

8 June 2004

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Our Ref: 210/1/P-06  
Your Ref:

NCP Enquiry  
Productivity Commission  
P.O Box 80  
**BELCONNEN ACT 2616**

Dear Sir/Madam

**Re: National Competition Policy Enquiry**

I write in regard to the call for preliminary submissions on the Productivity Commission's enquiry into National Competition Policy arrangements.

Matters of initial concern to Council as identified in the Issues Paper include the following:

Competition Payments (Page 3)

The Commission is requested to address the issue of compensation payments made by States and Territories to local government. It is noted that there is an inconsistent approach to how the competition payments are utilised by the States.

States, such as Queensland and Victoria provide incentives for local government to undertake necessary competition reforms. Council is of the opinion that NCP payments should be directly shared with local government on the basis of a Council delivering on its national competition policy reform undertakings.

Water Reform (Page 8)

The Commission is requested to review the impact that full cost water pricing has had on demand and water conservation issues, in particular whether the health of catchment areas and any degradation should be factored into pricing to ensure the maintenance and improvements of such catchments. The Commission is also asked to review whether the water business pricing should cross-subsidise consumers for water saving devices, such as water tanks, to ensure environmental sustainability and reduced demand on water infrastructure.

Council also seeks to understand why the national competition policy reform arrangements allow some Councils not to fully implement full cost pricing for water business (i.e. no dividends made to the Council's general fund) for what may appear to be purely political reasons, without having to report on the environmental and financial consequences that this pricing regime will have on demand.

Covers the scope of activities for:  
• CabWater  
• Works

Extending Existing NCP Reform (Page10)

The Commission is requested to review the consequence on public health and safety due to the practice by some Private Building Certifiers of providing 'lax' interpretations on local planning scheme requirements and not ensuring that building works meet required legislative standards and Codes. There is ongoing concern by Council that due to the close relationships which arise between Private Certifiers (as private agents of the developers) and property developers due to commercial arrangements that favourable interpretations are sometimes made with regard to compliance matters.

Your consideration on these preliminary matters would be appreciated.

Yours sincerely

**WAYNE WALLIS**  
**GENERAL MANAGER CORPORATE SERVICES**