

- Please mute your microphone
- Please turn on your camera (webcam)
- We will start at 10:02am

Review of NSW's competitive neutrality policies and processes

Public Hearing

13 February 2023

Housekeeping

- Please keep your microphone muted
- Please keep your camera on if you can
- Please ensure your name, and if relevant, organisation is showing
- This public hearing is being recorded to YouTube
- This public hearing can be published and referred to by the media and others present today

Agenda

- 10:10am Session 1: Structure and scope
- 10:45am Session 2: Obligations & public interest
- 11:20am SHORT BREAK
- 11:35am Session 3: Complaints process
- 12:10pm Session 4: Governance & transparency
- 12:45pm Other comments & closing remarks



Welcome and Acknowledgement of Country

Carmel Donnelly PSM
Chair

Benefits of a well-functioning CN policy



Grows the economy

Gives competing businesses the confidence to invest



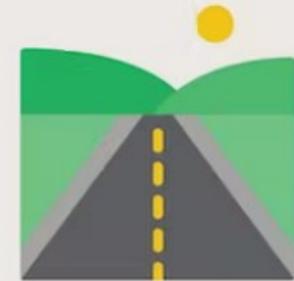
Concerns raised

Allows concerns with government businesses to be heard



Helps customers

Greater choice and value for customers from increased competition



Better use of public funds

Value for taxpayer money from transparent subsidies in the public interest

What does a well-functioning CN policy look like?



Easy to engage with

Stakeholders can easily apply the scope and obligations in the policy



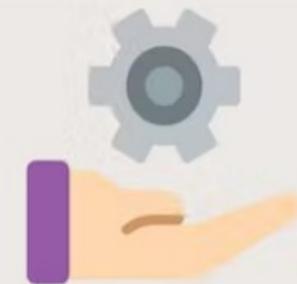
Effective compliance

Concerns with government businesses are easily raised and resolved



Transparent

It is clear whether and how the policy has been applied



Responsive to change

Reflects changing ways of delivering government services

Objectives of this public hearing

Listen to stakeholders' views and feedback on our draft recommendations

Provide an opportunity to raise issues that we may have missed and ask questions of the Tribunal and IPART Secretariat

Identify the most important issues to examine in more depth

Assist us in developing final recommendations that are robust and meet stakeholders' needs

Public hearing



Session 1
Structure and scope

Our draft recommendations

	Policy structure	A single policy that applies to both state and local government activities.
	Scope	Retain the existing scope of the policy and deal with out-of-scope issues through other policies.
	Government ownership test	Activity undertaken by an entity that is fully or partly owned and controlled by government
	Business activity test	Regular, systematic supply of goods and/or services with a commercial character or undertaken by a public corporation or involves bidding to provides goods and/or services.
	Significance test	An activity is significant unless: (i) its annual turnover is < \$3.7 million (to be indexed) when priced in line with the market, (ii) a market review shows it is not significant, or (iii) if under legislation there is no possibility of competition.

Instructions

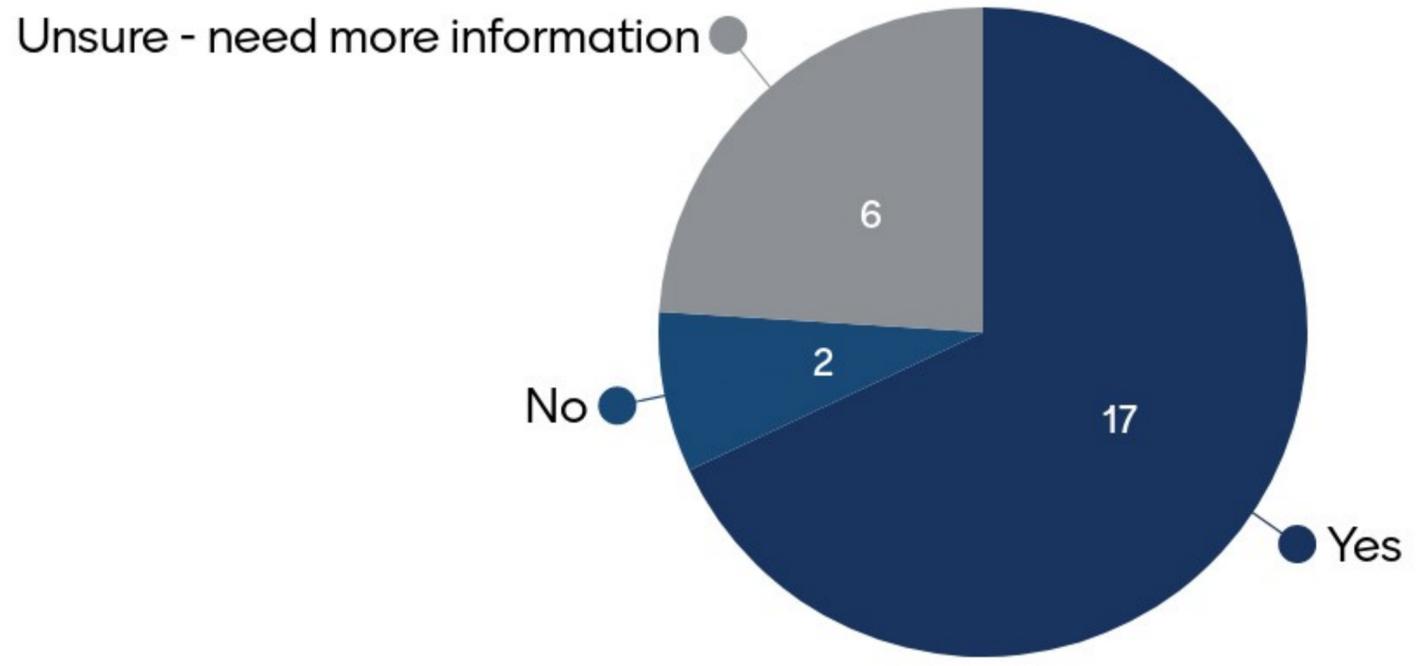
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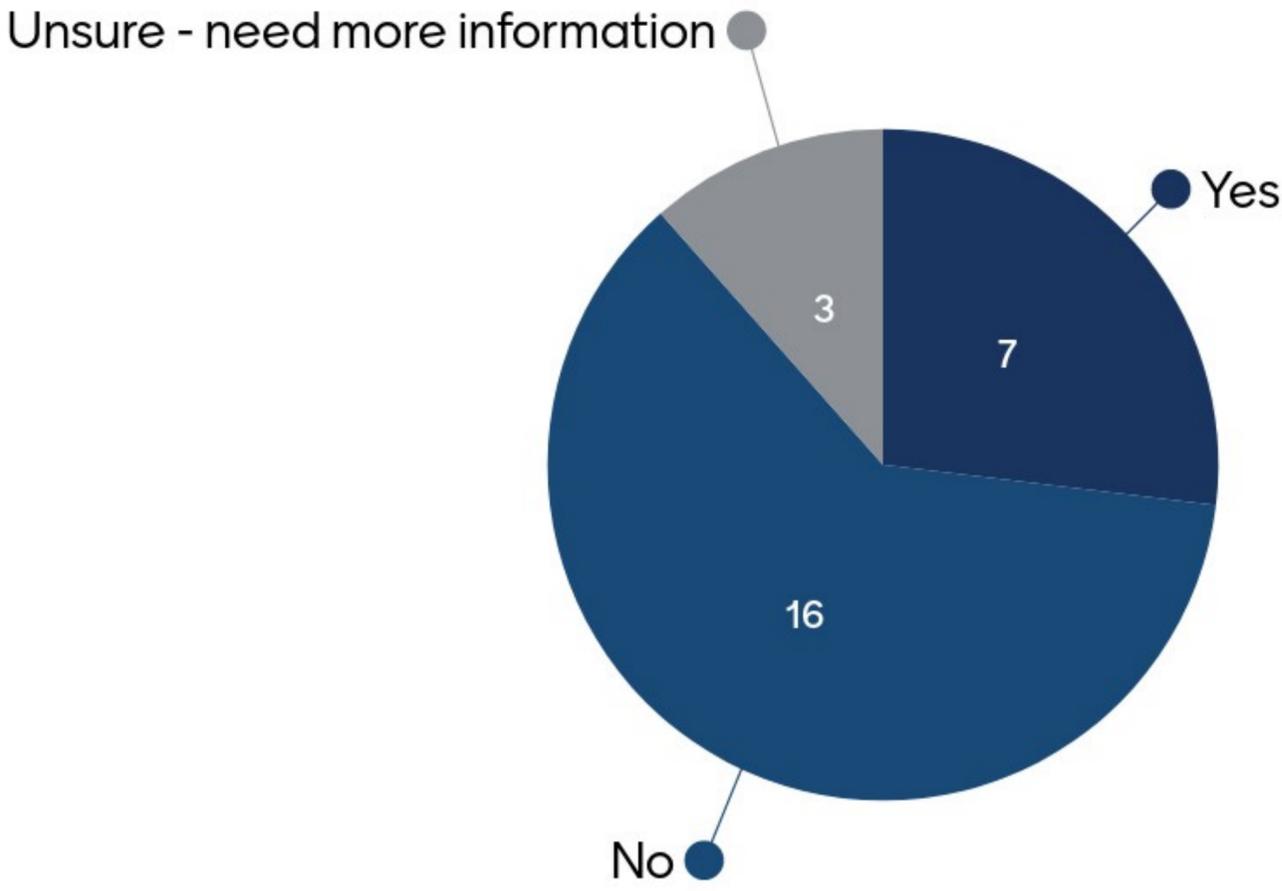


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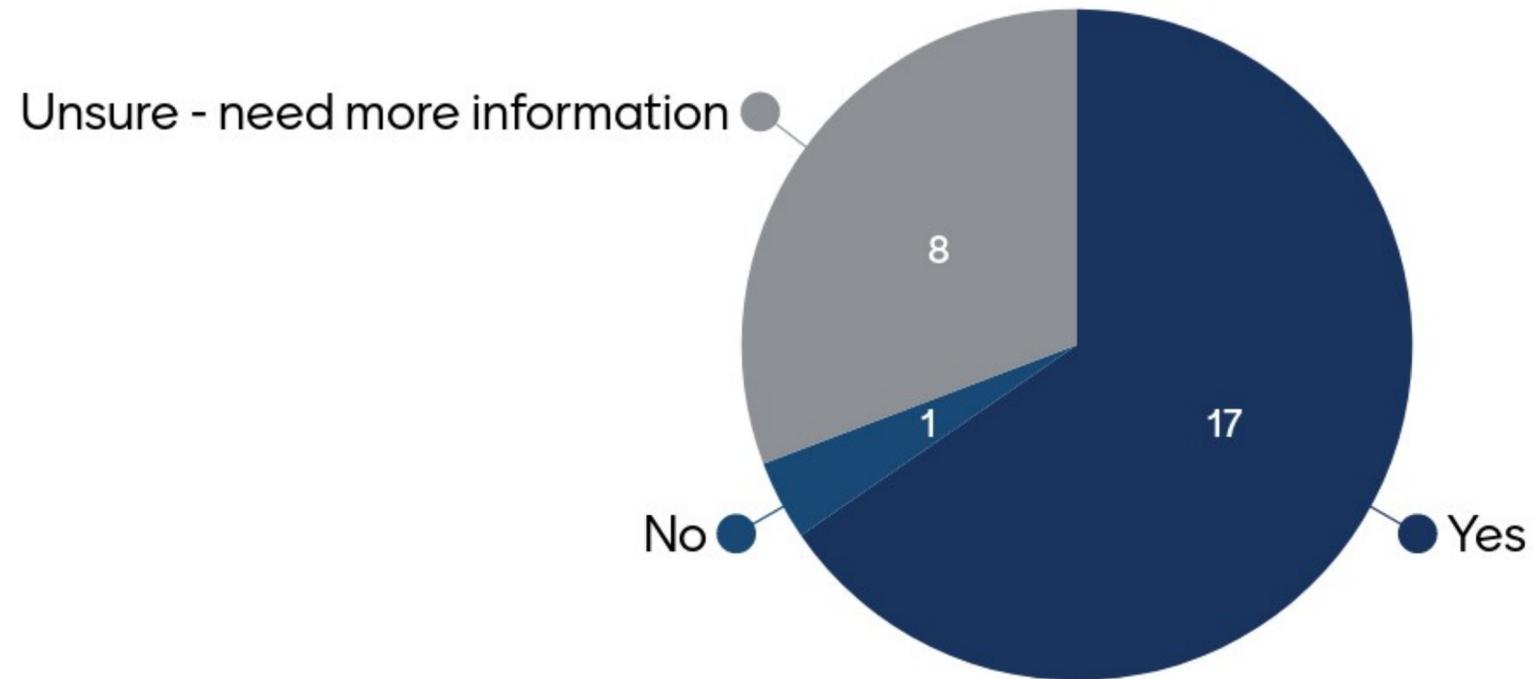
Do the draft recommendations on structure and scope improve the policy?



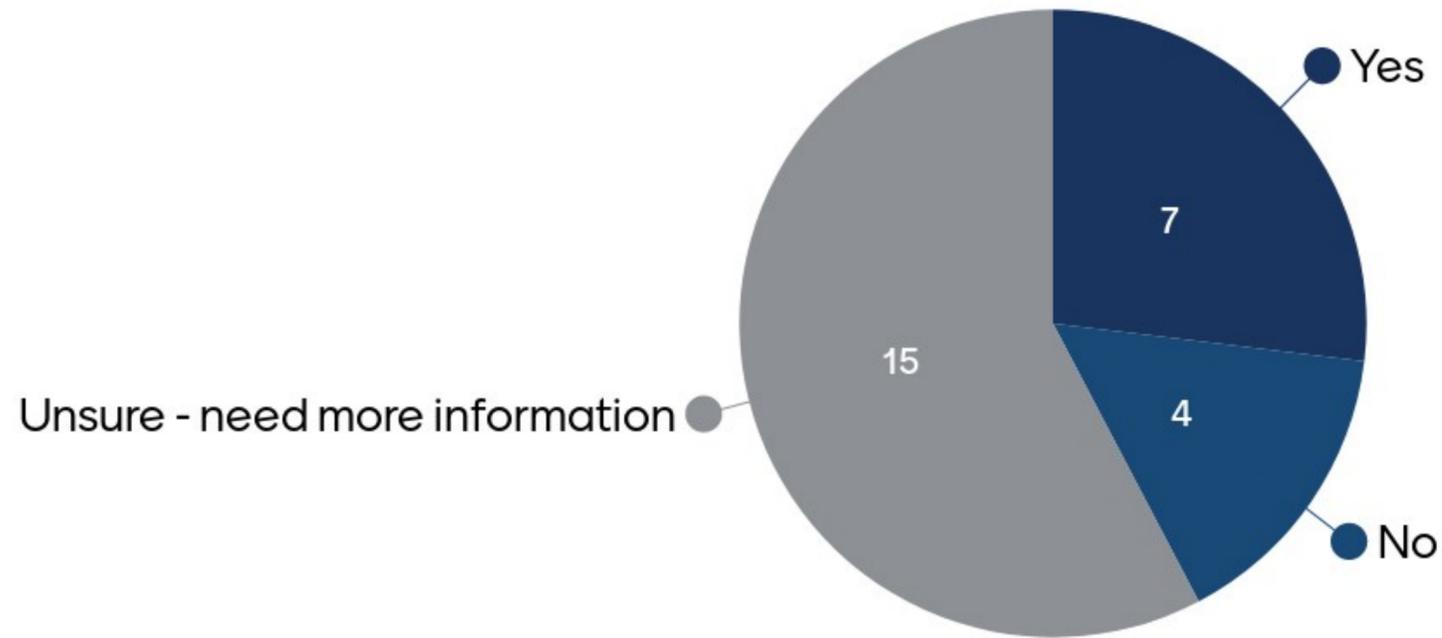
Do you have any concerns about combining the state and local government policies?



Are you confident that you could use the proposed tests to work out whether an activity is captured by the policy?



Have we got the scope of competitive neutrality right?



Discussion

Public hearing



Session 2
**Obligations & public
interest test**

Our draft recommendations

	<p>Competitively neutral price</p>	<ul style="list-style-type: none"> • Cost base - fully distributed versus avoidable costing • Adjusting for non-cost advantages and disadvantages
	<p>Structuring a business activity</p>	<ul style="list-style-type: none"> • Guidance on when different structures might be appropriate • No obligation to adopt a particular structure
	<p>Public interest test</p>	<ul style="list-style-type: none"> • Undertaken after estimating the CN price • Different approaches for state and local government • Publish, subject to removal of confidential info.

Instructions

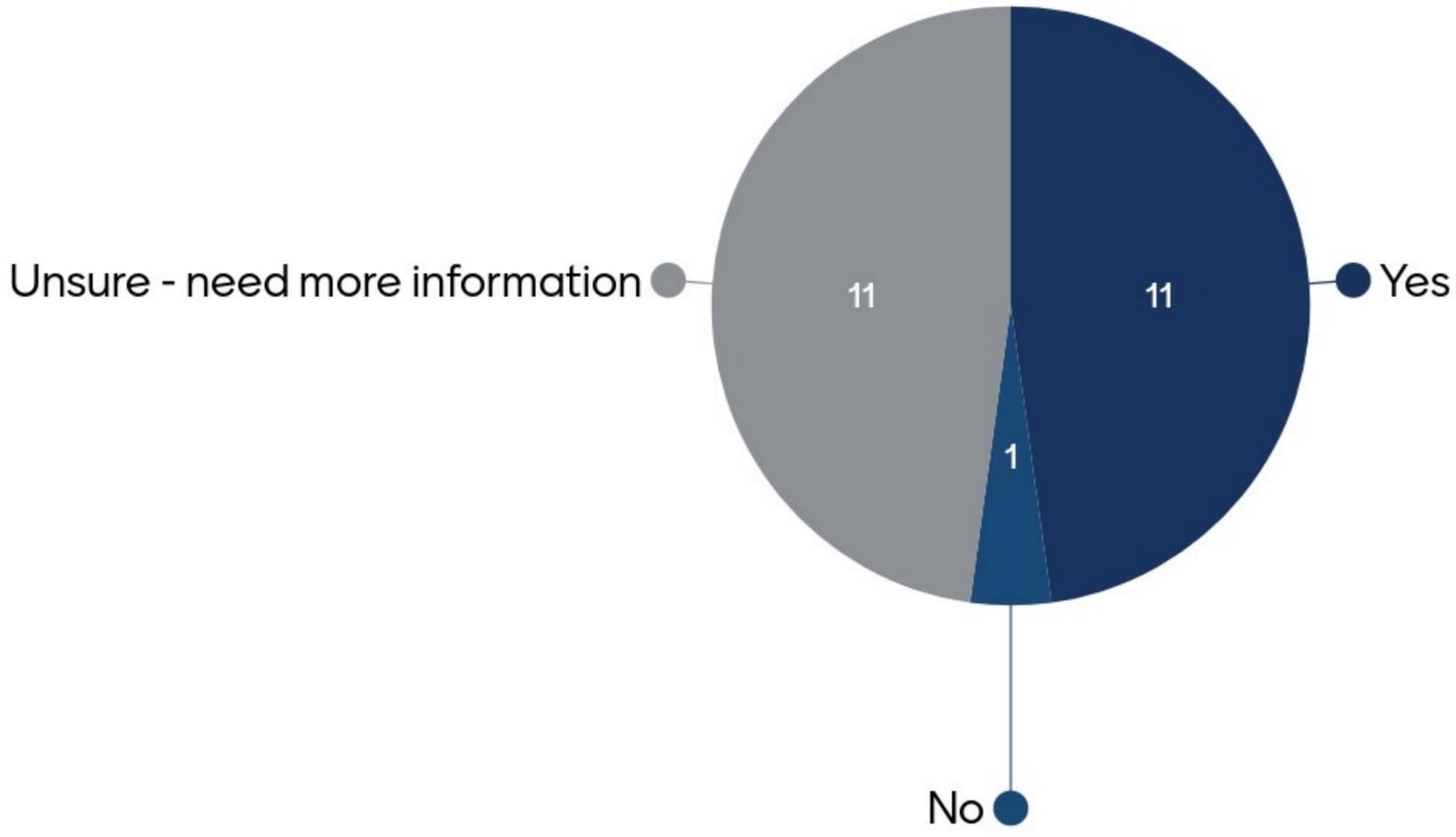
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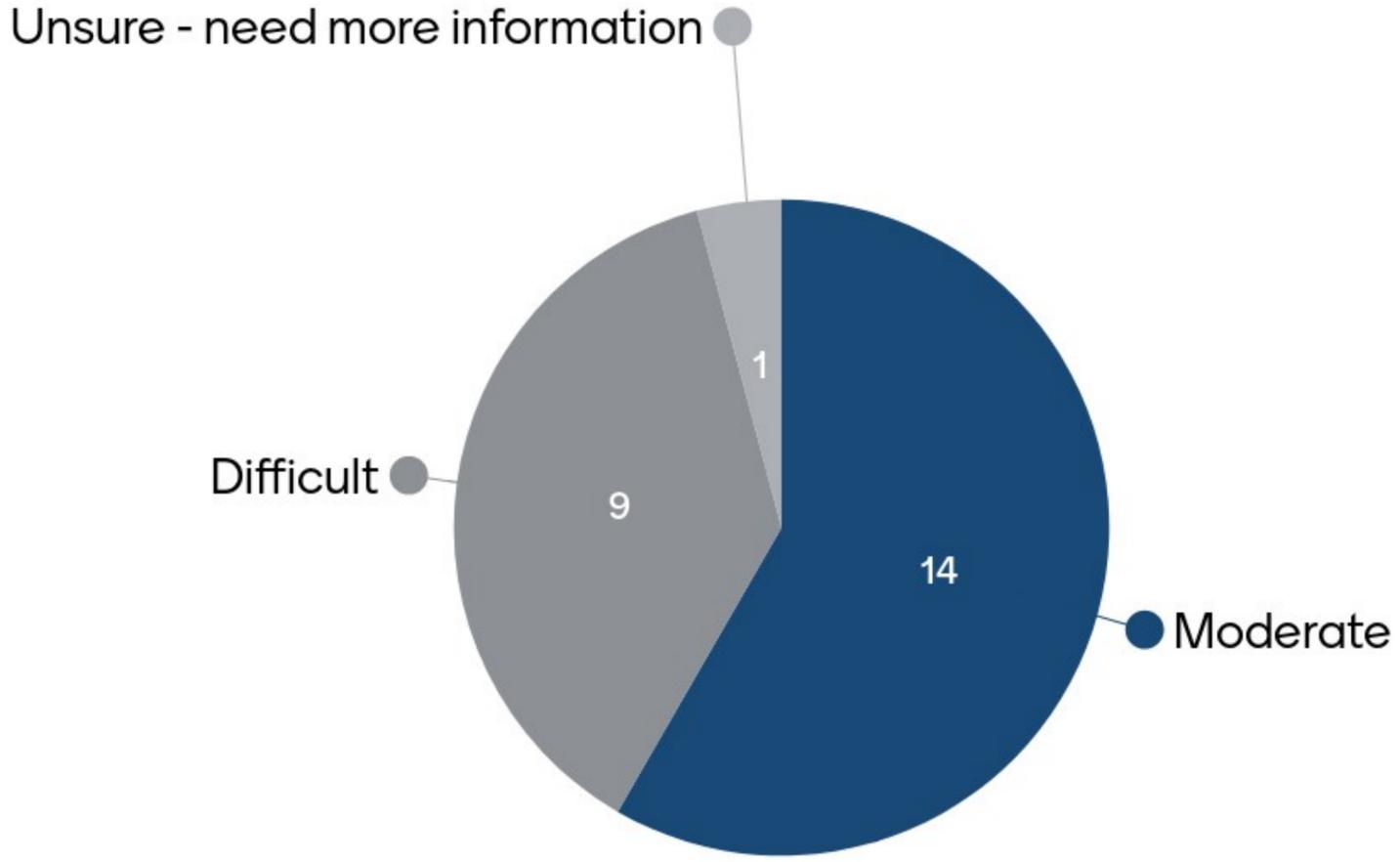


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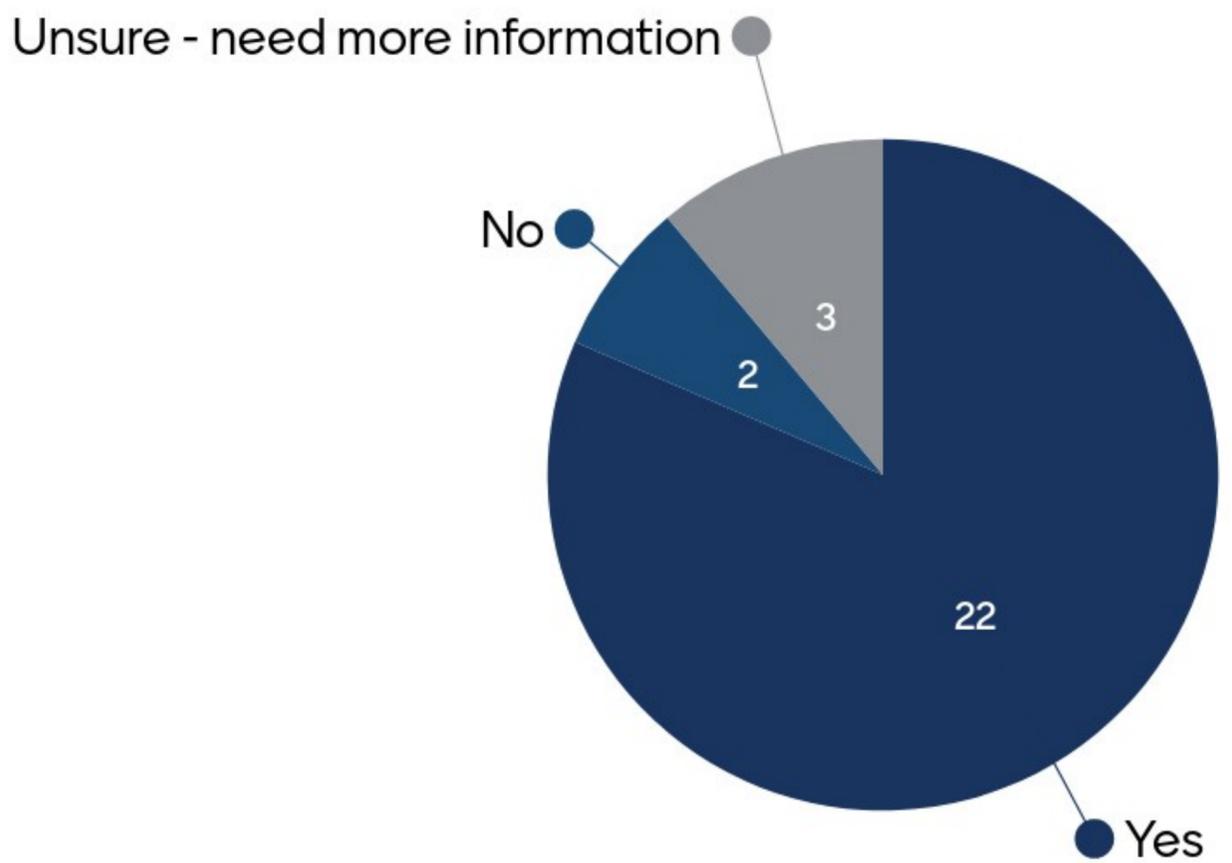
Is there enough information to easily identify and apply the relevant costing approach?



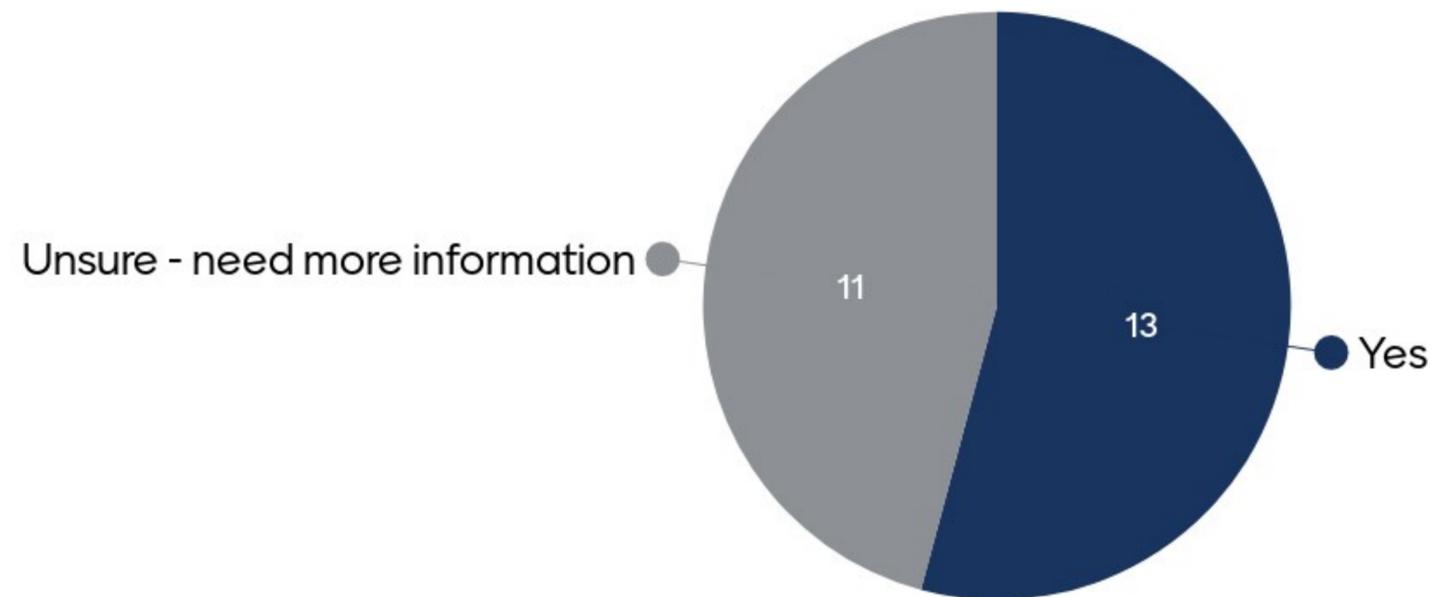
How easy will it be to account for the advantages and disadvantages of government ownership?



Do you agree with publishing public interest tests (subject to removal of confidential information)?



Do you agree with allowing local government businesses to take a more qualitative approach to the public interest test?



Discussion

Public hearing



Short break

Public hearing

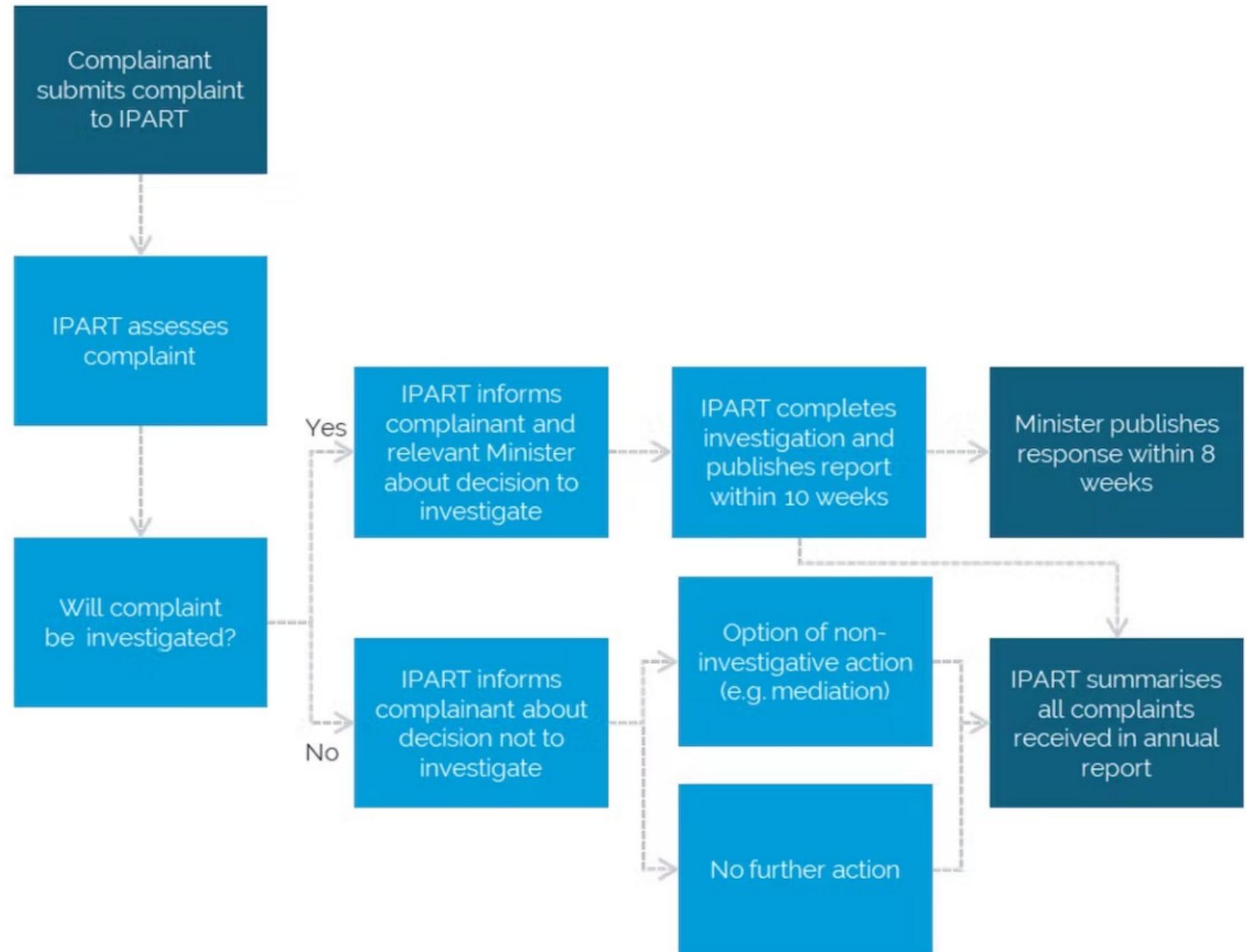


Session 3
Complaints process

Our draft recommendations

- A single process for all complaints
- Reducing the number of complaints handling bodies to one (IPART)
- Allowing complaints to be made directly to IPART
- Allowing anyone affected by competitive neutrality to lodge a complaint.

Our draft recommendations



Instructions

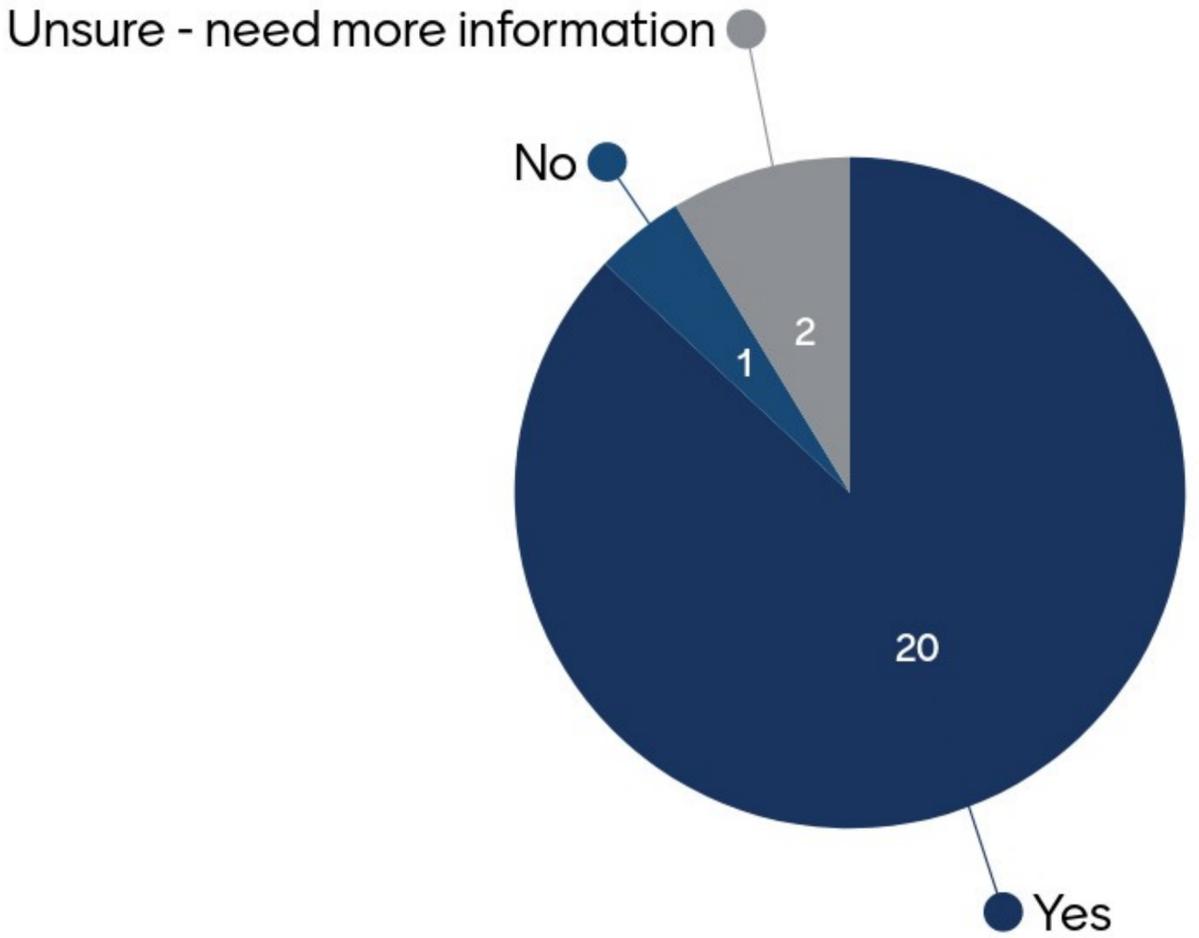
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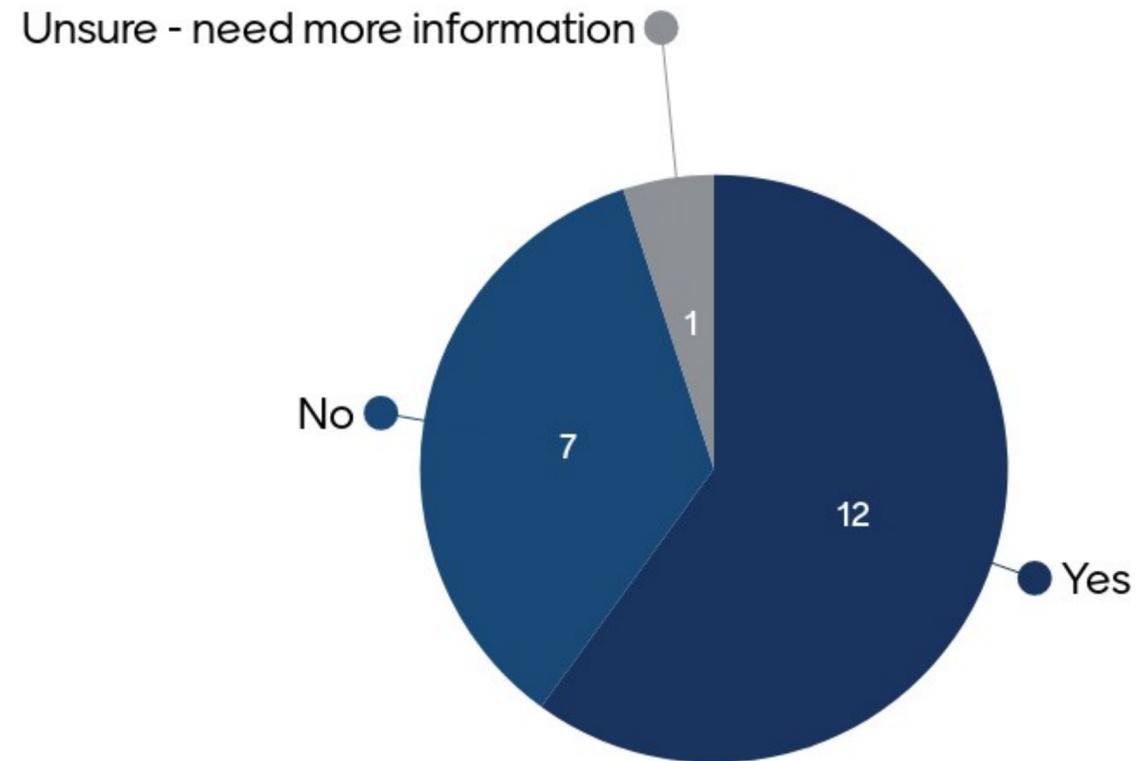


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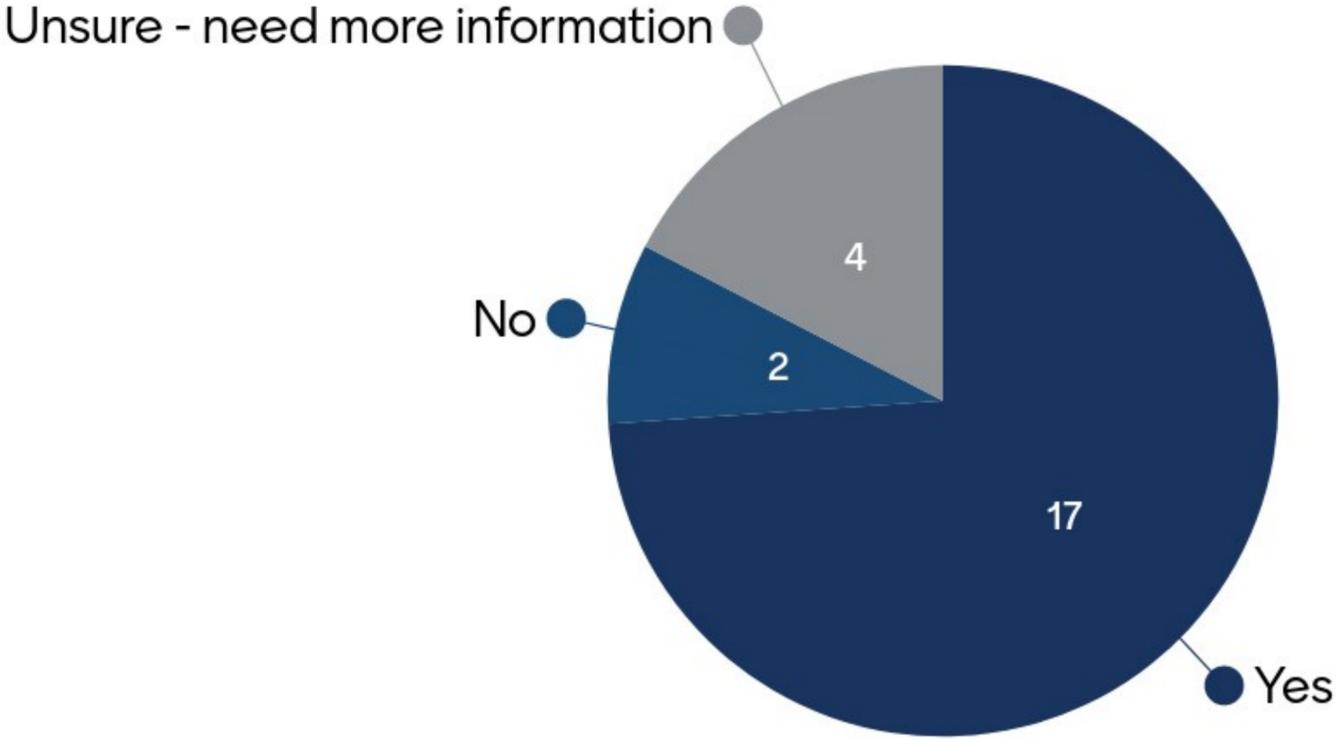
Do you agree with simplifying the process to one complaints handling body (IPART)?



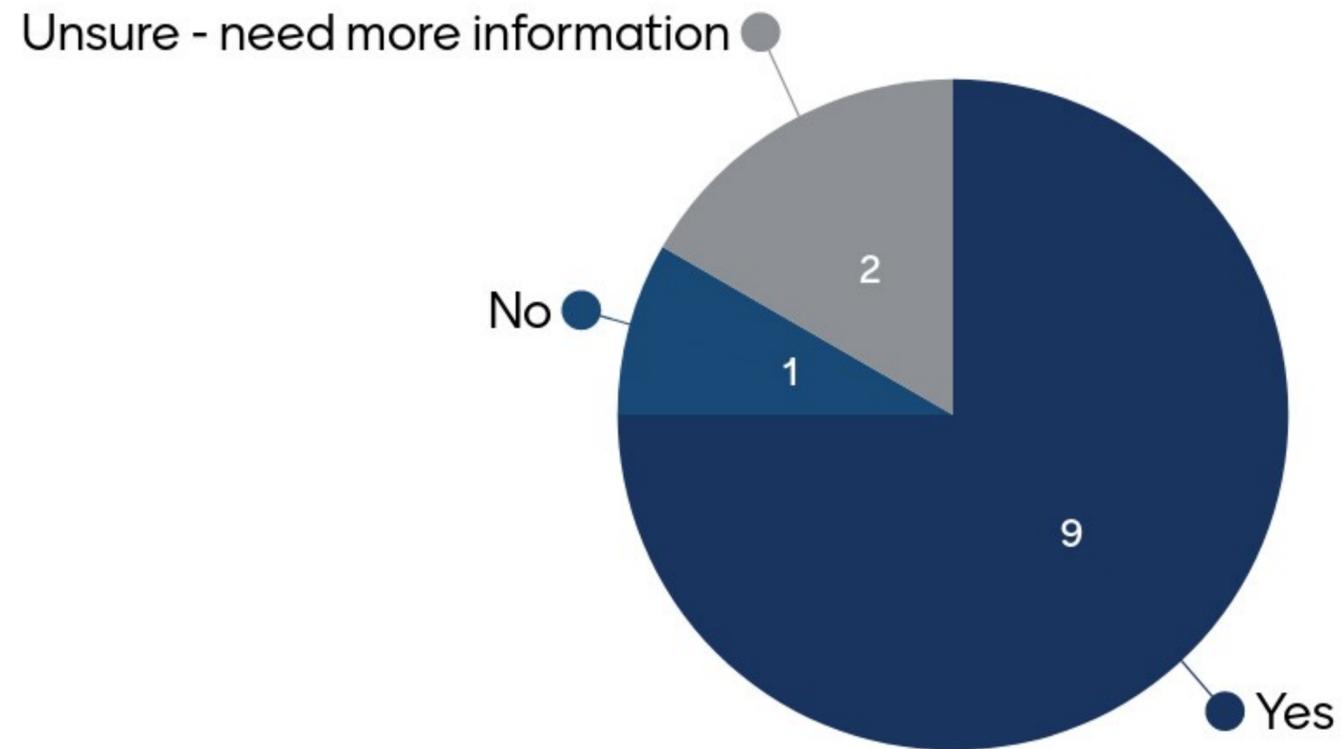
Do you agree with allowing complaints to be made directly to IPART (removing the obligation to contact the government business first)?



Do you support alternative approaches to resolving a complaint besides an investigation e.g. mediation?



[For competitors and interested parties] Are you more likely to make a complaint under the proposed framework?



Discussion

Public hearing



Session 4

Governance & transparency

Our draft recommendations

	<p>Annual reporting by government businesses</p>	<ul style="list-style-type: none"> • Statement of compliance reporting for all government owned business activities • Summary of public interest assessments for business activities operating that year • Steps taken to comply with competitive neutrality policy • Basis of pricing decisions • Number of complaints received
	<p>Training and support</p>	<ul style="list-style-type: none"> • Resources to help apply the policy (e.g. checklists, guidance documents, templates) • Advice from NSW Treasury • Transition period

Instructions

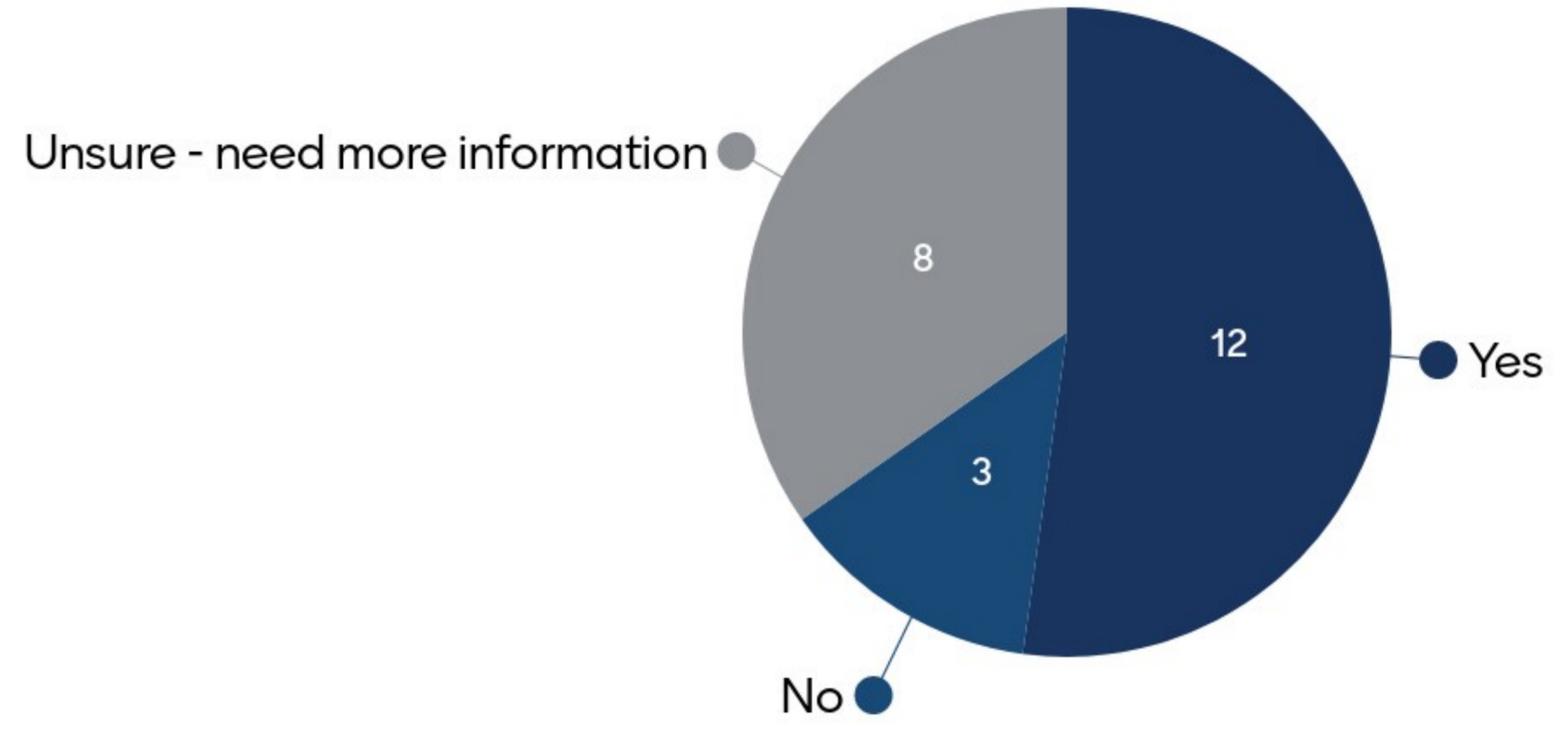
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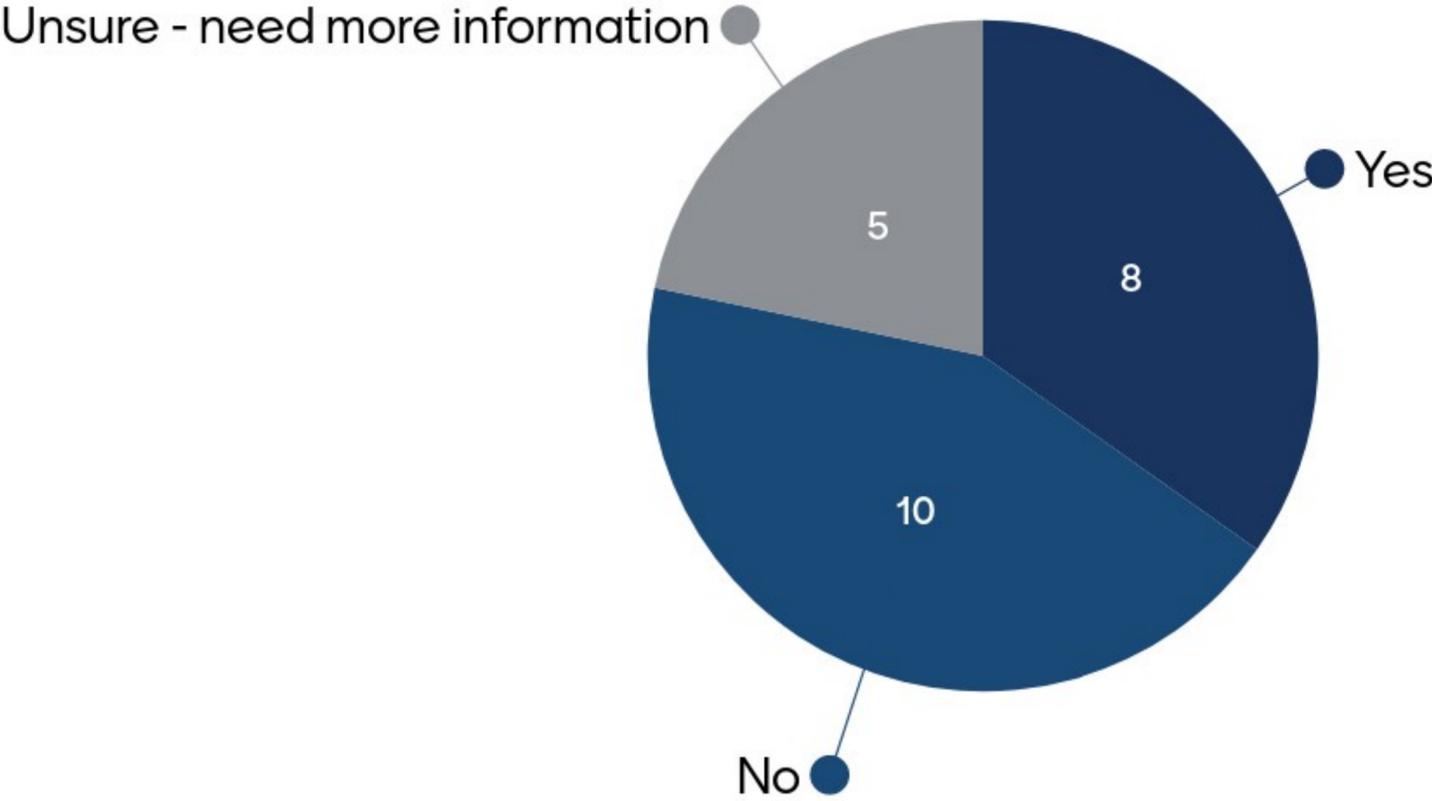


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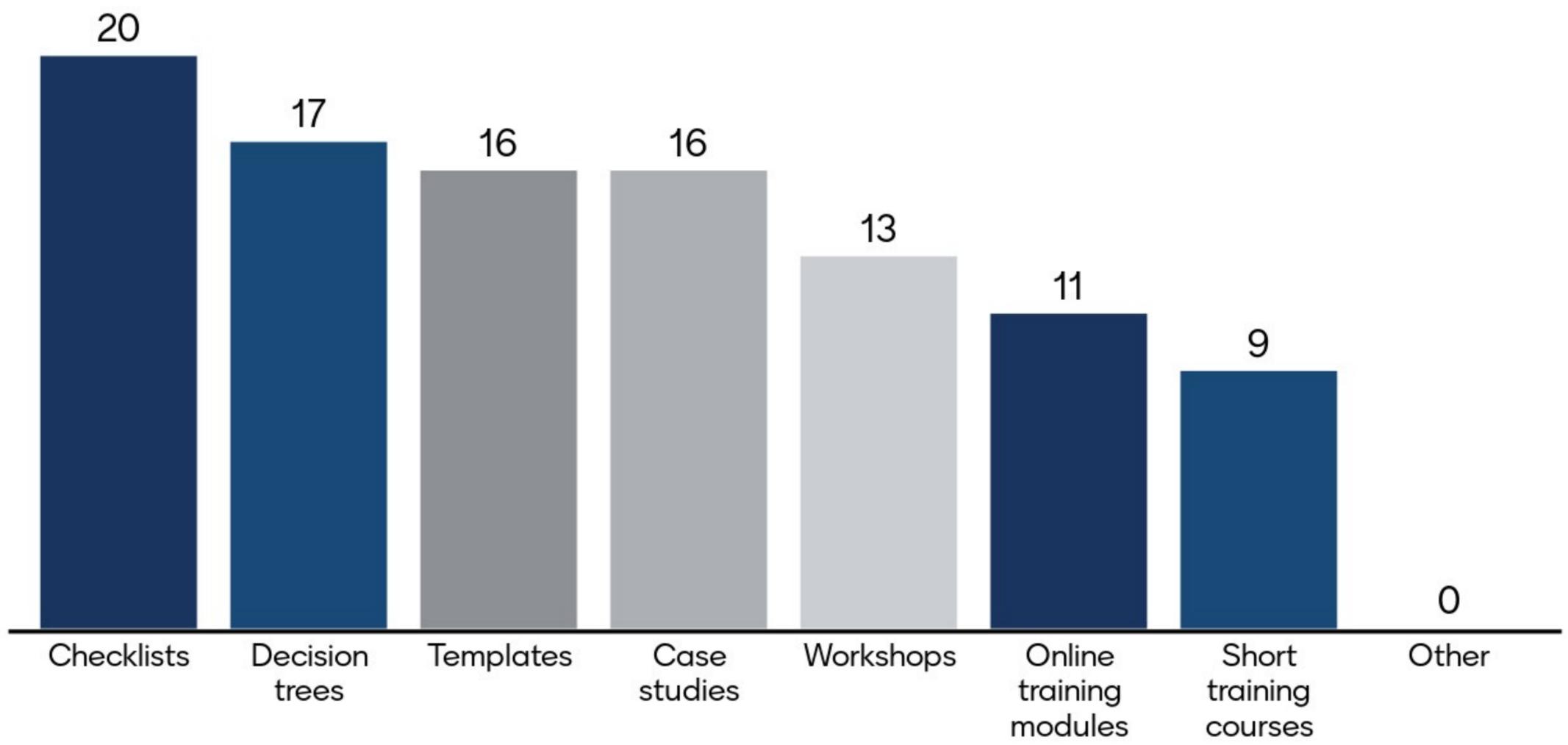
Do you agree with our proposed annual reporting on competitive neutrality?



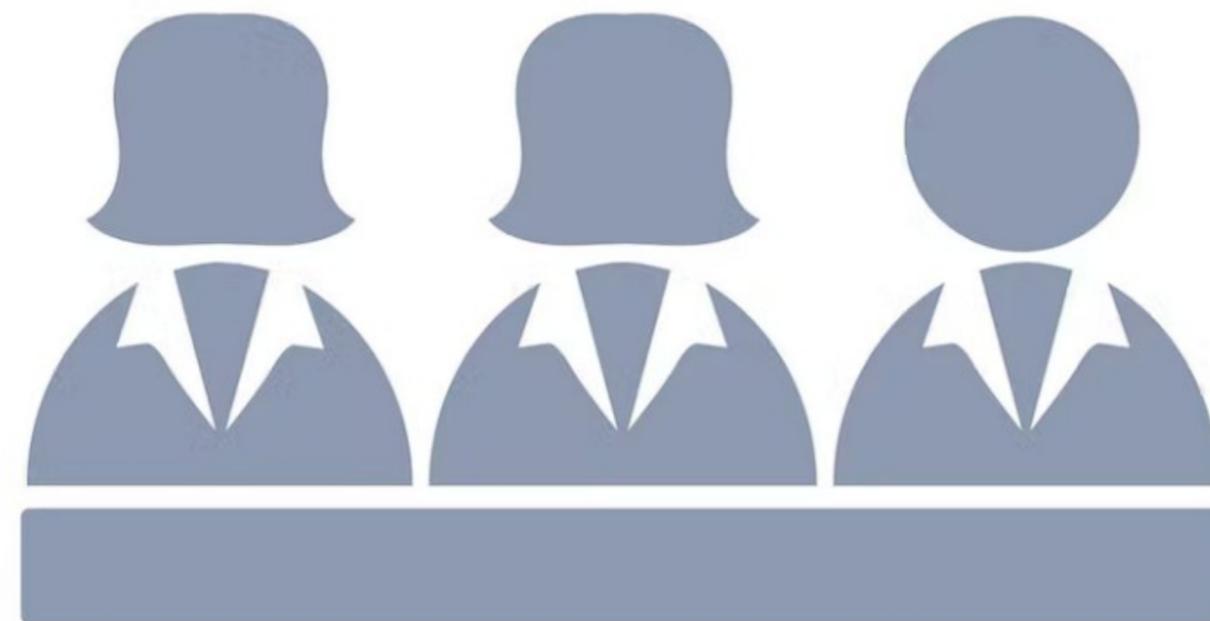
Are you confident that your business will be able to update policies and processes relatively easily?



What format of resources would be most useful to you to apply the revised policy? Select all that apply



Q & A



Public hearing



Closing remarks

Next steps



Contact us

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Visit our website

[Review of NSW Competitive Neutrality Policies and Processes](#)