

Strictly Embargoed until 12:01 AM 16 December 2022

Media Release

16 December 2022

Encouraging fair competition with Government businesses

Today IPART has released a draft report on NSW's competitive neutrality policy. The Draft Report puts forward 30 draft recommendations aimed at improving the policy. We are seeking feedback on the draft recommendations before finalising our review in 2023.

"Competitive neutrality policy sets the rules government businesses must follow when they compete with other businesses. It prevents them from using the advantages of government ownership (such as, cheaper finance, not paying taxes or not needing to make a profit) to push competing businesses out of the market," said IPART Tribunal member Deborah Cope.

Competitive neutrality policy does not prevent governments from subsidising its services where that is in the public interest, but it does require the subsidy to be considered and deliberate.

A good competitive neutrality policy gives customers greater choice and better value for money by ensuring that the most efficient, innovative and customer-focused businesses are the ones that thrive. It also gives businesses who compete with government businesses the confidence to invest and provides a mechanism to raise concerns with the behaviour of government businesses.

Government businesses compete in a range of industries, including manufacturing, laundry services, construction (including roads), waste disposal, gyms and fitness, tourism services, printing, childcare and aged care.

Tribunal member Deborah Cope said "NSW's competitive neutrality policy was last reviewed 20 years ago and is overdue for an update. There is considerable scope for the policy to be made clearer, more consistent and easier to apply. The draft recommendations we have outlined will bring it up to date and ensure it reflects best practice now and into the future."

"Some of the businesses across Australia over which competitive neutrality concerns have been raised include aquatic centres, medical imaging, land valuation and plumbing services."

"Under our proposed recommendations it would be easier for these businesses to find out how the government businesses they compete with have applied the policy and to make a complaint where they feel the rules have not been followed," said Ms Cope.

Submissions on the draft report close on 24 February 2023.

Media Contact: Adrian Flood

 0427 105 865

 media@ipart.nsw.gov.au