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Your submission for this review:

Local Government Professionals Australia, NSW welcomes the review of the NSW Governments competitive neutrality policies and processes, which we consider to be long overdue. From our perspective it is unclear why there are more onerous requirements for councils compared to the NSW Government and councils in other States? For example, the requirement as specified in the NSW Local Government Code of Accounting Practice and Financial Reporting to annually prepare and submit for audit additional special purpose financial reports for business activities. The definition of what is a business activity is open to interpretation and has likely led to an inconsistent application through discretion. Many council services run at an overall loss but may include a commercial element in the supply of goods or services. In addition, the \$2 million threshold for Category 1 local government business activities should be reviewed as it has been left unchanged since 1997. It is noted in the IPART Issues Paper that the Competition Principles Agreement requires the NSW Government to ensure there is independent price oversight of government businesses that are monopoly, or near monopoly, suppliers of goods or services. However, it is unclear how the NSW Government has applied this price oversight over monopoly/statutory service providers who charge significant fees to local government, such as the NSW Audit Office and Revenue NSW debt recovery services. We look forward to seeing recommended improvements resulting from IPARTs review of NSWs competitive neutrality policies and processes.

15 August 2022

Competitive Neutrality Review
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, Sydney NSW 1240

Review of NSW Competitive Neutrality Policies and Processes

Local Government Professionals Australia, NSW welcomes the review of the NSW Government's competitive neutrality policies and processes, which we consider to be long overdue.

From our perspective it is unclear why there are more onerous requirements for councils compared to the NSW Government and councils in other States? For example, the requirement as specified in the NSW Local Government Code of Accounting Practice and Financial Reporting to annually prepare and submit for audit additional special purpose financial reports for business activities.

The definition of what is a business activity is open to interpretation and has likely led to an inconsistent application through discretion. Many council services run at an overall loss but may include a commercial element in the supply of goods or services. In addition, the \$2 million threshold for Category 1 local government business activities should be reviewed as it has been left unchanged since 1997.

It is noted in the IPART Issues Paper that the Competition Principles Agreement requires the NSW Government to ensure there is independent price oversight of government businesses that are monopoly, or near monopoly, suppliers of goods or services. However, it is unclear how the NSW Government has applied this price oversight over monopoly/statutory 'service' providers who charge significant fees to local government, such as the NSW Audit Office and Revenue NSW debt recovery services.

We look forward to seeing recommended improvements resulting from IPART's review of NSW's competitive neutrality policies and processes.

Yours sincerely



Stewart Todd
President

This document was prepared by our Finance Professionals Member Network with input from our wider member community.