

Media Release

28 June 2022

A level playing field between government and private businesses

IPART is calling for public submissions on its review of competitive neutrality policies and processes in NSW. Competitive neutrality applies to state and local government owned businesses and aims to ensure that they do not have a competitive advantage over other businesses simply because they are government owned.

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

"Some of the businesses across Australia over which competitive neutrality concerns have been raised include aquatic centres, nuclear medicine and land valuation and plumbing services," said Acting Chair Deborah Cope.

The current policies and processes were set over 20 years ago, and IPART has begun a review of whether these are best practice. This includes questioning, for example, which government businesses they should apply to. To commence the review, IPART has published an Issues Paper setting out current policies, issues and questions that IPART would like to understand.

"Competitive neutrality creates an environment that supports cost-reflective prices through competition, innovation and more productive businesses, to benefit the broader economy. We want to understand how well the current policies are working and if any improvements are needed," said Ms Cope.

The current policies include guidance on how government businesses should price their goods and services in a way that reflects the costs that an equivalent private business would incur. They also set out complaints and investigation processes so competitors who think a government owned business is incorrectly applying the policy can raise those concerns.

"It is important that we hear from private businesses and government businesses about their experiences. This includes how easy the guidance is to apply and if it is still relevant. We are also looking at information publishing requirements and how fair and accessible the complaints processes are," said Ms Cope.

IPART's Issues Paper and 3 short information papers are available on its [website](#). You can make a written submission until 15 August 2022. You can express your interest in attending upcoming workshops. IPART will publish its draft recommendations in October and complete its review by February 2023. A public hearing will be held later in the year.

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