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COMMONWEALTH COMPETITION REFORM PAYMENTS TO STATES AND TERRITORIES AMOUNT TO APPROXIMATELY \$450M

The Treasurer today announced the States and Territories will receive approximately \$450m in 2000-01 competition payments. This follows independent assessments of their progress implementing National Competition Policy reform commitments by the National Competition Council in June and September 2000.

All States and Territories will receive their full allocation of payments, with the exception of Queensland and Northern Territory.

“In relation to Queensland, I have accepted the Council’s recommendation that 10% suspension be applied over its failure to put in place an adequate Community Service Obligation framework to address competitive neutrality concerns arising from the operation of Queensland Rail, and a further 5% be suspended in relation to insufficient progress implementing of two part tariffs for urban water charges. These suspensions amount to approximately \$12.9m.”

The Northern Territory has had 5% of its payments suspended in relation to its failure to introduce the national driver demerits point scheme.

“These amounts may, however, be restored following a positive assessment by the Council in December 2000.”

Queensland, New South Wales and Western Australia will also face further assessment this December, in relation to progress implementing legislation establishing a tradeable water allocation framework.

“Water reform is a critical issue for the future, it is important the States and Territories meet their commitments in this area.”

“Overall, this outcome reflects considerable efforts by all jurisdictions to ensure their reform obligations are met, even where the original reform timetables may have been ambitious”, the Treasurer said.

The Treasurer noted that a number of the competition reform areas are highly complex, with a wide range of economic and social factors to be considered.

“All Governments, however, recognise the benefits to Australia as a whole inherent in the National Competition Policy agenda.”

CANBERRA
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