

National Competition Council

Competitive neutrality reform: issues in implementing clause 3 of the Competition Principles Agreement

January 1997

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ISBN 0 642 26112 1

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Produced by Panther Publishing & Printing.

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1 Introduction

Australia's ability to sustain higher rates of economic growth, enabling more people to be employed and better social outcomes, depends on how well our resources are used. Competition contributes to achieving higher growth by helping to ensure that the community's resources — the physical environment, financial resources and people's skills and ideas — are used in the most valuable way. Accordingly, Australia's governments have taken the logical view that the disciplines imposed by effective competition, being the greatest drivers for improving productivity and encouraging innovation, need to be extended throughout all sectors of the economy for Australia's standard of living to rise.

The National Competition Policy agenda endorsed by all Australian governments in April 1995 offers a comprehensive package of reforms. Delivered through three intergovernmental agreements,¹ the reform agenda comprises:

- › extension of the reach of the *Trade Practices Act 1974* to unincorporated businesses and State and Territory government businesses;
- › application of competitive neutrality principles so that government businesses do not enjoy a competitive advantage simply as a result of public sector ownership;
- › restructuring of public sector monopoly businesses;
- › reviewing all laws which restrict competition;
- › providing for third party access to nationally significant infrastructure; and
- › extension of prices surveillance to State and Territory government businesses to deal with those circumstances where other competition policy reforms had proven inadequate.

Over the past decade, several studies and reviews have revealed that the pricing practices and productivity of many government businesses have been

¹ The Conduct Code Agreement, the Competition Principles Agreement and the Agreement to Implement the National Competition Policy and Related Reforms.

poor.² Many of the problems related to the operating environments that had evolved under government ownership. In many cases, governments did not require their businesses to recover costs or price efficiently. Managers were generally not held accountable for business performance. Governments also commonly conferred monopoly rights on their businesses, sheltering them from competitive pressures and disciplines.

As governments began to better understand the significant impact of their businesses on Australia's economy, each started to examine the nature of its involvement in businesses. This has seen governments pursue a variety of reforms including, for example, corporatisation, commercialisation, privatisation and competitive tendering and contracting. A common objective of each of these reforms is to create a competitively neutral operating environment, whereby 'neutrality' is achieved by exposing government businesses to the competitive pressures and disciplines normally faced by private sector businesses. In brief, the objective of competitive neutrality policy is to ensure that no government business enjoys a net competitive advantage by virtue of its public sector ownership.

Where properly implemented, reforms aimed at introducing a competitively neutral operating environment for government businesses can deliver a range of benefits, including:

- › more efficient pricing leading to resources being allocated to their best uses;
- › longer term performance efficiency gains as a result of government business enterprises (GBEs) operating in a more competitive environment;
- › savings to governments from better utilisation of infrastructure;
- › transparency and greater efficiency in the provision of community service obligations; and
- › increased service quality as a result of performance monitoring of GBEs.

² See, for example: Industry Commission (IC) 1991a; IC 1991b; Steering Committee on National Performance Monitoring of Government Trading Enterprises (SCNPMGTE) 1993; Bureau of Industry Economics (BIE) 1994; BIE 1995.

Thus, the competitive neutrality policies and principles outlined in the Competition Principles Agreement (CPA), where properly implemented, will have benefits for consumers and for business: for example, in terms of the price and quality of government services and improved customer focus. The removal of advantages available to government businesses because of their public ownership will enhance the ability of private businesses to compete with those owned by governments.

Significantly, the Commonwealth is to provide financial transfers to those States and Territories which make satisfactory progress with reform, including in relation to competitive neutrality. Responsibility for assessing whether States and Territories have made satisfactory progress, and for advising the Commonwealth whether States and Territories have met the conditions for receipt of competition payments, lies with the National Competition Council. The Council is also available to assist governments to address competition reform issues supporting the National Competition Policy program.

Advancing competitive neutrality reform

Governments' competitive neutrality obligations under the CPA include, but are not limited to:

- › the publication of a policy statement on competitive neutrality, including an implementation timetable and a complaints mechanism, by June 1996;
- › the publication of a separate policy statement on the involvement of local government, which must address competitive neutrality matters, by June 1996;
- › the publication of annual reports on the implementation of competitive neutrality principles, including allegations of non-compliance;
- › for significant business activities: corporatisation and imposition of full government taxes or tax equivalent systems, debt guarantee fees directed towards offsetting the competitive advantages provided by government guarantees and the application of regulations to which private sector businesses are normally subject; and

- › for significant business activities where corporatisation is judged to be impractical: ensuring that prices charged for goods and services take account of full government taxes, debt guarantee costs and private sector equivalent regulation.³

As with the other components of the National Competition Policy agenda, governments have considerable flexibility in implementing competitive neutrality. Each has taken the first important steps. All governments have delivered their policy statements, and to varying extents have outlined the detail of their competitive neutrality program, including the nature and scope of reforms proposed, the timetable for their implementation and the means by which complaints about the application of competitive neutrality policy will be handled.

As part of the task of evaluating progress with reform assigned to it by governments, the Council is examining these policy statements with a view to ensuring they offer comprehensive frameworks for reform consistent with the intent and spirit of the intergovernmental competition policy agreements. Preliminary consideration of the statements, coupled with consultation with a range of parties interested in competitive neutrality matters, has highlighted several areas for further discussion. These areas, which are examined in the remainder of this paper, include:

- › the meaning of competitive neutrality as defined in the CPA;
- › the businesses chosen for reform;
- › the reform models which meet the requirements of the CPA;
- › other means (additional to those specified in the CPA) by which governments might address their competitive neutrality commitments;
- › the implications for community service obligations (important to many in the community but which may be supported by anti-competitive behaviour);
- › the means by which governments handle complaints about competitive neutrality policy; and
- › next steps in the process of reform implementation.

³ The text of clause 3 of the CPA is reproduced at Appendix A.

2 Competitive Neutrality: Interpreting Clause 3 Of The CPA

The objective of competitive neutrality policy, as stated in subclause 3(1) of the CPA, is the elimination of resource allocation distortions arising out of the public ownership of entities engaged in significant business activities. Resource allocation distortions can arise where government businesses face different costs or disciplines than private sector businesses. These differences may provide government businesses with competitive advantages or disadvantages which influence their pricing and production decisions.

Some of the potential sources of ownership-related advantages and disadvantages are listed in Box 1. Several types of resource allocation distortions can arise as a result of these factors. For example, if a government business is not required to earn a return on the capital invested in the business or even cover operating costs, then it may be able to underprice the goods and services it produces. If this leads to the government business attracting custom from its more efficient competitors, then the community's scarce resources are not being used as well as they might be. The underpricing may also encourage 'overuse' of the good or service, encouraging the business to invest in new plant and equipment that it would otherwise have not required.

The way in which government businesses use inputs to produce goods and services can also affect resource allocation. Government businesses which operate inefficient production processes will use more resources — raw materials, physical capital, management and labour, and technical know-how — than necessary to produce a given level of output. This reduces the availability of resources to other businesses, and increases their cost to all users. Inefficient production processes also increase costs of production, undermining the government business's financial performance.

Box 1: Some Potential Advantages and Disadvantages Affecting Government Businesses

Potential advantages

- › Exemptions from Commonwealth taxes (including company tax, sales tax, financial institutions duty, import duties, fringe benefits tax, fuel excises)
- › Exemptions from State and Local taxes (including property rates and taxes, land tax, debit tax, franchise and licence fees, payroll tax)
- › No requirement to return a profit, rate of return on investments or account for depreciation expenses
- › Tied clientele and the opportunity to cross-subsidise commercial operations from monopoly markets
- › Immunity from bankruptcy and the threat of takeover
- › Exemptions from various Commonwealth and State legislation (eg environmental regulation)
- › Access to various corporate overheads free of charge (or at reduced rates), including office accommodation, payroll services, human resource services, marketing and IT services
- › Cash flow advantages through budget arrangements which give agencies access to funds at the start of the financial year
- › Cheaper capital financing (no risk premium where the agency is backed by an explicit or implicit government guarantee)
- › Preferential input to tender specifications

Potential disadvantages

- › Difficulty in accessing taxation benefits of depreciation, investment allowances and other deductions (eg through the transfer of taxation losses)
- › Public sector employment terms and conditions and higher public sector superannuation contributions
- › Lower degree of managerial autonomy, for example due to the requirement to comply with Ministerial directives
- › Greater accountability costs given the public sector's reporting and regulatory requirements
- › Lack of flexibility in reducing or restructuring corporate overheads
- › Constitutional and legal constraints, including being subject to Administrative Law
- › Capital constraints – high debt / low equity
- › Requirement to provide unfunded community service obligations
- › Restricted access to product markets
- › Explicit requirements in relation to industrial democracy and equal employment opportunity

Source: from Industry Commission 1996, p. 294.

Competitive neutrality helps overcome potential pricing and production problems by encouraging competition in the provision of services traditionally provided by governments. Competition provides strong incentives for managers to improve the efficiency of their businesses where those managers have responsibility for the health of their business. Specific action to address underpricing or overpricing helps ensure that the community's scarce resources are used in the most valuable way.

Even where there is no actual or potential competition, the adoption of competitive neutrality principles can encourage greater efficiency in resource allocation. It will mean, for example, that governments are better informed about the actual cost of providing goods and services, allowing for improved decisions about how to provide those goods and services. This is particularly relevant for local government, where in regional areas there may be very few competing non-government providers of the goods and services being offered by local government.

Determining 'net competitive advantage'

The central idea underpinning competitive neutrality is that the competitiveness of an enterprise should not be improved or impaired by virtue of its ownership arrangements.⁴

In this context, clause 3 of the CPA refers to the concept of 'net competitive advantage'. This terminology, however, should not carry any connotation that advantages in one area are 'compensation' for disadvantages elsewhere as, clearly, two contra-allocative inefficiencies are unlikely to lead to efficient resource allocation outcomes. This suggests that, if the objective of efficiency in resource allocation is to be achieved, allowing inefficiencies to continue because they compensate for other inefficiencies makes little sense.

The CPA explicitly identifies four areas of potential net advantage. Subclauses 3(4) and 3(5) specify action to neutralise potential advantages associated with exemption from taxation liability, access to capital at concessional rates, exemption from aspects of business regulation and pricing policies which do not take account of full production costs.

⁴ Factors relevant to the competitiveness of an enterprise but unrelated to ownership — such as size, management and staff skills, location and strategy — fall outside the scope of competitive neutrality policy.

The broad resource allocation objective specified in the CPA underscores the need for reforms, where relevant, in relation to all of the factors listed in Box 1. Indeed, the corporatisation model suggested in the CPA explicitly recognises the need for reforms additional to those specified in subclauses 3(4) and 3(5). Accordingly, for every government business where competitive neutrality reform is thought to be justified, every factor which contributes to an ownership-related advantage or disadvantage should be identified and, to the extent practicable, the advantage or disadvantage eliminated. In some cases, it may be necessary to employ proxies (for example, the tax equivalent regime suggested in the CPA or the arrangements for performance monitoring specified in the corporatisation model developed by the Government Trading Enterprise National Performance Monitoring Taskforce) where advantages or disadvantages cannot be removed directly, or where the transactions cost of their removal is too high.

3 Enterprises And Activities Covered

Subclause 3(4) of the CPA specifies actions to be taken in respect of significant State, Territory and local government business enterprises classified by the Australian Bureau of Statistics (ABS) as ‘public trading enterprises’ or ‘public financial enterprises’. Subclause 3(5) specifies actions to be taken in respect of other significant government business activities of governments.

Public trading enterprises and public financial enterprises

Public trading enterprises and public financial enterprises are defined by the ABS as government undertakings which aim at recovering most of their expenses by deriving revenue from sales of goods and services (ABS 1994, p. 21). Entities categorised as public trading enterprises by the ABS include major commodity marketing authorities, electricity authorities, railway authorities, port authorities and, especially at the local government level,

water and sewerage businesses. Government-owned banks and insurance offices are examples of public financial enterprises.

Public trading and financial enterprises have a range of legal forms, including departments of State, statutory authorities and companies. They may be managed by an independent board or report directly to the relevant Minister. The public trading enterprises and public financial enterprises classified on the ABS Public Finance Units Register are listed at Appendix D. Where information is available, the Council has updated the list provided by the ABS to reflect recent organisational restructures within jurisdictions.

Business activities which are part of a broader range of agency functions

There is no listing of government business activities equivalent to the ABS classification of public trading and financial enterprises. The CPA itself offers no guidance as to what might constitute such a business activity.

It is not always easy to identify businesses which are part of a broader government agency. For instance, some operate on a commercial basis — they trade in a market — while some are predominantly tax funded. Some provide goods and services free of charge or at prices below costs of production, and sometimes sell only to government. Others have no identifiable board of management. All this suggests that the business activities of government agencies should be thought of as activities which are *usually* undertaken to earn revenue and recover costs, or are *potentially or usually* undertaken in competition with private firms or individuals.

Accordingly, the interpretation of ‘government business activity’ for the purpose of subclause 3(5) should extend beyond those activities which are *actually* substantially funded by revenue and earn profits; to include the business activities of government agencies which could be undertaken on a commercial basis, but currently might not be. For example, a government bus service which earns little income as a proportion of costs (and is therefore substantially tax-funded) should be regarded as a business activity.

However, all such activities will not necessarily fall within the ambit of competitive neutrality policy. A relevant factor is the right of governments to make policy decisions concerning the production of goods and delivery of

services. Thus, a business activity might operate on a commercial basis in one jurisdiction but be part of general government in another. For this reason, it is possible that the scope of application of competitive neutrality policies may differ among jurisdictions, depending on the policy decisions each has made. The bottom line, however, is that Australia will receive maximum benefit if competitive neutrality reforms are applied whenever they are expected to generate net benefits to the community, including in currently non-contested areas of government business activity.

What is a 'significant' business activity?

The CPA obliges governments to consider competitive neutrality reforms where they judge a business enterprise or activity to be 'significant'. The intent of this qualification is to focus reform on those businesses where the benefits to the community will be greatest. However, the CPA does not formally define the term significant. One of the consequences of this is that some governments are proposing an approach which identifies significant businesses according to particular threshold criteria (such as turnover, income or employment).

Identifying significant government businesses according to size alone carries a danger that businesses which are significant in their particular markets, but nevertheless below some arbitrary threshold size, will be excluded from consideration of pro-competitive reform. Accordingly, the Council sees value in a broader test of significance, involving consideration of the impact of an activity on its relevant market. Such an approach is more consistent with the spirit and intent of the April 1995 competition policy agreements.

Judging significance in terms of the business's impact on its markets would involve various considerations, for example, about the business's size, its influence on the relevant market, its contribution to the local, state or national economy, the resources it commands and the effect of any poor performance. Size would play a part, but more appropriately in establishing reform priorities in order to achieve the larger reform gains as early as possible.

Government business activities that should be considered for competitive neutrality reform

Examples of business activities which Australian governments have considered for pro-competitive reform in recent years are myriad. They include electricity supply, railroads, ports, aviation authorities, water and sewerage, gas pipelines, gambling and lottery services, housing trusts, marketing boards and authorities, abattoirs, land development authorities, forestry operations, vehicle fleet management, cleaning services, refuse collection, construction services, maintenance operations, legal services, financial services; information technology functions, human resource management, printing services, commercial activities of road authorities, hospital services such as laundering, cleaning and catering and office accommodation and furniture supply. These businesses are indicative of the types of activities which should be exposed to competitive neutrality reform.

While analysis of governments' recent reform programs reveals these activities as expected reform candidates, governments would assist the competitive neutrality reform process by identifying at an early stage the businesses, including those at local government level, which they intend to reform or review. What would help would be publication of a comprehensive listing of government businesses by all government owners of those businesses. Some governments have provided such a listing in their June 1996 policy statements.

Determining when reform is appropriate

Decisions as to whether particular CPA reforms are appropriate are guided by governments' assessments that the benefits of reform outweigh the costs.⁵ In essence, governments are not obliged to implement competitive neutrality reforms if they judge that the costs of doing so are likely to outweigh the benefits. Without limiting the factors that could be considered in assessing benefits and costs, the CPA provides for consideration of matters relating to the interests of consumers, the competitiveness of business generally, ecologically sustainable development, social welfare and equity (including

⁵ CPA subclause 1(3).

community service obligations), industrial relations, occupational health and safety and access and equity, economic growth and regional development, and the efficient allocation of resources.

In assessing whether reform is appropriate, it is important to keep in mind that the benefits from improvements in resource allocation are likely to be distributed across the economy. In contrast, the costs of reform are generally concentrated in particular areas. For example, a government enterprise required to make tax equivalent and debt guarantee payments may find that its ability to compete is reduced and that, as a result, it may be forced to reduce its production and staff levels. However, this may create an opportunity for other businesses to carry out work previously conducted by the government enterprise leading to job opportunities elsewhere in the economy. Appropriate account should be taken of the more widely dispersed benefits from increased competition.

4 Mechanisms For Implementing Competitive Neutrality

The CPA encourages governments to corporatise their significant business enterprises and business activities. Where the cost of corporatisation is not justified, the CPA specifies that governments ensure that the prices of goods and services produced by significant government businesses reflect full attribution of production costs and the imposition of regulations equivalent to those applying in the private sector.

In addition to the reforms specified in the CPA, governments over the past decade have also used mechanisms such as competitive tendering and contracting, franchising and privatisation to reform their business involvement. The CPA is silent in relation to these reforms. Nonetheless, the CPA does not rule out these approaches if they are seen by governments to meet their needs.

This section first provides a summary of the main reforms pursued by governments in recent years, prior to examining the CPA proposals in more detail. Lastly, the section addresses the concept of competitive tendering and contracting. The inter-relationship of competitive tendering and contracting

and competition policy is a matter which is often raised with the Council, particularly by people with an interest in local government businesses.

- › **Corporatisation** of a government business activity involves separating the business from the day to day control of government, with the aim of imposing commercial pressures similar to those faced in the private sector. The enterprise may be constituted as a government-owned enterprise under the Corporations law, or as a statutory authority under its own or umbrella legislation.
- › **Reform of specific advantages and disadvantages** is a less comprehensive approach to the reform of government enterprises which directly targets the source of particular competitive advantages and disadvantages. This includes the removal of exemptions from competitive conduct rules and other regulations to which the private sector is normally subject, as well as the application to government enterprises of the full range of taxes and charges.
- › **Pricing reforms** aim to neutralise any competitive pricing advantages that a government enterprise may enjoy relative to its private sector competitors. This is achieved by ensuring that production costs incurred by a government business activity are reflected in the prices charged for its goods and services, that is, prices are set on a commercial basis. These costs include direct costs such as wages and raw materials and a proportion of indirect costs such as office overheads and depreciation. In addition, prices should reflect implicit costs such as debt guarantee fees, tax equivalent payments, and a commercial rate of return.
- › **Competitive tendering and contracting** is a process of opening up the provision of goods or services, which typically have previously been provided internally, to outside suppliers. The contracting agency calls for tenders to provide a good or service from suppliers outside, and where appropriate inside, the agency. Tenders are evaluated on the basis of selection criteria which should encompass both price and quality considerations. Where a government agency enters into a contract with an external supplier for the provision of goods and/or services which typically have been provided internally, the good or service is said to be contracted out.

- › **Franchising** involves tendering out the management of government business assets for a fixed period. The government retains ownership of the assets and the right to operate the assets is awarded to the business with the lowest reasonable costs, subject to considerations of management capacity and supply quality.
- › **Privatisation** is the process by which the ownership of a government asset or business is transferred to the private sector. This action ensures that all competitive advantages or disadvantages associated with government ownership are eliminated. The CPA does not advocate either public or private ownership of business activities.

Corporatisation

Corporatisation aims to improve the efficiency and performance of government firms through the introduction of commercial disciplines similar to those faced by private businesses.

The Independent Committee of Inquiry into a National Competition Policy (the Hilmer Report) saw corporatisation as an important means of applying competitive neutrality principles to government businesses. It identified key principles for the corporatisation of government business enterprises.⁶ These principles, which underpin the corporatisation model proposed in the CPA, are:

- › clarity and consistency of objectives — requiring governments to develop clear statements of objectives for their enterprises, including guidance on trade-offs where objectives conflict;
- › management authority — requiring clear separation of decision making and accountability between Boards and owner governments for commercial, social and regulatory objectives;

⁶ The principles identified in the Hilmer Report were based on a model developed by an intergovernmental taskforce on the reform of government trading enterprises. The taskforce model was intended as a statement of the principles which should be applied when corporatising government businesses rather than a prescription as to how corporatisation should occur. The elements of the taskforce's corporatisation model are outlined in Appendix B. Some governments have developed corporatisation models which could also form the basis for meeting the competitive neutrality obligations in the CPA.

- › effective performance monitoring by the owner government — to ensure that the Board and management are achieving commercial goals;
- › effective performance-related rewards and sanctions — in order to create incentives for good performance by the Board and management; and
- › competitive neutrality — incorporating the attainment of competitive neutrality in both input and output markets and effective natural monopoly regulation.

Corporatisation can be viewed as an extension of the commercialisation approaches adopted by all Australian governments in recent years. While commercialisation can encompass most elements of the corporatisation model — clear business objectives, management independence and accountability, independent performance monitoring, competitive neutrality and an effective system of rewards and sanctions — there are some differences. For example, commercialised entities usually remain as business units within government departments, while corporatised agencies are separate legal entities distinct from their owner-governments and are normally corporatised under legislation. This is an important difference. It tends to strengthen the commercial focus of the organisation, and to make it less subject to the political direction of governments. Thus, corporatisation enhances the prospect of government businesses operating efficiently.

Like corporatisation, commercialisation aims to place government businesses within a competitively neutral framework, although commercialisation is arguably a weaker model for this type of reform. In this respect, the strong support given by governments for corporatisation, subject to a test of costs and benefits, through CPA subclauses 3(4) and 3(5)(a) is noteworthy.

Reform of specific advantages or disadvantages

Reform of three areas of specific advantage and disadvantage is called for in the CPA. In this respect, in addition to the corporatisation of significant government business activities, the CPA specifies imposition of:

- › full Commonwealth, State and Territory taxes or tax equivalent systems;
- › debt guarantee fees directed towards offsetting the competitive advantages provided by government guarantees; and
- › those regulations to which private sector businesses are normally subject, on an equivalent basis to private sector competitors (although this should not be interpreted to mean removal of regulation applying to a government business enterprise or activity but not to the private sector where the relevant jurisdiction considers the regulation to be appropriate).

The general principle underlying the application of a tax equivalent scheme to a government enterprise is that the enterprise should make payments to its owner government equivalent to the liability it would otherwise incur as a private corporation. These payments would need to take account of all Commonwealth, State and Territory taxes and duties including income tax, sales tax, payroll tax, stamp duties, excise duties, and superannuation income tax liabilities. The actual composition of tax equivalent payments will vary across jurisdictions depending on the extent to which the various taxation liabilities apply.

The aim of a debt guarantee fee is to eliminate the competitive advantage enjoyed by government businesses as a result of explicit or implicit government guarantees on their borrowings. The fee should be commensurate with the credit risk the enterprise would face if it had no guarantee. Where borrowing is undertaken on the enterprise's behalf by a central borrowing authority, the effect of any explicit guarantee should be removed and the enterprise charged full commercial rates of interest related to its credit risk in the absence of any guarantee. The actual amount of the fee is usually calculated as the size of the borrowing multiplied by the difference between the interest rate on government borrowings (say the long term bond rate) and the interest rate the enterprise would face if it were to borrow on its own account. It would be expected that, in most cases, the credit risk on borrowings by a stand-alone enterprise would be higher than on (virtually riskless) borrowings by a government.

In practice, the removal of competitive advantages through proxies is not always straightforward. Apart from tax equivalent regimes and debt guarantee fees, proxies are likely to be needed to account for the influence of

a range of matters not addressed by direct measures, for example, capital structure and dividend policy, community service obligations, legislative requirements, and prices oversight arrangements. Guidelines addressing the design and implementation of proxy measures necessary to maximise the benefits from competitive neutrality policy would assist the reform process.

Pricing reform

For those significant government businesses where corporatisation is judged to be inappropriate, the CPA specifies reform of pricing arrangements such that prices for goods and services reflect the full attribution of all costs incurred by the business in the course of production.⁷ Attribution of costs should not only take account of direct costs, such as the cost of labour and raw materials, but also the range of overhead costs borne by the parent agency. In addition, the CPA requires that the implicit cost of tax equivalents, debt guarantee fees and adherence to regulations be incorporated in price setting.

The objective in establishing an appropriate benchmark for full cost pricing is to measure the real resource or opportunity cost of producing the good or service in question. In principle, marginal cost provides a useful pricing benchmark for commercialised government businesses. Marginal cost is the cost of producing one more unit of a good or service (the incremental cost), or expressed another way, the money that would be saved by producing one less unit (the avoidable cost). Setting prices on a marginal cost basis is generally consistent with competitive neutrality as it ensures that only those costs which are actually varied by changes in the output of a particular government business activity are incorporated in pricing strategies.

Unfortunately, marginal cost is often difficult to measure, and approaches which proxy marginal cost often need to be employed. Under the avoidable cost proxy, direct costs such as labour and raw materials (which vary with output and could consequently be avoided if the government business no longer produced the output), would be incorporated. A proportionate share of implicit costs, such as taxation liabilities, borrowing fees and a commercial

⁷ CPA subclause 3(5)(b).

return, would also need to be included as they could be avoided if production ceased.

Some proportion of overheads, such as a payroll costs and personnel staff, should also be part of the avoidable cost calculation. However, some other overhead costs are ‘common’ across all goods and services produced by a government agency and cannot be avoided even if a particular good or service is not produced.⁸ For example, costs such as senior management or generic agency advertising may remain fixed irrespective of the level of business activity. Thus, for the purposes of pricing under competitive neutrality, it may be appropriate not to allocate a proportion of these common costs to particular government business activities, where to do so would impose on the business activity an ownership-related competitive disadvantage.

Arguably, an upper bound to the ‘full cost’ price of goods and services provided by public enterprises is set by the concept of stand alone cost. Stand alone costs are the costs of providing a good or service in isolation from other products, that is the existing costs of the enterprise less those costs which would be avoided if all other goods and services were not produced. However, government businesses typically use common facilities to provide a number of different services, and as a result, the cost to the business of supplying services simultaneously is less than the sum of the costs of supplying the services in isolation from each other. Consequently, using stand alone cost as a pricing benchmark will generally not capture the reduction in costs available from economies of scale and scope.

Noting these considerations, further discussion between jurisdictions in relation to the application of the CPA full cost pricing principle, including in relation to government monopoly businesses, would assist appropriate implementation of competitive neutrality reform. It would particularly assist the reform process if there was a common understanding across jurisdictions as to the principles underlying full cost pricing.

⁸ Common costs are costs spread across more than one output which would still be incurred in total even if only one output were produced.

Competitive tendering and contracting

Provision of goods and/or services by government agencies through a competitive tendering process may or may not involve bids from an in-house provider. Whether or not a competitive tendering and contracting process is employed, and whether or not in-house bids are considered, is a policy decision for governments. Competitive tendering and contracting is not a requirement under the CPA

One consideration for governments is the potential for improvements in the delivery of goods and services. This may be encouraged through the range of criteria used to determine successful tenderers including price, service or product quality, timeliness, efficiency and use of local materials or labour.

While recognising that competitive tendering and contracting is not required under the CPA, the process nonetheless involves some important competitive neutrality considerations.

First, where a robust tender process results in a tender being awarded to an external party, any net competitive advantage associated with public ownership is necessarily eliminated in relation to the tendered activity.

Second, where an in-house team participates in the tender process, maximisation of potential benefits relies on the application of competitive neutrality. In essence, competitive neutrality does not preclude bidding by in-house providers, but it does require that the in-house bidder does not have an unfairly advantaged position relative to its external competitors. In practice, it will require the in-house bidder to apply (at a minimum) the full cost attribution model. It is also likely to involve the creation of physical and informational barriers separating the bidding team from those responsible for purchasing services. Such barriers aim to place the in-house bidder in a position equivalent to external parties in terms of access to information and influence over the tender evaluation process and on-going contract management.

5 Community Service Obligations

One matter which has attracted a great deal of community interest in considering competition reform is the provision of community service obligations (CSOs). CSOs are goods and services which government businesses are required or expected to supply to certain sections of the community on a non-commercial basis.⁹ They generally relate to governments' broader policies or social goals. Common examples include concession fares for public transport travel, rebates on utility bills to low income consumers and the provision of services in rural areas at prices below the economic cost of delivery.

The CPA places an obligation on governments to address CSO issues in implementing competitive neutrality principles. In particular, the means by which CSOs are funded is an important competitive neutrality issue. Governments in Australia have typically funded CSOs through a mix of cross-subsidies and acceptance of reduced rates of return, lessening the transparency of the true cost of the CSO and requiring restrictions on competition.

CSOs are relevant in considering competitive neutrality reform because they can provide both a competitive disadvantage and a competitive advantage. A CSO funded through a cross-subsidy will usually constitute a competitive disadvantage for a government enterprise as it represents an additional cost which a competitor may not be required to bear. On the other hand, cross-subsidies usually require regulatory barriers to protect the profitable markets of government enterprises from competition in order to facilitate the funding of CSOs.

Cross-subsidisation, by creating pricing distortions which can encourage under-consumption of high-priced goods and services and over-consumption of those which are 'free' or subsidised, is inconsistent with the resource allocation objective of competitive neutrality policy. Furthermore, the objectives of corporatisation — in particular, the need for clear commercial objectives, effective performance monitoring and competitive neutrality in

⁹ The SCNPMGTE defined a CSO as arising when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis, and which the government does not require other businesses in the public or private sectors to generally undertake, or which it would only do commercially at higher prices (SCNPMGTE 1994).

input and product markets — also support a move away from funding CSOs through cross-subsidies and regulatory restrictions on competition.

Research by the Steering Committee for National Performance Monitoring of Government Trading Enterprises (SCNPMGTE) points to the desirability of governments directly funding CSOs (SCNPMGTE 1994). The SCNPMGTE saw the primary advantage of direct funding as providing for greater transparency in the provision of CSOs. Direct funding necessitates the clear identification of each CSO and its associated cost, encouraging review of the merit of continuing or enhancing the CSO. In addition, direct funding of CSOs relieves pressure on government businesses to finance CSOs through cross-subsidies, reducing the likelihood of inappropriate allocation of resources.

Funding CSOs directly can also create the potential for competition between suppliers of goods and services. For example, concession travel on buses is a CSO which could equally be provided by a private bus operator (through a competitive tendering process) or a public operator. One outcome of this may be that people receiving the benefit of a CSO are no longer restricted to one supplier, and can choose the supplier who provides the most suitable good or service.

Two methods of estimating the cost of CSOs enjoy wide recognition. Under the fully distributed costs method, all costs incurred by an enterprise are allocated across all services provided. Because these costs include costs which arise directly as a result of providing the CSO and costs which would have been incurred even if the CSO had not been provided, the fully distributed costs approach may overestimate the true cost of delivering the CSO. Consequently, it might result in overpayment of CSO providers. The other approach to costing CSOs is the avoidable cost method. As discussed earlier in relation to pricing reform, this approach focuses on those costs which would be avoided if a good or service is not provided. Accordingly, avoidable cost is likely to provide a better estimate of the cost of a CSO.

The appropriate treatment of CSOs raises some significant questions for governments. Competitive neutrality reform does not mean that government businesses should not provide CSOs. However, the way that governments identify, cost and fund CSOs are important competitive neutrality issues, and there is benefit in continued examination of jurisdictions' approaches to these matters. Specifically, the funding of CSOs via cross-subsidies depending on restrictions to competition needs to remain a central focus.

6 Complaints About Government Businesses

Under the CPA, the Commonwealth, States and Territories agreed to publish a competitive neutrality policy statement which incorporates a mechanism for handling complaints about matters relating to the implementation of competitive neutrality. This mechanism is an important aspect of competitive neutrality reform. If the discipline of competition is to be used in a constructive way, it is necessary that any party which considers it is being adversely affected by advantages it perceives are available only to its government-owned competitors can have its objections dealt with effectively.

The objective of the complaints mechanism is to provide a means for interested parties to pursue concerns regarding government policy insofar as it confers competitive advantages or disadvantages on government-owned businesses. The mechanism is not intended to address concerns against the independent actions or behaviour of individual government businesses, as such concerns can in general be pursued through avenues such as industry regulators, the Trade Practices Act, ombudsmen and the court system.

As with many of the National Competition Policy reforms, the intergovernmental agreements establish the principle of a complaints mechanism rather than specify its form. While each government is free to develop its own approach to handling complaints about the implementation of competitive neutrality, there are certain characteristics which are desirable in a complaints mechanism.

- › A complaints mechanism should incorporate a first-step filter to quickly address simple misunderstandings and to help identify frivolous complaints.
- › There should be user friendly access so that complainants are not unduly deterred and complaints are considered quickly.
- › The arbitrator of genuine complaints should have independence from the enterprise about which the complaint is made. This does not necessarily require independence from the owner government, or relevant Minister, as long as the designated arbitrator has a clear responsibility to be fair and independent.

- › Complainants and the relevant government business should receive formal advice as to the outcome of complaints, including reasons supporting decisions on complaints in writing.
- › Where the substance of a complaint is found to exist, action to rectify problems should be taken promptly.

There is also a strong case for complaints mechanisms to be accessible in respect of competitive neutrality complaints concerning all government-owned businesses, not just those businesses to which competitive neutrality reforms are applied as government policy. This approach has considerable attraction given the flexibility available to governments to determine which of their business activities will be subject to competitive neutrality reform.

Some governments are looking at extending the reach of their complaints mechanisms beyond those businesses to which competitive neutrality policy is formally applied. While there is a need for care in relation to the expectations of complainants, this broader approach would point to potential competitive neutrality problems earlier and help identify businesses for future reform.

7 Reporting Progress

To assist accountability, and to enable the Council to assess progress for the purpose of the competition payments, all governments agreed to document their progress with the implementation of competitive neutrality policy. This has two components. First, governments agreed to produce a policy statement on competitive neutrality. Second, governments agreed to report annually on their progress in the implementation of competitive neutrality.

Competitive neutrality policy statement

Each party to the CPA undertook to publish a policy statement on competitive neutrality by June 1996. Subclause 3(8) of the Agreement specified that policy statements were to include an implementation timetable and a mechanism for dealing with complaints in relation to competitive neutrality

issues, although the complaints mechanism did not need to be formally established as at June 1996.

All Australian governments have published their competitive neutrality policy statements. Copies of the statements are available by contacting the relevant State or Territory agency.¹⁰

Annual progress reports

Each party to the CPA has also undertaken to publish an annual report outlining its progress in achieving the broad policy objectives outlined in subclause 3(1) and the minimum reforms specified in subclauses 3(4) and 3(5). The annual report is to include allegations (if any) of non-compliance with competitive neutrality policy. Although not explicitly stated in the CPA, the Council would envisage that allegations of non-compliance would be considered by the complaints body with details of such complaints, and of the actions taken by jurisdictions in respect of complaints, provided in annual reports.

8 The National Competition Council's Role

Under the Agreement to Implement the National Competition Policy and Related Reforms (Implementation Agreement), the Commonwealth is to provide National Competition Policy payments to each State or Territory conditional upon that State or Territory making satisfactory progress with implementation of specified reforms. In relation to competitive neutrality, satisfactory progress is defined in terms of 'giving effect to the Competition Policy Intergovernmental Agreements and, in particular, meeting the deadlines prescribed therein'.

The Implementation Agreement provides a role for the National Competition Council to assess the progress made by each jurisdiction with the

¹⁰ Contact details are provided at Appendix C.

implementation of competitive neutrality prior to 1 July 1997, 1 July 1999 and 1 July 2001. The Council's assessment will form the basis of its recommendations to the Commonwealth Treasurer regarding the granting of the competition payments. Governments' competitive neutrality policy statements and reports of progress will be important in the Council's assessment.

The Council has commenced examining jurisdictions' policy statements to ensure they offer a satisfactory framework for reform against which progress on implementation can be assessed. In consultation with each State and Territory, the Council is now focussing on the scope and nature of proposed reforms (that is, the business activities identified for reform and the reforms applied), the form of the complaints mechanism and the timetable provided for reform.

Governments' annual progress reports will be an important tool in the Council's assessments of progress. While the Intergovernmental Agreements do not specify what constitutes satisfactory progress, it is likely that the Council will judge a government's progress on competitive neutrality sufficient if (i) the Council is satisfied with that government's proposed reforms, timetable and complaints mechanism, and (ii) that government's annual progress reports demonstrate that the reform proposals are being achieved in a timely fashion consistent with the intent and spirit of the CPA.

9 The Next Steps

All governments have made considerable progress in recent years — most notably through commercialisation, corporatisation and privatisation — in addressing issues relating to their involvement in business. Coordinated implementation of competitive neutrality principles through the National Competition Policy represents a new stage in this element of competition policy reform.

Governments have taken the first step in formalising their approaches to implementing competitive neutrality under the National Competition Policy by publishing policy statements in line with their CPA obligations.

Implementation of governments' reform commitments and the Council's assessment of implementation performance are the next steps in this process.

In assessing progress with the implementation of National Competition Policy, the Council has encouraged governments to take a broad approach to reform consistent with the spirit and intent of the April 1995 competition policy agreements. In this light, there are several observations about the preferred approach to the competitive neutrality issues identified in the introduction to this paper that are worth making.

First, governments would maximise the benefits from reform by identifying the businesses, including those at local government level, to which they intend to apply competitive neutrality reforms. Ideally, this would be a comprehensive listing reflecting the presumption in the CPA favouring reform. Listing the businesses scheduled for reform at an early stage would have the advantage of providing greater certainty for both the management of targeted businesses and their customers.

Governments' identification of businesses for reform according to size is understandable from the viewpoint of prioritising reforms in order to achieve larger results as early as possible. However, identification of 'significant' businesses according to size alone may see many government business activities which have a significant influence on the market in which they operate exempted from reform.

The possibility that size thresholds may arbitrarily exclude significant government businesses from consideration of competitive neutrality reform is a major concern. Certainly, the leadership example of larger gains as the driver of an overall cultural change within government businesses is important. However, it is also important to avoid the feeling on the part of organisations below an arbitrary threshold size that they are exempt from reform.

Second, governments need to clearly identify the competitive neutrality issues that they will be addressing. They should consider direct removal of advantages and disadvantages where relevant, or the use of proxies (such as tax equivalent systems) where the transaction costs of direct removal are too high, to ensure that government businesses face the same competitive disciplines as other resource users.

Third, the nature of the action which will satisfy governments' obligations under the CPA requires continued development. The CPA states that

significant government business activities should be corporatised where the cost of doing so can be justified, and actions taken to impose taxes or tax equivalent systems, debt guarantee fees and apply those regulations to which private businesses are normally subject. Where corporatisation is not warranted on an analysis of community costs and benefits, the principle of full cost attribution is to be applied in pricing goods and services. The costs which might be included under this principle were discussed earlier in this paper. The reform process would benefit from examination of how full cost pricing principles might be consistently applied across jurisdictions. Similarly, the adoption of a common approach to the identification and costing of CSOs — an objective which has been the subject of some research by governments — would be valuable.

More discussion about other means by which governments might satisfy their CPA obligations would also be useful. For example, it is not the case that competitive neutrality reform requires, as a matter of course, that services be ‘contracted out’. However, opening service provision to competitive tender is clearly one means governments might adopt to satisfy the requirements of the CPA, although it will not achieve the benefits anticipated if in-house teams are not exposed to competitive neutrality disciplines. Similarly, privatisation is not a requirement of the CPA, but it could be a means by which governments choose to satisfy their competitive neutrality obligations.

Finally, the mechanism for handling complaints about competitive neutrality matters should ensure a fair hearing for genuine complainants. The confidence of external parties in the arrangements instituted by governments is critical to the success of competitive neutrality reform. In this respect, it is important that the mechanism for handling complaints provides for public access, independence from the activity which is the source of the complaint and formal advice of outcomes to affected parties. It would also help if governments were to offer a mechanism whereby competitive neutrality complaints could be raised in general, rather than to confine considerations to areas where they have implemented competitive neutrality arrangements.

Appendix A: Clause 3 Of The Competition Principles Agreement

- 3.(1) The objective of competitive neutrality policy is the elimination of resource allocation distortions arising out of the public ownership of entities engaged in significant business activities: Government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership. These principles only apply to the business activities of publicly owned entities, not to the non-business, non-profit activities of these entities.
- (2) Each Party is free to determine its own agenda for the implementation of competitive neutrality principles.
- (3) A Party may seek assistance with the implementation of competitive neutrality principles from the Council.¹¹ The Council may provide such assistance in accordance with the Council's work program.
- (4) Subject to subclause (6), for significant Government business enterprises which are classified as "Public Trading Enterprises" and "Public Financial Enterprises" under the Government Financial Statistics Classification:
- (a) the Parties will, where appropriate, adopt a corporatisation model for these Government business enterprises (noting that a possible approach to corporatisation is the model developed by the inter-governmental committee responsible for GTE National Performance Monitoring); and
 - (b) the Parties will impose on the Government business enterprise:
 - (i) full Commonwealth, State and Territory taxes or tax equivalent systems;
 - (ii) debt guarantee fees directed towards offsetting the competitive advantages provided by government guarantees; and
 - (iii) those regulations to which private sector businesses are normally subject, such as those relating to the protection of the environment, and planning and approval processes, on an equivalent basis to private sector competitors.
- (5) Subject to subclause (6), where an agency (other than an agency covered by subclause (4)) undertakes significant business activities as part of a broader range of functions, the Parties will, in respect of the business activities:

¹¹ For the purposes of this Agreement, Council means the National Competition Council.

- (a) where appropriate, implement the principles outlined in subclause (4);
or
 - (b) ensure that the prices charged for goods and services will take account, where appropriate, of the items listed in paragraph 4(b), and reflect full cost attribution for these activities.
- (6) Subclauses (4) and (5) only require the Parties to implement the principles specified in those subclauses to the extent that the benefits to be realised from implementation outweigh the costs.
- (7) Subparagraph (4)(b)(iii) shall not be interpreted to require the removal of regulation which applies to a Government business enterprise or agency (but which does not apply to the private sector) where the Party responsible for the regulation considers the regulation to be appropriate.
- (8) Each Party will publish a policy statement on competitive neutrality by June 1996. The policy statement will include an implementation timetable and a complaints mechanism.
- (9) Where a State or Territory becomes a Party at a date later than December 1995, that Party will publish its policy statement within six months of becoming a Party.
- (10) Each Party will publish an annual report on the implementation of the principles set out in subclauses (1), (4) and (5), including allegations of non-compliance.

Appendix B: Characteristics Of A Fully Corporatised Government Trading Enterprise

The corporatisation model proposed in subclause 3(4)(a) of the CPA was prepared by the Taskforce on Other Issues in the Reform of Government Trading Enterprises in April 1991. The Taskforce's objective was to establish a theoretical benchmark incorporating general principles about the reform of government trading enterprises. Application of the Taskforce model is intended to be informed by the experience of governments in the reform of their trading enterprises and the problems they encounter. Accordingly, the model is not a prescription as to how corporatisation must occur, but rather a statement of the principles which should be put in place when corporatising government businesses.

The elements of the Taskforce's corporatisation model are outlined below.

1 Clarifying objectives

- › Government enterprises should have a clear statement of the objectives which their government wishes them to pursue, as well as clear guidance on trade-offs where commercial, social and regulatory objectives conflict.
- › A clear commercial objective, maximising the value of the government's investment in the enterprise, should be a priority.
- › Social policy objectives (CSOs) should be the subject of explicit contracts between the owner government and the enterprise. The delivery of CSO services should be costed on a fully commercial basis, funded by the government budget and open to competitive tender, to ensure cost minimisation.
- › Policy or regulatory functions should be separated and removed to another agency.
- › Ministerial responsibility for commercial performance of an enterprise should be vested separately from responsibility for regulatory functions and responsibility for CSO contracts.

2 Managerial responsibility, authority and autonomy

- › Board members should be appointed based on their experience, knowledge, skills and, therefore, expected contribution. The Board should determine commercial objectives while Ministers should set social or regulatory objectives.
- › The owner government should determine ‘core’ activities for the enterprise, an overall dividend policy, target rates of return and capital structure. In all other areas of the enterprises’ conduct and organisation the owner government should operate at arm’s length from the Board and management.
- › The Board and management should have full responsibility and accountability for decisions affecting enterprise performance, including terms and conditions of employment, enterprise structure, and implementing investment and borrowing programs.

3 Effective performance monitoring by the owner-government

- › Providing the Board and management with the flexibility to manage day to day operations in order to achieve commercial goals ensures that they can be held personally accountable for performance.
- › Independent and objective performance monitoring regime required for public enterprises to substitute for debt and equity market assessment of private firms.
- › Monitoring should focus primarily on commercial performance. Performance targets, disclosure and reporting requirements should be clearly specified.
- › Corporate (3-5 year) and business (1 year) plans should underpin the monitoring process.
- › Central monitoring unit with specialist expertise should be established to report to shareholder Ministers.

4 Effective rewards and sanctions related to performance

- › Performance monitoring processes are a basis for incentive systems to encourage and reward good performance and penalise poor performance.
- › Rewards and sanctions must be pre-defined against agreed performance targets, understood and strongly applied to be effective performance enhancers.
- › Reward structure should encompass salary, non-cash rewards, bonus schemes etc. Sanctions may include tighter reporting and oversight arrangements, reducing scope of enterprise activities, removal of discretion over investment and borrowing decisions, salary reviews etc.

5 Attaining competitive neutrality in input markets

- › Government enterprises should not face special competitive advantages or disadvantages in the cost of inputs relative to private sector enterprises because of their public ownership. Ensuring competitive neutrality in input markets will involve:
 - › Applying an explicit fee for the existence (or perception) of a government guarantee of debt funding to eliminate the interest rate advantage associated with continuing government ownership. The fee should be commensurate with the credit risk the enterprise would face without a guarantee.
 - › Costing government equity on the same basis as that supplied by private investors to privately owned enterprises, that is, ie at an equivalent rate of return requirement to a private enterprise with similar risk profile.
 - › Removing any unique restrictions on labour resources (eg award pay and conditions) which are particular to government enterprises.
 - › Ensuring government enterprises face the same taxation (or taxation equivalent) arrangements on their commercial operations as a private enterprise.

6 Attaining competitive neutrality in output markets

- › Any protective barriers which reduce the degree of competition faced by government enterprises in product markets should be removed.
- › Where there is evidence of market failure, any regulatory regime should target the relevant failure and the enterprise should be subject to the same legislative regulations as are equivalent private sector enterprises, eg in areas such as environmental regulation.

7 Effective natural monopoly regulation

- › The removal of legislative barriers to competition may not result in a more competitive operating environment in certain markets because of the existence of natural monopoly conditions (eg electricity transmission networks) or because long term regulatory barriers have provided the incumbent government enterprise with significant advantages.
- › This situation requires a public policy framework to regulate government enterprises such that natural monopoly powers cannot be abused. In particular, structural regulation measures should be in place to ensure that unavoidable monopoly in some markets (eg transmission grids) does not result in unnecessary monopoly in related, but competitive, markets (eg generation). Conduct regulation (such as rate of return regulation or price control) is a heavy-handed approach which undermines incentives to produce output at the lowest possible cost and should be avoided.

Appendix C: National Competition Policy Contacts

To obtain copies of governments' policy statements on competitive neutrality, please contact the relevant Commonwealth, State or Territory competition policy unit.

For information about the National Competition Policy reform process, please contact the National Competition Council.

National Competition Council
Level 12
Casselden Place
2 Lonsdale Street
MELBOURNE VIC 3000

Telephone: 03 9285 7474
Facsimile: 03 9285 7477

Email
shanec@c031.aone.net.au

New South Wales
Inter-Governmental Relations Unit
The Cabinet Office
15th Floor
State Office Block
Macquarie Street
SYDNEY NSW 2000

Telephone: 02 9228 4324
Facsimile: 02 9228 4408

Commonwealth
Commonwealth Policy Branch
Commonwealth Treasury
Block B, Parkes Place
PARKES ACT 2601

Telephone: 06 263 3887
Facsimile: 06 263 2937

Victoria
Economic Development Branch
Department of Premier and Cabinet
1 Treasury Place
MELBOURNE VIC 3002

Telephone: 03 9651 5143
Facsimile: 03 9651 6457

Queensland

National Competition Policy –
Implementation Unit
Queensland Treasury
100 George Street
BRISBANE QLD 4000

Telephone: 07 3224 5673
Facsimile: 07 3229 3501

Western Australia

Competition Policy Unit
Treasury
Level 13
197 St George's Terrace
PERTH WA 6000

Telephone: 09 222 9222
Facsimile: 09 222 9914

South Australia

Strategic Policy and Cabinet Division
Department of the Premier and
Cabinet
State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

Telephone: 08 8226 3525
Facsimile: 08 8226 2211

Tasmania

Economic Policy
Department of Treasury and
Finance
Franklin Square Offices
Murray Street
HOBART TAS 7000

Telephone: 03 6233 3100
Facsimile: 03 6223 2755

Northern Territory

Economic Services
Northern Territory Treasury
6th Floor
38 Cavenagh Street
DARWIN NT 0801

Telephone: 08 8999 7406
Facsimile: 08 8999 6446

Australian Capital Territory

Office of Financial Management
Chief Minister's Department
Level 1, ACT Administration
Centre
1 Constitution Avenue
CANBERRA CITY ACT 2600

Telephone: 06 207 0280
Facsimile: 06 207 0267

Appendix D: Public Trading Enterprises And Public Financial Enterprises By Jurisdiction

The following tables list public trading enterprises and public financial enterprises by jurisdiction. The tables have been derived from the ABS *Public Finance Units Register* for Commonwealth, State, Territory and local government public enterprises.¹² Approximately 720 enterprises were listed on the register in December 1995.

The Council has revised the register where governments have advised it of changes to their organisations. However, as restructuring, corporatisation and privatisation are continuing, the register will require regular updating.

The terms of the CPA do not limit competitive neutrality reform to the government business activities listed below. As the ABS does not hold a listing of government business activities operating within agencies (relevant for the purposes of clause 3), governments will need to identify the business activities additional to those listed below for which competitive neutrality reform is appropriate.

Public Trading Enterprises

Commonwealth

Aboriginal Hostels Ltd
Airservices Australia & Subsidiaries
Australia Defence Industries Ltd
Australian Dairy Corporation
Australian Dried Fruits Corporation
Australian National Line

Commonwealth

Australian National Railways
Commission
Australian Postal Corporation
Australian Shipping Commission
Australian Technology Group Ltd
Australian Wine and Brandy
Corporation

¹² The ABS *Public Finance Units Register* may be obtained by contacting the Public Sector Accounts Division, ABS, PO Box 10, Belconnen ACT 2616.

Commonwealth

Australian Wool Research and Promotion Corporation

Avalon Airport (Geelong) Pty Ltd

Defence Housing Authority

Federal Airports Corporation

Film Australia Pty Ltd

National Rail Corporation

Snowy Mountains Engineering Corporation

Snowy Mountains Hydro-Electric Authority

Telstra Corporation

New South Wales

Advance Energy

Albury City Council Water Supply and Sewerage Undertakings

Armidale City Council Gas Supply Undertaking

Armidale City Council Water Supply and Sewerage Undertakings

Balranald Shire Council Water Supply and Sewerage Undertakings

Ballina Shire Council Water Supply and Sewerage Undertakings

Barley Marketing Board for the State of NSW

New South Wales

Barraba Shire Council Water Supply and Sewerage Undertakings

Bathurst City Council Gas Supply Undertaking

Bathurst City Council Water Supply and Sewerage Undertakings

Bega Valley Shire Council Gas Supply Undertaking

Bega Valley Shire Council Water Supply and Sewerage Undertakings

Bellingen Shire Council Water Supply and Sewerage Undertakings

Berrigan Shire Council Water Supply and Sewerage Undertakings

Bingara Shire Council Water Supply and Sewerage Undertakings

Bland Shire Council Water Supply and Sewerage Undertakings

Blayney Shire Council Sewerage Undertaking

Bogan Shire Council Water Supply and Sewerage Undertakings

Bombala Shire Council Water Supply and Sewerage Undertakings

Boorowa Shire Council Water Supply and Sewerage Undertakings

Bourke Shire Council Water Supply and Sewerage Undertakings

Brewarrina Shire Council Water Supply and Sewerage Undertakings

New South Wales

Broken Hill City Council Abattoir Undertaking

Broken Hill Water Board

Byron Shire Council Water Supply and Sewerage Undertakings

Cabonne Shire Council Gas Supply Undertaking

Cabonne Shire Council Water Supply and Sewerage Undertakings

Camden Municipal Council Water Supply and Sewerage Undertakings

Carrathool Shire Council Water Supply and Sewerage Undertakings

Casino Municipal Council Water Supply and Sewerage Undertakings

Central Coast (NSW) Citrus Marketing Board

Central Darling Shire Council Water Supply and Sewerage Undertakings

Cessnock City Council Sewerage Undertakings

Cobar Shire Council Water Supply and Sewerage Undertakings

Cobar Water Board

Coffs Harbour Shire Council Water Supply and Sewerage Undertakings

Coleambally Irrigation Area

New South Wales

Coolah Shire Council Water Supply and Sewerage Undertakings

Coolamon Shire Council Sewerage Undertaking

Cooma-Monaro Shire Council Water Supply and Sewerage Undertakings

Coonabarabran Shire Council Water Supply and Sewerage Undertakings

Coonamble Shire Council Water Supply and Sewerage Undertakings

Cootamundra Shire Council Gas Supply Undertaking

Cootamundra Shire Council Water Supply and Sewerage Undertakings

Copmanhurst Shire Council Water Supply and Sewerage Undertakings

Corowa Shire Council Water Supply and Sewerage Undertakings

Cowra Shire Council Gas Supply Undertaking

Cowra Shire Council Water Supply and Sewerage Undertakings

Crookwell Shire Council Water Supply and Sewerage Undertakings

Crown Land Homesites

Culcairn Shire Council Water Supply and Sewerage Undertakings

New South Wales

Deniliquin Municipal Council
Water Supply and Sewerage
Undertakings

Department of Housing

Department of Public Works State
Brickworks

Dubbo City Council Abattoir
Undertaking

Dubbo City Council Gas Supply
Undertaking

Dubbo City Council Water Supply
and Sewerage Undertakings

Dungog Shire Council Water
Supply and Sewerage Undertakings

Elcom Collieries Pty Ltd

ENC (Management) Pty Ltd

Great Southern Energy (Energy
South)

Eurobodalla Shire Council Water
Supply and Sewerage Undertakings

Evans Shire Council Water
Undertaking

Australian Inland Energy (Far West
Energy)

First State Power

Fish Marketing Authority

Forbes Shire Council Water Supply
and Sewerage Undertakings

Forestry Commission of NSW

New South Wales

Freight Rail

Gilgandra Shire Council Water
Supply and Sewerage Undertakings

Glen Innes Municipal Council Gas
Supply Undertaking

Gloucester Shire Council Water
Supply and Sewerage Undertakings

Gosford City Council

Gosford City Council Water Supply
and Sewerage Undertakings

Goulburn City Council Abattoir
Undertaking

Goulburn City Council Water
Supply and Sewerage Undertakings

Grafton City Council Water Supply
and Sewerage Undertakings

Grain Sorghum Marketing Board
for the State of NSW

Great Lakes Shire Council Water
Supply and Sewerage Undertakings

Greater Lithgow City Council Gas
Supply Undertaking

Greater Lithgow City Council Water
Supply and Sewerage Undertakings

Greater Taree City Council
Sewerage Undertakings

Griffith Shire Council Water Supply
and Sewerage Undertakings

New South Wales

Gundagai Shire Council Water Supply and Sewerage Undertakings

Gunnedah Shire Council Abattoir Undertaking

Gunnedah Shire Council Water Supply and Sewerage Undertakings

Gunning Shire Council Water Supply and Sewerage Undertakings

Guyra Shire Council Water Supply and Sewerage Undertakings

Harden Shire Council Abattoir Undertaking

Harden Shire Council Water Supply and Sewerage Undertakings

Hastings Municipal Council Water Supply and Sewerage Undertakings

Hay Shire Council Water Supply and Sewerage Undertakings

Holbrook Shire Council Sewerage Undertaking

Homebush Abattoir Corporation

Housing Commission of NSW

Hume Shire Council Water Supply and Sewerage Undertakings

Hunter Water Corporation

Huntley Colliery Pty Ltd

Inverell Shire Council Gas Supply Undertaking

New South Wales

Inverell Shire Council Water Supply and Sewerage Undertakings

Jerilderie Shire Council Water Supply and Sewerage Undertakings

Junee Shire Council Sewerage Undertaking

Kempsey Shire Council Water Supply and Sewerage Undertakings

Kiama Municipal Council Gas Supply Undertaking

Kyogle Shire Council Water Supply and Sewerage Undertakings

Lachlan Shire Council Water Supply and Sewerage Undertakings

Land Commission of NSW

Land Development Working Account

Landcom

Leeton Shire Council Water Supply and Sewerage Undertakings

Lismore City Council Gas Supply Undertaking

Lismore City Council Water Supply and Sewerage Undertakings

Lockhart Shire Council Sewerage Undertaking

Luna Park Amusement

Maclean Shire Council Sewerage Undertakings

New South Wales

Macquarie Generation

Maitland City Council Abattoir Undertaking

Manilla Shire Council Water Supply and Sewerage Undertakings

Merriwa Shire Council Water Supply and Sewerage Undertakings

EnergyAustralia (Met-North Energy)

Integral Energy (Met-South Energy)

Moree Plains Shire Council Water Supply and Sewerage Undertakings

Mudgee Shire Council Water Supply and Sewerage Undertakings

Mulwaree Shire Council Water Supply and Sewerage Undertakings

Murray Shire Council Water Supply and Sewerage Undertakings

Murrumbidgee Region Irrigation Areas

Murrumbidgee Shire Council Water Supply and Sewerage Undertakings

Murrurundi Shire Council Water Supply and Sewerage Undertakings

Muswellbrook Shire Council Water Supply and Sewerage Undertakings

Nambucca Shire Council Water Supply and Sewerage Undertakings

New South Wales

Narrabri Shire Council Water Supply and Sewerage Undertakings

Narrandera Shire Council Water Supply and Sewerage Undertakings

Narromine Shire Council Water Supply and Sewerage Undertakings

Newcastle Port Corporation

Newcom Collieries Pty Ltd

NorthPower Energy

NSW Grain Corporation Pty Ltd

NSW Lotteries

Nundle Shire Council Water Undertaking

Nymboida Shire Council Water Supply and Sewerage Undertakings

Oberon Shire Council Water Supply and Sewerage Undertakings

Orange City Council Gas Supply Undertaking

Orange City Council Water Supply and Sewerage Undertakings

Pacific Power

Parkes Shire Council Gas Supply Undertaking

Parkes Shire Council Water Supply and Sewerage Undertakings

Parramatta Stadium Trust

New South Wales

Parry Shire Council Water Supply and Sewerage Undertakings

Penrith City Council Sewerage Undertakings

Port Kembla Port Corporation

Power Coal

Property Services Group

Public Servant Housing Authority of NSW

Public Trustee

Public Works and Services' Commercial Services Division - Engineering/Property Services

Queanbeyan City Council Water Supply and Sewerage Undertakings

Quirinda Shire Council Water Supply and Sewerage Undertakings

Rail Access Corporation

Rice Marketing Board for the State of NSW

Richmond River Shire Council Water Supply and Sewerage Undertakings

River Operations

Rylstone Shire Council Water Supply and Sewerage Undertakings

Scone Shire Council Water Supply and Sewerage Undertakings

New South Wales

Severn Shire Council Water Supply and Sewerage Undertakings

Shoalhaven City Council Gas Supply Undertaking

Shoalhaven City Council Water Supply and Sewerage Undertakings

Singleton Shire Council Water Supply and Sewerage Undertakings

Snowy River Shire Council Water Supply and Sewerage Undertakings

State Forests

State Lotteries Office of NSW

State Rail Authority of NSW

State Transit Authority

Sydney Cricket and Sports Ground

Sydney Market Authority

Sydney Opera House Trust

Sydney Port Corporation

Sydney Water Corporation

Tallaganda Shire Council Water Supply and Sewerage Undertakings

Tamworth City Council Abattoir Undertakings

Tamworth City Council Water Supply and Sewerage Undertakings

Teacher Housing Authority of NSW

Temora Shire Council Sewerage Undertaking

New South Wales

Tenterfield Shire Council Water
Supply and Sewerage Undertakings

Totalizator Agency Board

TransGrid

Tumbarumba Shire Council Water
Supply and Sewerage Undertakings

Tumut Shire Council Water Supply
and Sewerage Undertakings

Tweed Shire Council Water Supply
and Sewerage Undertakings

Ulmarra Shire Council Water
Supply Undertaking

Uralla Shire Council Water Supply
and Sewerage Undertakings

Wagga Wagga City Council Gas
Supply Undertaking

Wagga Wagga Water Supply and
Sewerage Undertakings

Wakool Shire Council Water
Supply and Sewerage Undertakings

Walcha Shire Council Water Supply
and Sewerage Undertakings

Walgett Shire Council Water
Supply and Sewerage Undertakings

Waste Recycling and Processing
Service

Weddin Shire Council Gas Supply
Undertaking

New South Wales

Wellington Shire Council Gas
Supply Undertaking

Wellington Shire Council Water
Supply and Sewerage Undertakings

Wentworth Shire Council Water
Supply and Sewerage Undertakings

Wingecarribee Shire Council Water
Supply and Sewerage Undertakings

Wollondilly Shire Council Water
Supply Undertakings

Wyang City Council

Wyang Shire Council Water Supply
and Sewerage Undertakings

Yallaroi Shire Council Water
Supply and Sewerage Undertakings

Yarrowlumla Shire Council Water
Supply and Sewerage Undertakings

Yass Shire Council Gas Supply
Undertaking

Yass Shire Council Water Supply
and Sewerage Undertakings

Young Shire Council Water Supply
and Sewerage Undertakings

Zoological Parks Board of NSW

Victoria

Aluminium Smelters of Victoria -
Aluvic

Victoria

Avoca Reculvert and Precasting Works

Barwon Water

Central Highlands Region Water Authority

City of Geelong - Shopping Centre

City of Melbourne - Market Operations

City of Oakleigh Abattoir Operations

City of Werribee - Tip Refuse Undertakings

City West Water

Coliban Region Water Authority

Construction Industry Long Service Leave Board

Dandenong Valley Authority

Deakin Quarry

East Gippsland Region Water Authority

Gas Transmission Corporation

GASCOR

Generation Victoria

Gippsland Water

Glenelg Region Water Authority

Goulburn Valley Region Water Authority

Victoria

Goulburn-Murray Rural Water Authority

Grampians Region Water Authority

Kiewa Murray Region Water Authority

Lower Murray Region Water Authority

Loy Yang Power Ltd

Melbourne and Olympic Parks Trust

Melbourne Market Authority

Melbourne Port Corporation

Melbourne Ports Services

Melbourne Water

Mid-Goulburn Regional Water Board

Mildura Shire Council Abattoir Undertaking

Office of Housing

Otway Region Water Authority

Ovens Region Water Authority

Portland Coast Region Water Authority

PowerNet Victoria

Public Transport Corporation

SECV Shell

Shire of Korumburra - Historical Park

Victoria

Shire of Korumburra - Municipal
Sale Yards

South East Water Pty Ltd

South Gippsland Region Water
Authority

South West Water Authority

Southern Hydro Pty Ltd

Southern Rural Water Authority

Sunraysia Rural Water Authority

The Mt Eliza Geriatric Centre

Urban Land Authority

Victorian Channels Authority

Victorian Dairy Industries Authority

Victorian Plantations Corporation

Victorian Power Exchange

Warrnambool City Council Abattoir
Undertaking

Western Metropolitan Market Trust

Western Region Water Authority

Westernport Region Water
Authority

Wimmera-Mallee Rural Water
Authority

Wodonga Saleyards

Yarra Valley Water

Queensland

Administrator Aurukun Shire

Albert Shire Council Water Supply
and Sewerage Undertakings

Atherton Tableland Maize
Marketing Board

AUSTA Electric

Back Creek Water Supply Board

Balonne Shire Council Water
Supply and Sewerage Undertakings

Banana Shire Council Water Supply
and Sewerage Undertakings

Beaudesert Shire Council Water
Supply and Sewerage Undertakings

Benleith Water Board

Bewyando Shire Council Water
Supply and Sewerage Undertakings

Boonah Shire Council Water Supply
Undertaking

Boondooma Water Board

Bowen Harbour Board

Bowen Shire Council Water Supply
and Sewerage Undertakings

Brigooda Water Board

Brisbane and Area Water Board

Brisbane City Water Supply and
Sewerage

Brisbane Exposition and South
Bank Redevelopment Authority

Queensland

Brisbane Market Authority

Brisbane Transport

Broadsound Shire Council Water Supply Undertaking

Bundaberg City Council Water Supply and Sewerage Undertakings

Bundaberg Port Authority

Bundaberg Public Abattoir Board

Burdekin Shire Council Water Supply and Sewerage Undertakings

Caboolture Shire Council Water Supply and Sewerage Undertakings

Cairns City Council Water Supply and Sewerage Undertakings

Cairns Mulgrave Water Supply Board

Cairns Port Authority

Calliope Shire Council Water Supply and Sewerage Undertakings

Caloundra City Council Water Supply and Sewerage Undertakings

Caloundra Maroochy Water Supply Board

Capricornia Electricity Corporation

Cardwell Shire Council Water Supply Undertaking

Charters Towers City Council Water Supply Undertaking

Queensland

Chinchilla Shire Council Water Supply Undertaking

Cloncurry Shire Council Water Supply Undertaking

Committee of Direction of Fruit Marketing

Condamine Plains Drainage Board

Condamine Plains Water Board

Coreen Water Board

Cowley Drainage Board

Crest International Hotel (Brisbane) Pty Ltd

Dalby Town Council Gas Supply Undertaking

Dalby Town Council Water Supply and Sewerage Undertakings

Darling Downs Moreton Rabbit Board

Douglas Shire Council Water Supply Undertaking

DPI Forestry

DPI Water Resources Commission

Duaringa Shire Council Water Supply and Sewerage Undertakings

Egg Marketing Board (South Queensland)

Emerald Shire Council Water Supply Undertaking

Queensland

Far North Queensland Electricity Corporation

Flinders Shire Council Water Supply Undertaking

Gatton Shire Council Water Supply Undertaking

Gayndah Shire Council Water Undertaking

Gladstone Calliope Aerodrome Board

Gladstone City Council Water Supply and Sewerage Undertakings

Gladstone Port Authority

Gladstone Water Board

Glamorganvale Water Board

Gold Coast City Council

Gold Coast City Council Water Supply and Sewerage Undertakings

Gold Coast Waterways Authority

Golden Casket Office

Goondiwindi Town Council Water Supply and Sewerage Undertakings

Grainco

Grevillea Water Board

Gympie City Council Water Supply and Sewerage Undertakings

Gympie District Aerodrome Board

Hervey Bay City Council

Queensland

Hinchinbrook Shire Council Water Supply and Sewerage Undertakings

Ipswich City Council Water Supply and Sewerage Undertakings

Ipswich-Moreton Water Supply Board

Island Industries Board

Jabiru Water Board

Johnstone Shire Council Water Supply and Sewerage Undertakings

Kayanna Bore Water Supply Board

Kingaroy Shire Council Water Undertaking

Koorimal Water Board

Livestock and Meat Authority of Queensland

Livingstone Shire Council Water Supply and Sewerage Undertakings

Logan City Council Water Supply and Sewerage Undertakings

Longreach Shire Council Water Supply Undertaking

Mackay City Council Water Supply and Sewerage Undertakings

Mackay Electricity Corporation

Mackay Port Authority

Marathon Bore Water Board

Queensland

Mareeba Shire Council Water
Supply and Sewerage Undertakings

Maroochy Shire Council Water
Supply and Sewerage Undertakings

Maryborough City Council Water
Supply and Sewerage Undertakings

Merlwood Water Board

Middle Park Bore Water Supply
Board

Moreton Shire Council Water
Supply and Sewerage Undertakings

Mornington Shire Council

Mt Isa City Water

Mt Morgan Shire Council Water
Supply Undertaking

Mulgildie Water Board

Mulgrave Shire Council Water
Supply and Sewerage Undertakings

Murweh Shire Council Water
Supply Undertaking

Navy Bean Marketing Board

Noosa Shire Council Water Supply
and Sewerage Undertakings

North Queensland Electricity
Corporation

Oaky Creek Water Board

Paroo Shire Council Water Supply
Undertaking

Queensland

Pine Rivers Shire Council Water
Supply and Sewerage Undertakings

Pioneer Shire Council Water Supply
and Sewerage Undertakings

Port of Brisbane Corporation

Ports Corporation of Queensland

Powerlink Queensland (Queensland
Transmission Corporation)

Proserpine Shire Council Water
Supply and Sewerage Undertakings

Public Trust Office

Queensland Abattoir Corporation

Queensland Fish Board

Queensland Grain Handling
Authority

Queensland Housing Commission

Queensland Motorways Ltd

Queensland Rail

Queensland Sugar Corporation

Queensland Tourist and Travel
Corporation

Redcliffe City Council Water
Supply and Sewerage Undertakings

Redland Shire Council Water
Supply and Sewerage Undertakings

Roadvale Water Board

Rockhampton City Council

Queensland

Rockhampton City Council Water Supply and Sewerage Undertakings

Rockhampton District Salesyards Board

Rockhampton Port Authority

Roma Bungil Showgrounds and Salesyard Board

Roma Town Council Water Supply and Sewerage Undertakings

Roma Town Council Gas Supply Undertaking

Silkwood Drainage Board

South East Queensland Electricity Corporation

South East Queensland Water Board

South West Queensland Electricity Corporation

Stanthorpe Shire Council Water Supply and Sewerage Undertakings

State Coke Works

State Gas Pipeline Unit, Dept of Resource Industries

State Wheat Board Qld

Taberna Water Board

Tarampa Water Board

The Barley Marketing Board

The Butter Marketing Board

The Cannery Board

Queensland

The Central Qld Egg Marketing Board

The Central Qld Grain Sorghum Marketing Board

The Cotton Marketing Board

The Harvey Bay-Woocoo Water Supply Board

The Peanut Marketing Board

The Tobacco Leaf Marketing Board Qld

Thuringowa City Council

Toowoomba City Council Water Supply and Sewerage Undertakings

Toowoomba Public Abattoir Board

Torres Shire Council Water Supply Undertaking

Totalisator Administration Board of Queensland

Townsville City Council

Townsville Port Authority

Townsville Public Abattoir Board

Townsville Thuringowa Water Board

Wambo Shire Council Water Supply Undertakings

Wambo Shire River Improvement Trust

Warwick and District Salesyards

Queensland

Warwick City Council Water
Supply and Sewerage Undertakings

Wide Bay-Burnett Electricity
Corporation

Widgee Shire Council Water Supply
Undertaking

Woodmillar Water Board

Western Australia

Albany Port Authority

AlintaGas

Perth Theatre Trust

Fremantle Cemetery Board

Bunbury Port Authority

Bunbury Water Board

Busselton Water Board

Dampier Port Authority

East Perth Redevelopment
Authority

Eastern Goldfields Transport Board

Esperance Port Authority

Fremantle Port Authority

Geraldton Port Authority

Gold Corporation

Grain Corporation of Western
Australia Ltd

Lotteries Commission

Western Australia

Metro Bus

Metropolitan Cemeteries Board

Perth Market Authority

Port Hedland Port Authority

Rottnest Island Authority

State Housing Commission
(Homeswest)

Subiaco Redevelopment Authority

Totalisator Agency Board

Water Corporation

Western Australian Land Authority
(LandCorp)

Western Power

Westrail

South Australia

Adelaide Convention Centre

Adelaide Entertainment Centre

Adelaide Festival Centre Trust

Australian Barley Board (jointly
owned by Victoria)

Austrics

Corp Town of Peterborough

Department of Primary Industries -
Forestry Division

Department of Woods and Forests

South Australia

District Council of Cleve
 District Council of Coober Pedy
 District Council of Elliston
 District Council of Hawker
 District Council of Kanyaka Quorn
 District Council of Le Hunte
 District Council of Murat Bay
 Dried Fruits Board (SA)
 Enfield Cemetery Trust
 ETSA Corporation
 Gas Investments Pty Ltd
 GCR Computer Services Pty Ltd
 Golden Heights Irrigation Board
 Hills Transit
 Lotteries Commission of SA
 Lyrup Village Association
 Medvet Science Pty Ltd
 Port Pirie Abattoirs Pty Ltd
 Renmark Irrigation Trust
 Roxby Downs Water Supply
 SA Government Employee
 Residential Properties
 SA Housing Trust
 SA Urban Projects Authority
 Sagaust Ltd
 Sagric International Pty Ltd

South Australia

South Australia Meat Corporation
 South Australia Teacher Housing
 Authority
 South Australia Timber Corporation
 South Australia Urban Land Trust
 South Australian Ports Corporation
 South Australian Totalizator
 Agency Board
 South Australian Water Corporation
 State Clothing Corporation
 Streaky Bay District Council
 Sunlands Irrigation Board
 The South Australian Egg Board
 TransAdelaide
 West Beach Trust
 Zeds

Tasmania

Burnie Port Authority
 Circular Head Municipality Water
 Supply and Sewerage Undertakings
 City of Hobart Corporation Water
 Supply and Sewerage Undertakings
 Civil Construction Services
 Corporation
 Coal River Irrigation Scheme
 Cressy-Longford Irrigation Scheme

Tasmania

Derwent Entertainment Centre
Management Authority

Devonport Municipal Council
Abattoir Undertaking

Devonport Municipal Council
Water Supply and Sewerage
Undertakings

Forestry Corporation

Glenorchy City Council Water
Supply and Sewerage Undertakings

Herd Improvement Board of
Tasmania

Hobart Regional Water Board
Housing Division

Hydro-Electric Commission

Hydro-Electric Commission
Enterprises Corporation

King Island Abattoir Board

Launceston Corporation Water
Supply and Sewerage Undertakings

Launceston Corporation Water
Supply and Sewerage Undertakings

Marine Board of Circular Head

Marine Board of Flinders Island

Marine Board of Hobart

Marine Board of King Island

Metropolitan Transport Trust

Municipality of Beaconsfield Water
Supply and Sewerage Undertakings

Tasmania

Municipality of Brighton Water
Supply and Sewerage Undertakings

Municipality of Burnie Water
Supply and Sewerage Undertakings

Municipality of Clarence Water
Supply and Sewerage Undertakings

Municipality of Deloraine Water
Supply Undertaking

Municipality of Esperance Water
Supply Undertaking

Municipality of Fingal Water
Supply Undertaking

Municipality of George Town
Water Supply and Sewerage
Undertakings

Municipality of Huon Water Supply
Undertaking

Municipality of Kentish Water
Supply and Sewerage Undertakings

Municipality of Kingborough Water
Supply and Sewerage Undertakings

Municipality of Latrobe Water
Supply and Sewerage Undertakings

Municipality of Lilydale Water
Supply and Sewerage Undertakings

Municipality of Longford Water
Supply and Sewerage Undertakings

Municipality of Lyell Water Supply
Undertaking

Tasmania

Municipality of New Norfolk Water Supply and Sewerage Undertakings

Municipality of Penguin Water Supply Undertaking

Municipality of Portland Water Supply Undertaking

Municipality of Queenstown Water Supply Undertaking

Municipality of Scottsdale Water Supply and Sewerage Undertakings

Municipality of Sorell Water Supply and Sewerage Undertakings

Municipality of Spring Bay Water Supply and Sewerage Undertakings

Municipality of St Leonards Water Supply and Sewerage Undertakings

Municipality of Westbury Water Supply and Sewerage Undertakings

Municipality of Wynyard Water Supply and Sewerage Undertakings

Municipality of Zeehan Water Supply Undertaking

North West Regional Water Authority

Port Arthur Historic Site Management Authority

Port of Devonport Authority

Port of Launceston Authority

Potato Industry Authority

Tasmania

Prosser River Water Scheme

Richmond Municipality Water Supply Undertaking

Rivers and Water Supply Commission North Esk

Southern Regional Cemetery Trust

Stanley Cools Stores Board

Tasmanian Apple and Pear Marketing Authority

Tasmanian Dairy Industry Authority

Tasmanian Film Corporation

Tasmanian Grain Elevators Board

Tasmanian International Velodrome Management Authority

Tasmanian Totalisator Agency Board

The Egg Marketing Board of Tasmania

Printing Authority of Tasmania

The Public Trustee

Theatre Royal Board

Transport Tasmania (TT Line Company Pty Ltd)

Ulverstone Municipal Council Water Supply and Sewerage Undertakings

West Tamar Water Supply

Australian Capital Territory

ACT Forests

ACT Milk Authority

ACTEW

ACTION

Canberra Theatre Trust

Gaming and Liquor Authority
(ACT) – ACT TAB

Home Purchase Trust Account

Totalcare Industries

Northern Territory

Ayers Rock Resort Co Ltd

Darwin Bus Service

Darwin Port Authority

Department of Transport and Works

Northern Territory

Grain Marketing Board (To be
abolished)

International Project Management
Unit

Lotteries Fund

Northern Territory Housing
Commission – Housing and
Lending

Power and Water Authority

Racing and Gaming Commission -
Lotteries

Territory Insurance Office

Territory Wildlife Park

Totalizator Administration Board

Public Financial Enterprises

Commonwealth

Australian Industry Development
Corporation

Commonwealth Bank of Australia

Commonwealth Funds Management
Ltd

Export Finance and Insurance
Corporation

Commonwealth

Housing Loans Insurance
Corporation

New South Wales

Building and Construction Industry
Long Service Payments Corporation

Victoria

Rural Finance Corporation

State Trustees Ltd

Transport Accident Commission

Treasury Corporation of Victoria

Victorian Funds Management
Corporation

Victorian Workcover Authority

Queensland

Queensland Industry Development
Corporation

Queensland Investment Corporation

Suncorp

Workers Compensation Board

Western Australia

Coal Industry Superannuation Board

Construction Industry Long Service
Leave Board (To be wound up)

Government Employees
Superannuation Board

Western Australia

State Government Insurance
Commission

Western Australian EXIM
Corporation (To be wound up)

Western Australian Fire Brigades
Superannuation Board

Western Australian Government
Holdings Ltd

South Australia

Construction Industry Long Service
Leave Board

DEFIC 1, 2, 3

Homestart Finance Ltd

LGFA

Motor Accident Commission

Public Trustee

SAAMC

SAFA

SAFTL

SAICORP

SGIC Holdings Ltd

State Government Insurance
Commission

Workcover Corporation

Tasmania

Motor Accidents Insurance Board

Public Finance Corporation

Australian Capital Territory

Construction Industry Long Service
Leave Board

Northern Territory

Territory Insurance Office

Source: Australian Bureau of Statistics

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