

National Competition Policy

OBJECTIVE

The Council's National Competition Policy.

MINUTE NO(S)

472/1996 – 09.12.1996

APPROVED

“That the Council advise the Minister for Finance that all business activities of the Council will be subject to full cost attribution as set out in the Statement on the ‘Application of National Competition Policy to Local Government’.”

BACKGROUND

At the April 1995 Council of Australian Governments (COAG) meeting, Heads of Government signed a number of agreements designed to boost competitiveness and growth prospects of the national economy into the future. The agreements give effect to many of the recommendations contained in the Hilmer report on National Competition Policy (NCP) which was released in August 1993.

The Prime Minister, Premiers and Chief Ministers signed three intergovernmental agreements:

- . the Conduct Code Agreement
- . the Competition Principles Agreement
- . the agreement to implement the National Competition Policy and related reforms.

Even though the NCP Agreements are designed to boost competitiveness and the growth prospects of the national economy into the future, they are not about competition for competition's sake. Increased competition is seen as a means of enhancing the economy's growth prospects and therefore the capacity for improving community welfare.

The NCP agreements also recognise that increasing competition is not always appropriate. The agreements provide a consistent requirement for public benefit tests to guide the policy decisions taken by Governments under the NCP umbrella. These tests include economic efficiency considerations, sustainable development, social welfare and equity considerations, community service obligations, and the interest of the consumer in general.

REVIEW DATE

1 July 2019.