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Independent Pricing and Regulatory Tribunal
PO Box K35
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NSW 1240

via email: Ineke_Ogilvy@ipart.nsw.gov.au

Dear Sir/Madam

Review of NSW Competitive Neutrality Policies and Processes

Bega Valley Shire Council (**BVSC**) welcomes the opportunity to provide feedback on the draft report on the review of NSW Competitive Neutrality Policies and Processes (**the report**).

BVSC is supportive of the review and provides the following responses to the report:

The key proposed changes are aimed at reducing ambiguity and making it easier to apply the policy and include:

- Bringing competitive neutrality under a single policy that applies to both state and local government activities, with a clear statement of objective and a simpler, more logical structure
- Clearer, more consistent tests for determining which activities are covered by the policy. Better tests for defining government ownership, what constitutes a business activity and the threshold for determining significance will make the policy easier to understand and apply
- A consistent approach that requires all 'significant government business activities' to account for their own costs, as well as any advantages and disadvantages resulting from government ownership, and to estimate a price that would be 'competitively neutral' in the market
- A proportionate approach to assessing whether charging below the competitively neutral price is in the public interest, recognising that the current competitive neutrality policies do not consistently require this assessment when a government entity decides to charge below the competitively neutral price
- Establishing a clear and consistent obligation to report on competitive neutrality in the annual report of government entities undertaking business activities. This includes publishing summary information on when competitive neutrality has or hasn't been applied and the reasons for this, to raise awareness of competitive neutrality and give competing businesses confidence that the government businesses they compete with are playing by the rules

- A simpler complaints process that is clear and easy to access, removing the requirement for the Minister to refer the complaint for investigation and streamlining the process by having a single complaints body.

Based on BVSC's review of the report, it appears the impacts from changes to competitive neutrality policies and processes will have insignificant impacts on BVSC.

BVSC thanks IPART for the opportunity to provide comment on the report.

Yours sincerely



Anthony McMahon
Chief Executive Officer