
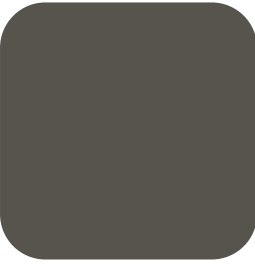


Community Facility Funding Program

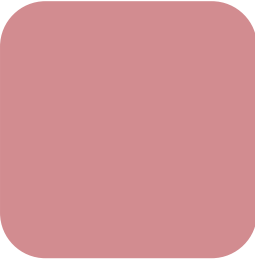
Competitive Neutrality Policy




Under the Council of Australian Government's Competition Principles Agreement, Victoria is obliged to apply the Government's Competitive Neutrality Policy to all significant business activities undertaken by government agencies and local governments to allow private businesses (of all sizes) to compete on a fair and equitable basis.




The aim of competitive neutrality is to remove resource allocation distortions by ensuring that government businesses do not enjoy any net competitive advantage over private business operators simply as a result of their public sector ownership.



Competitive neutrality is one of a range of policy tools designed to help governments achieve a more efficient allocation of resources and be transparent in their decision making processes in respect of their business undertakings.



Applicants are reminded that it is the responsibility of local government to determine if their activities fall within the scope of the Competitive Neutrality Policy. Where the project proposal results in local government operating a significant business activity the local authority is required to consider what actions are to be undertaken to ensure compliance with Competitive Neutrality Policy.



Councils should contact the Victorian Competition and Efficiency Commission for advice regarding the application of Competitive Neutrality Policy to project proposals. The Victorian Competition and Efficiency Commission is located at Level 12, 1 Macarthur Street, Melbourne Victoria 3002, and can be contacted on telephone 9651 5297.

The Government's Competitive Neutrality Policy states how competitive neutrality can benefit all Victorians by:

- increasing the incentives for business to operate efficiently thereby encouraging better use of the community's scarce resources; and
- enhancing the confidence of business to make decisions on investments in the State.

The Competitive Neutrality Policy, Guidelines and findings on investigated cases can be found at www.vcec.vic.gov.au. Also refer to the July 2003 amendment to Competitive Neutrality Policy paper entitled "Application of CN Policy to Council Owned Aquatic and Leisure Centres" on the Publications page of the web site.