National Competition Council - change of approach to provision of secretariat services

The Council is responsible for providing recommendations to designated Commonwealth and State or Territory ministers in relation access to infrastructure services under Part IIIA of the Competition and Consumer Act 2010 (CCA) and for recommendations and decisions relating to access to natural gas pipelines under the National Gas Law (NGL). Until 2005, the Council also had a range of functions in relation to the National Competition Policy (NCP), which enabled balancing of workload with the peaks and troughs associated with the third party access application process.

The Council employs a small dedicated Secretariat to provide it with research and administrative services. The Secretariat currently has 8 staff (including 3 part time) having been reduced from 20 following the end of the NCP.

In recent years access applications have been sporadic, and the Council's workload has consequently been highly variable. Initially the effects of the change in workload following the end of the NCP were dampened by some ongoing litigation, a relatively high number of applications in 2009-10 and the reduction in staff numbers. It is now clear, however, that access applications will continue to be relatively few and intermittent. As a consequence the Council's current staffing arrangement is unlikely to be sustainable.

The Council has decided to replace its Secretariat with an arrangement whereby another agency/organisation would provide it with secretariat services as part of a larger portfolio of work and scope of resources. After considering possible options, the Council has identified the ACCC as the most suitable agency to provide the secretariat services it requires. It has reached agreement with the ACCC for that agency to make available secretariat services as required to deal with third party access applications as these are made. These new arrangements will come into effect from 1 July 2014.

Under the agreed approach the Council remains as an independent entity with its current responsibilities and membership (in accord with Part IIA of the CCA), but rather than directly engaging staff (and other resources) to provide secretariat services, it will draw on ACCC resources as required. A number of NCC staff will transfer to the ACCC as part of this arrangement. The Council is very much aware that its use of ACCC staff may give rise to concerns from some stakeholders about the actual or apparent independence of the Council from the ACCC. The Council believes that it is essential that it maintain its independence and has taken the necessary steps to ensure this.

The Council considers this approach to be a more efficient and sustainable approach to the provision of secretariat services which will maintain the Council's independence and its ability to respond to access issues and provide high quality and timely recommendations.

As a result of its consideration of how best to meet its responsibilities the Council has revised its Strategic Plan to reflect the changed approach to provision of secretariat services. The Council's revised Strategic plan is available here from the Council's website (www.ncc.gov.au).

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President