (Ratification) Act 1975*.

As part of this letter, the Deputy Premier indicated that the SA Government wishes to encourage the Cooper Basin Producers to establish a ‘Voluntary Industry Access Code’ as recommended by the Upstream Issues Working Group. The letter indicates that discussions have commenced between Santos and SA Government officials regarding a draft Access Code and that the Government will continue to encourage the Producers to publicly commit to such an Access Code.

### **3.6 LOCAL GOVERNMENT**

Significant progress was made during 1999 in application of competition principles to the Local Government sector in South Australia, consistent with the Statement on the Application of Competition Principles to Local Government (the so-called Clause 7 Statement) published in June 1996. The Clause 7 Statement anticipates that decisions on implementation of the CPA will be taken by individual councils. The most important areas for councils are the application of competitive neutrality principles to significant business activities, and the review and reform of by-laws that may restrict competition.

## Significant Business Activities

It has been previously reported that councils have identified all significant business activities and determined which competitive neutrality principles to apply to them.

The pattern established since the commencement of NCP implementation and reporting in South Australian local government continued during the reporting period. Generally speaking councils are only involved in small-scale business activities and cost reflective pricing is the most common principle being applied to achieve competitive neutrality.

The only council conducting Category 1 business activities is the Adelaide City Council (the local governing body for the central business district in Adelaide). The five Category 1 business activities previously reported by the Adelaide City Council remain the same for this reporting period. An organisational structure has been implemented in the Adelaide City Council that separates its business activities from its other activities, and a tax equivalent regime, corporatisation, debt guarantees and cost reflective pricing have all been implemented.

The one other Category 1 business activity is a fully commercial cemetery operation run jointly by the two councils via a separately incorporated subsidiary.

Councils reported on a total of 31 Category 2 business activities. These are almost exclusively small scale, with caravan parks occurring most frequently. Table 3 summarises the Category 2 activities, and the principles being applied to them – cost reflective pricing (CRP), corporatisation (COR), tax equivalent regime (TER), and / or debt guarantees (DG).

In the majority of cases, cost reflective pricing is the principle being employed to achieve competitive neutrality. For a number of the caravan park operations the small scale of the activity means that the cost of implementing a cost reflective pricing regime would outweigh the benefits. In these instances the councils ensure that they are charging at least the market price for the activity, on the assumption that this is a reasonable proxy for a cost reflective price.

**TABLE 3 – Category 2 business activities**

Nature of activity	Number	CRP	COR	TER	DG	Other
Caravan Parks	19	6	4			9*
Works/development	3	3				
Recreation centres	3	3				
Waste management	1					1**
Function centres	1					1***
Saleyards	1	1				
Domestic recycling	1	1				
Environmental Health	1	1				
Small tourist facility	1	1				

*	Activities are small scale and costs of implementing formal cost reflective pricing would outweigh the benefits. At least market prices are charged.
**	CRP & TER
***	CRP, COR, TER & DG

## By-laws

As previously reported, each council has identified by-laws that may restrict competition and informed the State of its timetable for the review and, where appropriate, reform of the by-laws so identified before the end of the year 2000.

Council reports indicate that, of the 68 councils in South Australia, 11 do not have any by-laws, 23 have completed their by-law review for NCP purposes prior to the reporting period, and a further 13 councils conducted the review during 1999.

The remaining 21 councils expect to finish their by-law review during 2000. The rate of deferral to the 2000 reporting period is considered low given that the new *Local Government Act 1999* came into operation on 1 January 2000, later than initially expected, and councils were concerned that reviews they conducted were not in conflict with the new legislation.

All by-laws in South Australia are subject to a sunset clause after seven years, after which time they are reviewed. Under the terms of the *Local Government Act 1999*, a by-law must not restrict competition to any significant degree unless there is evidence that the benefits of the restriction outweigh the costs and that the objectives of the by-law can only be reasonably achieved by the restriction.

All council by-laws are also examined by the Legislative Review Committee of the Parliament, which must ensure that they are in accordance with the general objects and intent of the legislation under which they are made.

## Competitive neutrality complaints

The State Government complaints mechanism in the Department of the Premier and Cabinet receives and considers complaints made about the implementation of competitive neutrality by both State and local governments.

The secretariat for the complaints mechanism provides information and advice about the implications of the policy. Formal complaints about competitive neutrality are referred to an independent Commissioner, established under the *Government Business Enterprises (Competition) Act 1996*.

It was agreed between the State and local government that any complaints about the activities of a council in relation to competitive neutrality would be referred to that council in the first instance. The Clause 7 Statement advises councils to establish their own formal mechanism to handle complaints, and a draft model was prepared to provide guidance. If, after investigation by local government, the complainant is dissatisfied with the response the matter can be referred to the State Government and investigated under that process.

The establishment of complaints mechanisms or grievance procedures is not new to local government in South Australia and there are good examples operating which have assisted in the preparation of models and guidance for councils. This practice was recognised in the *Local Government Act 1999*, which came into operation on 1 January 2000, and which mandates the establishment of formal grievance procedures including provision for the assessment of competition related complaints.

Three councils reported a total of seven competition related complaints. One council reported five complaints and the remaining two reported one each. All complaints were received and handled at the local level.

Information on any complaints about local government which were referred to the State Government's process is contained in section 3.2 above.

### **Implementation assistance**

Guidelines were prepared to assist councils to identify significant business activities and apply principles of competitive neutrality to them, including guidance on process, and models for implementation. These guidelines are being reviewed alongside the review of the Clause 7 Statement.

Guidelines were also produced to assist councils with the identification of by-laws that may restrict competition and the process for the review and, if necessary, reform of those by-laws. Additional advice is available to councils through the Local Government Association (LGA), including legal advice.

A service to councils is being provided in the form of a consultant retained jointly by the OLG and LGA to provide telephone advice and conduct site visits as required. The consultant has also assisted in the ongoing review and revision of reporting formats through which councils provide information to the State Government.

To help in circumstances where a review of a decision or investigation of a complaint within a council is impossible, due to its small size and consequent lack of distance of the reviewer from the original decision maker for example, the LGA has established a panel of independent experts to whom complaints can be referred with the consent of the complainant.

### **Review of the Clause 7 statement**

A joint review of the effectiveness and implementation of the arrangements set out in the Clause 7 Statement commenced in late 1998 and was informed by the mirroring review of the State Government policy statement. A new Clause 7 Statement will be issued once amendments to supporting legislation are passed by the Parliament.

## **4. RELATED REFORMS**

<p>The Agreement to Implement National Competition Policy and Related Reforms makes provision of specified financial assistance by the Commonwealth conditional on the States making satisfactory progress with the implementation of the requirements of the Conduct Code Agreement and Competition Principles Agreement and also with implementation of related reforms which have been the</p>
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subject of separate CoAG agreements. These related reforms include:

- establishment of a competitive national electricity market;
- national framework for free and fair trade in gas;
- strategic framework for the efficient and sustainable reform of the Australian water industry;
- road transport reforms.

## **4.1 ELECTRICITY**

Under the *Agreement to Implement the National Competition Policy and Related Reforms*, the second tranche obligation is for 'relevant jurisdictions' (New South Wales, Victoria, South Australia and the ACT) to complete the transition to a 'fully competitive national electricity market' by 1 July 1999, as modified by subsequent intergovernmental agreements.

### **National Electricity Market**

The National Electricity Market (NEM), with South Australia as a participant, commenced on 13 December 1998 following the proclamation of the *National Electricity (South Australia) Act 1996* on 8 December 1998.

The market arrangements for the NEM are specified in the National Electricity Code (the Code), which was authorised by the ACCC in a determination dated 19 October 1998, with a separate access decision released by the ACCC on 9 October 1998 approving the Code as an access regime under the *Trade Practices Act*. A number of market start amendments (including several SA Code derogations) were granted interim authorisation on 9 October and 3 December 1998. The ACCC issued a final determination in respect of the South Australian derogations on 22 December 1999.

The Government continued its implementation of retail contestability, with all large customers now able to choose the retailer of their choice. This makes a total of 3360 contestable customers in South Australia from 1 January 2000.

### **Structural Reform**

The SA Government announced its plans for the reform and privatisation of the electricity supply industry in South Australia in February 1998.

The State's electricity businesses were restructured on 12 October 1998 in accordance with the recommendations set out in a report provided to the NCC pursuant to clause 4 of the Competition Principles Agreement. ETSA Corporation (and its related entities) and SA Generation Corporation were disaggregated into the following six businesses -

- ETSA Utilities and ETSA Power (now known as AGL–South Australia), which are the distribution and retail businesses, respectively;
- Flinders Power, Optima and Synergen, which are the generation businesses; and
- Terra Gas, which is a gas trading business established to manage the State's gas contracts and gas bank.

In addition, ETSA Transmission Corporation (a subsidiary of ETSA Corporation which trades as ElectraNet SA) continued to operate the transmission business.

On 11 June 1999, the *Electricity Corporations (Restructuring and Disposal) Act 1999* was passed by the SA Parliament, permitting the Government to proceed with the long-term lease of the State's major electricity assets. The Government announced a timetable for the privatisation of all of the electricity businesses by the end of the third quarter of 2000.

On 12 December 1999, the Government announced that a consortium comprising Cheung Kong Infrastructure Holdings and Hongkong Electric Holdings was the successful bidder for the State's retail and distribution businesses, with the retail business subsequently on-sold to AGL. The privatisation of the retail and distribution businesses was completed on 28 January 2000.

Optima and Synergen are the first of the State's electricity generation businesses to be offered as part of the SA Government's privatisation program, with the lease process scheduled for completion by June 2000. It is expected that the privatisation of Flinders Power (generator) and Terra Gas Trader will be completed by August 2000 while the privatisation of ElectraNet (transmission) is expected to be completed by the end of September 2000.

## **Regulation**

A new system of regulation for the State's electricity industry commenced on 11 October 1999 following the passage of the *Independent Industry Regulator Act 1999* and the *Electricity (Miscellaneous) Amendment Act 1999* by the SA Parliament on 4 August 1999.

The new regulatory regime is a central part of the Government's program of reform within the electricity industry by providing the basis of a competitive industry within South Australia while also bringing a new focus on service standards and consumer protection.

The main elements of the new structure of regulation are -

- The establishment of the South Australian Independent Industry Regulator to take responsibility for monitoring and directing the activities of companies operating in the electricity supply industry. The Independent Industry Regulator was appointed for a five year term commencing 1 January 2000;
- A system of Licences and Codes administered by the Independent Regulator which set out mandatory customer service standards and penalties for not meeting those standards;
- The establishment of an independent Electricity Industry Ombudsman Scheme to be responsible for resolving disputes between the entities and customers. The initial Electricity Ombudsman commenced duties on 4 January 2000;
- An Electricity Pricing Order was issued on 11 October 1999 that sets out the prices charged by the transmission business until 2003, the distribution business until June 2005 and prices for franchise customers until 1 January 2003;
- A Technical Regulator who will continue to ensure that safety is a priority; and
- An Electricity Supply Industry Planning Council to advise the Government on the future development of the SA power system. The Board of the Electricity Supply Industry Planning Council was established on 11 November 1999.

## 4.2 GAS

CoAG endorsed the Natural Gas Pipelines Access Agreement (the Agreement) in November 1997. The Agreement establishes the basis for a National Third Party Access Code (the Code) for Natural Gas Pipeline systems, both transmission and distribution. The Agreement stipulated that the Code was to be given legal effect by a uniform Gas Pipelines Access Law, with South Australia as the lead legislator.

The *Gas Pipelines Access (South Australia) Act 1997* was enacted by the SA Parliament and received the Governor's assent in December 1997. The Gas Pipelines Access Law and the Code are set out in schedules to that Act.

All jurisdictions with natural gas had enacted their application or equivalent legislation before the end of January 1999, and it is operating in all these jurisdictions except Queensland. This legislation will apply the Gas Pipelines Access Law or, in the case of Western Australia legislation with identical effect, as a law of that jurisdiction.

The *Gas Pipelines Access (South Australia) Act 1997* came into operation after the Commonwealth legislation received the Governor-General's assent on 30 July 1998. The Commonwealth legislation is integral to the operation of the National Access Regime. South Australia as the lead legislator had its gas pipelines access regime certified by the Commonwealth Minister as "effective" on 8 December 1998. This prohibits the use of the "declaration" pathway within the *Trade Practices Act 1974* to obtain pipeline access. Other jurisdictions are following South Australia's lead.

The High Court handed down a decision on 17 June 1999, where it held that the Constitution prevented State legislation conferring jurisdiction on the Federal Court, even when Commonwealth legislation has purportedly consented to such conferral of jurisdiction. This decision has resulted in the access scheme described above being invalid in conferring such jurisdiction on the Federal Court, and requiring amendment. The Commonwealth has put forward changes to their legislation, which have been agreed by all Parties to the Agreement, and is scheduled to enter federal Parliament in March 2000. South Australia is coordinating the required changes to each State's application legislation, in order to facilitate consistency and Ministerial approval, with template changes sent to each State. Owing to this necessary amendment, the process of certification has been delayed pending agreement to these changes.

In July 1997, the *Gas Act 1997* came into effect, establishing a new regulatory regime for the gas industry. The Act provides for separate licences to operate pipelines and to undertake gas retailing, thereby ensuring effective separation of these activities. The Office of Energy Policy supports the Technical Regulator in carrying out these functions. In July 1997, the pipeline networks previously owned by Boral in South Australia (eg Adelaide, Mt Gambier, and Berri) were sold to Envestra Limited, an energy infrastructure company. This sale meant that the former pipeline and retail parts of Boral within South Australia had been legally separated. Both legal entities which own / operate gas pipelines within South Australia, namely Epic Energy and Envestra, have not been issued with a licence to enable them to retail or sell natural gas. Boral Energy, the main natural gas retailer in South Australia, along with other entities including Terra Gas trader have been issued with licences to retail natural gas, but not for the operation of gas pipelines. It is the SA Government's

view that such structural separation, along with the provisions of the South Australian Gas Access Regime ensures the continued separation of the natural monopoly element of the gas industry, namely the pipelines from the retailing part.

The above structural separation of the competitive retailing aspect of the gas industry from the natural monopoly pipeline element is seen as consistent with National Competition Policy. The 1997 CoAG Natural Gas Pipelines Access Agreement says that the access regime applies to both transmission and distribution pipelines, rather than just transmission pipelines as noted in the February 1994 CoAG communique. This change is to facilitate a seamless approach to third party access to natural gas pipelines. In doing so, it is clear that the terminology “distribution activities” used in clause 10 of the February 1994 agreement, pertains to retailing gas. Annexe F (Licensing Principles) of the Agreement confirms this view by its requirement to unbundle pipeline operating licences from other licence types (eg retailing). It seems inconsistent with the seamless approach to pipeline access that ownership of transmission pipelines should preclude ownership of distribution pipelines. From this it is concluded that clause 10 is satisfied as long as the above structural separation is maintained.

A contestability timetable has been established for the gas sector, similar to that for electricity, as follows -

Date	April 1998	1/7/99	1/7/2000	1/7/2001
Annual TJ	>100	10–100	<10 (non domestic)	All customers

Development of a network code to deal with issues such as retail churn, has commenced as part of the distribution operating licences in order to facilitate effective retail competition. A similar process is being undertaken in each State and Territory where access to gas pipelines has been established.

The *Gas Pipelines Access (South Australia) Act 1997* establishes the South Australian Independent Pricing and Access Regulator (SAIPAR) for gas distribution pipelines in South Australia. The distribution pipeline operator Envestra Limited submitted its Access Arrangement to SAIPAR on 22 February 1999. The ACCC will provide for national regulation of transmission pipelines. The provisions of the State-based *Natural Gas Pipelines Access Act 1995*, which apply to transmission pipelines, were revoked when the *Gas Pipelines Access (South Australia) Act 1997* commenced. However for transition purposes, those parts of the *Natural Gas Pipelines Access Act 1995* which overlap with the provisions of future Access Arrangements under the Code, remain in operation until the ACCC has made its Access Arrangement decision regarding the South Australian transmission pipelines.

**4.3 WATER**

South Australia remains committed to implementing the COAG strategic water reform framework and has demonstrated significant progress during 1999.

The second tranche assessment offers sound evidence of South Australia’s progress and the following examples demonstrate both the whole of Government commitment to water reform in South Australia and the strategic, long term nature of the State’s commitment to effective and sustainable water management on a national basis.

## **Water Quality Monitoring**

A re-constituted SA Water Policy Committee has overseen and guided water reform during 1999. Substantial reform has been achieved in a number of areas but particularly in relation to water quality monitoring. The State Water Monitoring Coordinating Sub-Committee, established in 1998, has progressed water monitoring issues across the entire State. The Sub-Committee has effectively established a methodology for developing State-wide monitoring programs by achieving significant progress in the following areas -

- establishing objectives for a State Water Monitoring Program, roles and responsibilities and a Memorandum of Understanding between agencies, that has been signed by Chief Executives;
- establishing a data base and developing a comprehensive monitoring program for the catchment areas of the Onkaparinga Catchment Water Management Board;
- the development of a water quality incident coordinator and protocol enabling more effective and definite coordination across Government in relation to water quality incidents; and
- the endorsement of a report commissioned by the Minister for Environment and Heritage entitled the *State of the Health of the Mount Lofty Ranges Catchment* and a five year work program for the region.

## **Environment Protection (Water Quality) Policy**

Work continues on the Environment Protection (Water Quality) Policy under the *Environment Protection Act 1993*. The policy will apply to South Australia's inland, estuarine and marine waters. Drafting has been completed and subject to endorsement for release, the policy will be released for public consultation in May 2000. The policy is needed to provide a consistent State-wide regulatory framework for protecting the water quality of all water bodies, and to ensure that all industries, irrespective of their scale of operation, operate under uniform conditions regarding water quality. The policy will seek not only to protect and improve the quality of the State's water bodies, but also to encourage better use of wastewater by waste avoidance or elimination, minimisation, reuse and recycling, waste treatment to reduce potential degrading impacts, and finally disposal.

## **State Water Plan**

The *Water Resources Act 1997* came into operation on 2 July 1997. Among other things, the Act provides for significant involvement of local communities in water resources management through: the establishment of community-based catchment water management boards and water resources planning committees; and the requirement for water plans to be prepared and reviewed in close consultation with the community. The State Water Plan provides the strategic policy framework for water resources management and use throughout the State, with catchment water management plans, water allocation plans and local water management plans providing the regional and local focus. All other water plans must be consistent with the State Water Plan. The State Water Plan is now a statutory document, with its

purpose and contents prescribed in the Act. South Australia is the only Australian State to have a statutory State Water Plan.

The policies set out in the State Water Plan are required to achieve use and management of the State's water resources that sustains the physical, economic and social well being of the people of the State and facilitates economic development of the State, while protecting the ecosystems that depend on those resources and the reasonably foreseeable needs of future generations.

A draft of the proposed new State Water Plan, to replace the plan drafted in 1995, has been prepared under the guidance of the SA Water Policy Committee and a State Water Plan Steering Committee. The draft plan was released for public consultation on 17 October 1999, and comments received are currently being considered. The new State Water Plan is planned to be launched on World Environment Day, 5 June 2000.

### **Catchment Management**

Six catchment water management boards and four water resources planning committees have been established to date, with two additional boards proposed for the Arid Areas and Eyre Region of the State. In addition to implementing their current management programs as set out in their initial plans, the catchment water management boards are at various stages of preparing draft comprehensive catchment water management plans for their respective catchment areas.

Water allocation plans for 15 prescribed water resources in the State are also being prepared either by boards or by water resources planning committees where the prescribed water resource lies outside of board areas. Water allocation plans, among other things, set out the policy framework for the allocation of water and the transfer, on either a permanent or temporary basis, of water licences and associated water allocations. All of these water allocation plans are required by regulation to be completed by 2 July 2000.

### **Water Pricing**

At the national level via the High Level Steering Group on Water, South Australia is leading the priority project on *Identifying, Costing and Charging for Externalities*. The project will result in the development of a process for managing the non-market costs to the environment of water use throughout Australia.

The project will ultimately recommend to the Ministerial Councils of ARMCANZ and ANZECC (the Agriculture & Resource Management Council of Australia and New Zealand, and the Australia and New Zealand Environment and Conservation Council) a framework for identifying, costing, and charging for externalities generated by water use throughout the country. The initiative represents ground-breaking water resource management by national and international standards.

At the State level, South Australia released a consultation paper entitled *Water Pricing in South Australia – A Discussion Paper* in December 1999. A second paper asking for public comment on future directions in sewerage pricing was released on 8 March 2000.

#### 4.4 ROAD TRANSPORT

The national road transport reforms are developed under a process which has its genesis in the Heavy Vehicles Agreement signed by Heads of Government in 1991 and the Light Vehicles Agreement signed in 1992. The Agreements provide for the establishment under Commonwealth law of the National Road Transport Commission (NRTC) to propose national legislation and road transport reforms, and consider other questions referred to it by Ministers.

Early in the process, the reforms to be developed and implemented under national legislation were divided into six modules, some of which had sub-modules. The modules were -

- Road Transport Charges
- Dangerous Goods
- Vehicle Operations:
- Heavy Vehicle Registration
- Driver Licensing
- Compliance and Enforcement

There are 19 assessable reforms in total. In June 1999, the NCC assessed SA as having implemented 14 reforms in full. The status of the outstanding reforms is as follows.

##### Reform 2 - Registration Scheme

The *Motor Vehicles (Miscellaneous) Amendment Act 1999* was passed by the SA Parliament and assented to on 12 August 1999. This contains all the outstanding parts of the reform. The new law is being progressively proclaimed, section by section, as computer changes can be made to allow for implementation (with appropriate Regulations where required). The need also to implement NEVDIS, the GST, the Emergency Services Levy, and other Government priorities, has caused some unavoidable delays. However, the remaining changes are largely matters of detail and definition, and do not affect any significant aspects of the implementation of national law, eg registration classes and charges. Computer changes will be completed by March 2001.

##### Reform 3 - Driver Licensing

As noted, the *Motor Vehicles (Miscellaneous) Amendment Act 1999* is passed and being progressively implemented. The date for final system changes is November 2000. All significant matters such as licence classes and recognition of interstate licences are in place - only minor details and definitions remain to be addressed.

##### Reform 4 - Vehicle Operations

This reform was implemented on 1 December 1999 by means of the *Road Traffic (Miscellaneous) Amendment Act 1999*, the *Road Traffic (Mass and Loading Requirements) Regulations 1999* and the *Road Traffic (Oversize and Overmass Exemptions) Regulations 1999* which came into operation on that date.

#### Reform 8 - Common Mass and Loading Rules

This reform was implemented on 1 December 1999 by means of the *Road Traffic (Miscellaneous) Amendment Act 1999* and the *Road Traffic (Mass and Loading Requirements) Regulations 1999* which came into operation on that date.

#### Reform 13 - Safe Carriage of Loads

This reform was implemented on 1 December 1999 by means of the *Road Traffic (Miscellaneous) Amendment Act 1999* and the *Road Traffic (Oversize and Overmass Exemptions) Regulations 1999* which came into operation on that date.

## 5. BIBLIOGRAPHY

The following three Intergovernmental Agreements were endorsed by Heads of Government on 11 April 1995:

*Conduct Code Agreement*

*Competition Principles Agreement*

*Agreement to Implement the National Competition Policy and Related Reforms.*

The following documents summarise the NCC's assessments for all jurisdictions:

*Assessment of State and Territory Progress with Implementing National Competition Policy and Related Reforms - June 1997*

*National Competition Policy and Related Reforms: Supplementary Assessment of First Tranche Progress - June 1998*

*Second Tranche Assessment of Governments' Progress with Implementing National Competition Policy and Related Reforms - June 1999*

*Supplementary Second Tranche Assessment Report - December 1999*

Copies of these and other documents on aspects of NCP are available from the National Competition Council in Melbourne, telephone (03) 9285 7474.

Relevant documents concerning NCP implementation in SA include:

*Competitive Neutrality Policy Statement, June 1996*

*Structure of Government Business Activities, March 1995*

*Review of Legislation which Restricts Competition - timetable, June 1996 (updated May 1997, May 1998, December 1999)*

*Community Service Obligations - Policy Framework, December 1996*

*Clause 7 Statement on the Application of Competition Principles to Local Government under the Competition Principles Intergovernmental Agreement, June 1996*

*Water and Sewerage Pricing for SA Water Corporation, December 1996*

*Report to the National Competition Council - Implementation of National Competition Policy and Related Reforms in SA - March 1997*

*Report to the National Competition Council - Implementation of National Competition Policy and Related Reforms in SA - April 1998*

*Report to the National Competition Council - Implementation of National Competition Policy and Related Reforms in SA - March 1999*

*Water and Sewerage Pricing for SA Water Corporation - Final Report of investigation under the Government Business Enterprises (Competition) Act 1996 - June 1997*

*Government Business Enterprises (Competition) Act 1996, Section 16: Principles of Competitive Neutrality Proclamations by the Governor - 12 June 1997, 7 May 1998, 13 May 1999*

*A Guide to the Implementation of Competitive Neutrality Policy - February 1998*

*Guidelines Paper for Agencies conducting a Legislation Review under the CoAG Competition Principles Agreement - February 1998*

Copies of each of these publications are available from the Economic Reform Branch, Department of the Premier and Cabinet, telephone (08) 8226 0903. Some can be downloaded from the Department's website at -

[http://www.premcab.sa.gov.au/dpc/publications\\_competition\\_documents.html](http://www.premcab.sa.gov.au/dpc/publications_competition_documents.html)

## Attachment 1

**Legislative Review Timetable and Progress against Timetable as at  
December 1999**

Shaded cell indicates  
review is complete.

	<b>Portfolio</b>	<b>Act</b>	<b>Scheduled Year of Completion of Review</b>
State Review	Attorney-General	Criminal Law Consolidation Act 1935	removed
State Review	Consumer Affairs	Liquor Licensing Act 1997	1996
State Review	Environment and Heritage	Catchment Water Management Act 1995	1996
State Review	Government Enterprises	State Clothing Corporation Act 1977	1996
State Review	Human Services	Tobacco Products Control Act 1986	1996
State Review	Primary Industries and Resources	Apiaries Act 1931	1996
State Review	Primary Industries and Resources	Branding of Pigs Act 1964	1996
State Review	Primary Industries and Resources	Brands Act 1933	1996
State Review	Primary Industries and Resources	Cattle Compensation Act 1939	1996
State Review	Primary Industries and Resources	Deer Keepers Act 1987	1996
State Review	Primary Industries and Resources	Electrical Products Act 1988	1996
State Review	Primary Industries and Resources	Foot and Mouth Disease Eradication Fund Act 1958	1996
State Review	Primary Industries and Resources	Stock Act 1990	1996
State Review	Primary Industries and Resources	Swine Compensation Act 1936	1996
State Review	Water Resources	Water Resources Act 1990	1996
State Review	Arts	South Australian Museum Act 1976	1997
State Review	Attorney-General	Friendly Societies (South Australia) Act 1979	1997
State Review	Attorney-General	Starr-Bowkett Societies Act 1975	1997
State Review	Government Enterprises	Manufacturing Industries Protection Act 1937	1997
State Review	Government Enterprises	Shearers Accommodation Act 1975	1997
State Review	Primary Industries and Resources	Animal and Plant Control (Agricultural Protection and Other Purposes) Act 1986	1997
Joint Review	Primary Industries and Resources	Barley Marketing Act 1993	1997

	<b>Portfolio</b>	<b>Act</b>	<b>Scheduled Year of Completion of Review</b>
State Review	Primary Industries and Resources	Cooper Basin (Ratification) Act 1975	1997
State Review	Primary Industries and Resources	Natural Gas (Interim Supply) Act 1985	1997
State Review	Primary Industries and Resources	Natural Gas Pipelines Access Act 1995	1997
State Review	Primary Industries and Resources	Soil Conservation and Land Care Act 1989	1997
State Review	Transport and Urban Planning	Commercial Motor Vehicles (Hours of Driving) Act 1973	1997
State Review	Transport and Urban Planning	Outback Areas Community Development Trust Act 1978	1997
State Review	Treasurer	Advances to Settlers Act 1930	1997
State Review	Treasurer	Loans for Fencing and Water Piping Act 1938	1997
State Review	Treasurer	Loans to Producers Act 1927	1997
State Review	Attorney-General	Business Names Act 1996	1998
State Review	Government Enterprises	Shop Trading Hours Act 1977	1998
State Review	Human Services	Nurses Act 1984	1998
State Review	Human Services	Supported Residential Facilities Act 1992	1998
State Review	Justice	Second-hand Dealers and Pawnbrokers Act 1996	1998
State Review	Primary Industries and Resources	Bulk Handling of Grain Act 1955	1998
State Review	Primary Industries and Resources	Fisheries (Southern Zone Rock Lobster Fishery Rationalization) Act 1987	1998
State Review	Transport and Urban Planning	Enfield General Cemetery Act 1944	1998
State Review	Transport and Urban Planning	Harbors and Navigation Act 1993	1998
State Review	Transport and Urban Planning	Highways Act 1926	1998
State Review	Treasurer	Government Financing Authority Act 1982	1998
State Review	Treasurer	Public Corporations Act 1993	1998
State Review	Water Resources	River Murray Waters Agreement Supplemental Agreement Act 1963	1998
State Review	Arts	South Australian Film Corporation Act 1972	1999
State Review	Attorney-General	Cremation Act 1891	1999
State Review	Attorney-General	Financial Institutions (Application of Laws) Act 1992	1999
State Review	Attorney-General	Landlord and Tenant Act 1936	1999

	<b>Portfolio</b>	<b>Act</b>	<b>Scheduled Year of Completion of Review</b>
State Review	Consumer Affairs	Carriers Act 1891 (The)	1999
State Review	Consumer Affairs	Conveyancers Act 1994	1999
State Review	Consumer Affairs	Hairdressers Act 1988	1999
State Review	Consumer Affairs	Land Agents Act 1994	1999
State Review	Consumer Affairs	Land and Business (Sale and Conveyancing) Act 1994	1999
State Review	Consumer Affairs	Land Valuers Act 1994	1999
State Review	Consumer Affairs	Prices Act 1948	1999
State Review	Education and Children's Services	Construction Industry Training Fund Act 1993	1999
State Review	Education and Children's Services	Vocational Education, Employment and Training Act 1994	1999
State Review	Environment and Heritage	Coast Protection Act 1972	1999
State Review	Environment and Heritage	Crown Lands Act 1929	1999
State Review	Environment and Heritage	Discharged Soldiers Settlement Act 1934	1999
State Review	Environment and Heritage	Environment Protection Act 1993	1999
State Review	Environment and Heritage	Heritage Act 1993	1999
State Review	Environment and Heritage	National Parks and Wildlife Act 1972	1999
State Review	Environment and Heritage	Native Vegetation Act 1991	1999
State Review	Environment and Heritage	Pastoral Land Management and Conservation Act 1989	1999
State Review	Environment and Heritage	Prevention of Cruelty to Animals Act 1985	1999
State Review	Environment and Heritage	Sandalwood Act 1930	1999
State Review	Environment and Heritage	War Service Land Settlement Agreement Act 1945	1999
State Review	Environment and Heritage	Wilderness Protection Act 1992	1999
State Review	Government Enterprises	Dangerous Substances Act 1979	1999
State Review	Government Enterprises	Employment Agents Registration Act 1993	1999
State Review	Government Enterprises	Explosives Act 1936	1999
State Review	Government Enterprises	Freedom of Information Act 1991	1999
State Review	Government Enterprises	Sewerage Act 1929	1999
State Review	Government Enterprises	South Australian Water Corporation Act 1994	1999
State Review	Government Enterprises	Survey Act 1992	1999
State Review	Government Enterprises	Waterworks Act 1932	1999

	<b>Portfolio</b>	<b>Act</b>	<b>Scheduled Year of Completion of Review</b>
State Review	Government Enterprises	White Phosphorus Matches Prohibition Act 1915	1999
State Review	Human Services	Children's Protection Act 1993	1999
State Review	Human Services	Chiropodists Act 1950	1999
State Review	Human Services	Chiropractors Act 1991	1999
State Review	Human Services	Controlled Substances Act 1984	1999
State Review	Human Services	Dentists Act 1984	1999
State Review	Human Services	Family and Community Services Act 1972	1999
State Review	Human Services	Medical Practitioners Act 1983	1999
State Review	Human Services	Occupational Therapists Act 1974	1999
State Review	Human Services	Optometrists Act 1920	1999
Joint Review	Human Services	Pharmacists Act 1991	1999
State Review	Human Services	Physiotherapists Act 1991	1999
State Review	Human Services	Psychological Practices Act 1973	1999
State Review	Human Services	South Australian Health Commission Act 1976	1999
State Review	Human Services	South Australian Housing Trust Act 1995	1999
State Review	Justice	Firearms Act 1977	1999
State Review	Premier	Emergency Powers Act 1941	1999
State Review	Premier	Unauthorized Documents Act 1916	1999
State Review	Primary Industries and Resources	Agricultural Holdings Act 1891 (The)	1999
State Review	Primary Industries and Resources	Dairy Industry Assistance (Special Provisions) Act 1978	1999
State Review	Primary Industries and Resources	Fisheries (Gulf St. Vincent Prawn Fishery Rationalization) Act 1987	1999
State Review	Primary Industries and Resources	Fruit and Vegetables (Grading) Act 1934	1999
State Review	Primary Industries and Resources	Garden Produce (Regulation of Delivery) Act 1967	1999
State Review	Primary Industries and Resources	Gas Act 1997	1999
State Review	Primary Industries and Resources	Margarine Act 1939	1999
State Review	Primary Industries and Resources	Marginal Dairy Farms (Agreement) Act 1971	1999
State Review	Primary Industries and Resources	Rural Industry Adjustment (Ratification of Agreement) Act 1990	1999
State Review	Primary Industries and Resources	Rural Industry Assistance Act 1985	1999
State Review	Primary Industries and Resources	Seeds Act 1979	1999

	<b>Portfolio</b>	<b>Act</b>	<b>Scheduled Year of Completion of Review</b>
State Review	Recreation Sport and Racing	Racing Act 1976	1999
State Review	Transport and Urban Planning	Development Act 1993	1999
State Review	Transport and Urban Planning	Passenger Transport Act 1994	1999
State Review	Treasurer	Benefit Associations Act 1958	1999
State Review	Treasurer	Collections for Charitable Purposes Act 1939	1999
State Review	Treasurer	Southern State Superannuation Act 1994	1999
State Review	Water Resources	Groundwater (Border Agreement) Act 1985	1999
State Review	Water Resources	Irrigation (Land Tenure) Act 1930	1999
State Review	Water Resources	Irrigation Act 1994	1999
State Review	Water Resources	Murray-Darling Basin Act 1993	1999
State Review	Water Resources	Renmark Irrigation Trust Act 1936	1999
State Review	Water Resources	South Eastern Water Conservation and Drainage Act 1992	1999
State Review	Water Resources	Water Conservation Act 1936	1999
State Review	Attorney-General	Legal Practitioners Act 1981	2000
State Review	Attorney-General	Public Trustee Act 1995	2000
Joint Review	Attorney-General	Trustee Companies Act 1988	2000
State Review	Consumer Affairs	Building Work Contractors Act 1995	2000
Joint Review	Consumer Affairs	Consumer Credit (South Australia) Act 1995	2000
State Review	Consumer Affairs	Plumbers, Gas Fitters and Electricians Act 1995	2000
State Review	Consumer Affairs	Second-hand Vehicle Dealers Act 1995	2000
State Review	Consumer Affairs	Security and Investigation Agents Act 1995	2000
Joint Review	Consumer Affairs	Trade Measurement Administration Act 1993	2000
State Review	Consumer Affairs	Trade Standards Act 1979	2000
Joint Review	Consumer Affairs	Travel Agents Act 1986	2000
State Review	Education and Children's Services	Children's Services Act 1985	2000
State Review	Education and Children's Services	Education Act 1972	2000
State Review	Government Enterprises	Occupational Health, Safety and Welfare Act 1986	2000
State Review	Government Enterprises	South Australian Ports Corporation Act 1994	2000

	<b>Portfolio</b>	<b>Act</b>	<b>Scheduled Year of Completion of Review</b>
State Review	Government Enterprises	State Lotteries Act 1966	2000
State Review	Government Enterprises	State Supply Act 1985	2000
State Review	Government Enterprises	Workers Rehabilitation and Compensation Act 1986	2000
Joint Review	Human Services	Food Act 1985	2000
State Review	Human Services	Housing Improvement Act 1940	2000
State Review	Human Services	Public and Environmental Health Act 1987	2000
Joint Review	Human Services	Radiation Protection and Control Act 1982	2000
State Review	Industry and Trade	Industries Development Act 1941	2000
State Review	Premier	Australian Formula One Grand Prix Act 1984	2000
Joint Review	Primary Industries and Resources	Agricultural and Veterinary Chemicals (South Australia) Act 1994	2000
State Review	Primary Industries and Resources	Agricultural Chemicals Act 1955	2000
State Review	Primary Industries and Resources	Citrus Industry Act 1991	2000
State Review	Primary Industries and Resources	Dairy Industry Act 1992	2000
State Review	Primary Industries and Resources	Dried Fruits Act 1993	2000
State Review	Primary Industries and Resources	Electricity Act 1996	2000
State Review	Primary Industries and Resources	Fisheries Act 1982	2000
State Review	Primary Industries and Resources	Fruit and Plant Protection Act 1992	2000
State Review	Primary Industries and Resources	Impounding Act 1920	2000
State Review	Primary Industries and Resources	Meat Hygiene Act 1994	2000
State Review	Primary Industries and Resources	Mines and Works Inspection Act 1920	2000
State Review	Primary Industries and Resources	Mining Act 1971	2000
State Review	Primary Industries and Resources	Noxious Insects Act 1934	2000
State Review	Primary Industries and Resources	Opal Mining Act 1995	2000
Joint Review	Primary Industries and Resources	Petroleum (Submerged Lands) Act 1982	2000
State Review	Primary Industries and Resources	Petroleum Act 1940 / Petroleum Bill 1999	2000
State Review	Primary Industries and Resources	Phylloxera and Grape Industry Act 1995	2000
State Review	Primary Industries and Resources	Poultry Meat Industry Act 1969	2000
State Review	Primary Industries and Resources	Roxby Downs (Indenture Ratification) Act 1982	2000
State Review	Primary Industries and Resources	Rural Industry Adjustment and Development Act 1985	2000

	<b>Portfolio</b>	<b>Act</b>	<b>Scheduled Year of Completion of Review</b>
State Review	Primary Industries and Resources	Santos Limited (Regulation of Shareholdings) Act 1989	2000
State Review	Primary Industries and Resources	Stock Foods Act 1941	2000
State Review	Primary Industries and Resources	Stock Medicines Act 1939	2000
State Review	Primary Industries and Resources	Stony Point (Liquids Project) Ratification Act 1981	2000
State Review	Primary Industries and Resources	Veterinary Surgeons Act 1985	2000
Joint Review	Primary Industries and Resources	Wheat Marketing Act 1989	2000
State Review	Primary Industries and Resources	Wine Grapes Industry Act 1991	2000
Joint Review	Transport and Urban Planning	Architects Act 1939	2000
State Review	Transport and Urban Planning	Local Government Act 1934 (residual cemeteries provisions)	2000
State Review	Transport and Urban Planning	Motor Vehicles Act 1959	2000
State Review	Transport and Urban Planning	Road Traffic Act 1961	2000
State Review	Treasurer	Electricity Corporations Act 1994	2000
State Review	Treasurer	Lottery and Gaming Act 1936	2000
State Review	Treasurer	Motor Accident Commission Act 1992	2000
Joint Review	Treasurer	National Electricity (South Australia) Act 1996	2000
State Review	Treasurer	Petroleum Products Regulation Act 1995	2000

