



# National Competition Policy 2021/2022

16 September 2021

# Introduction

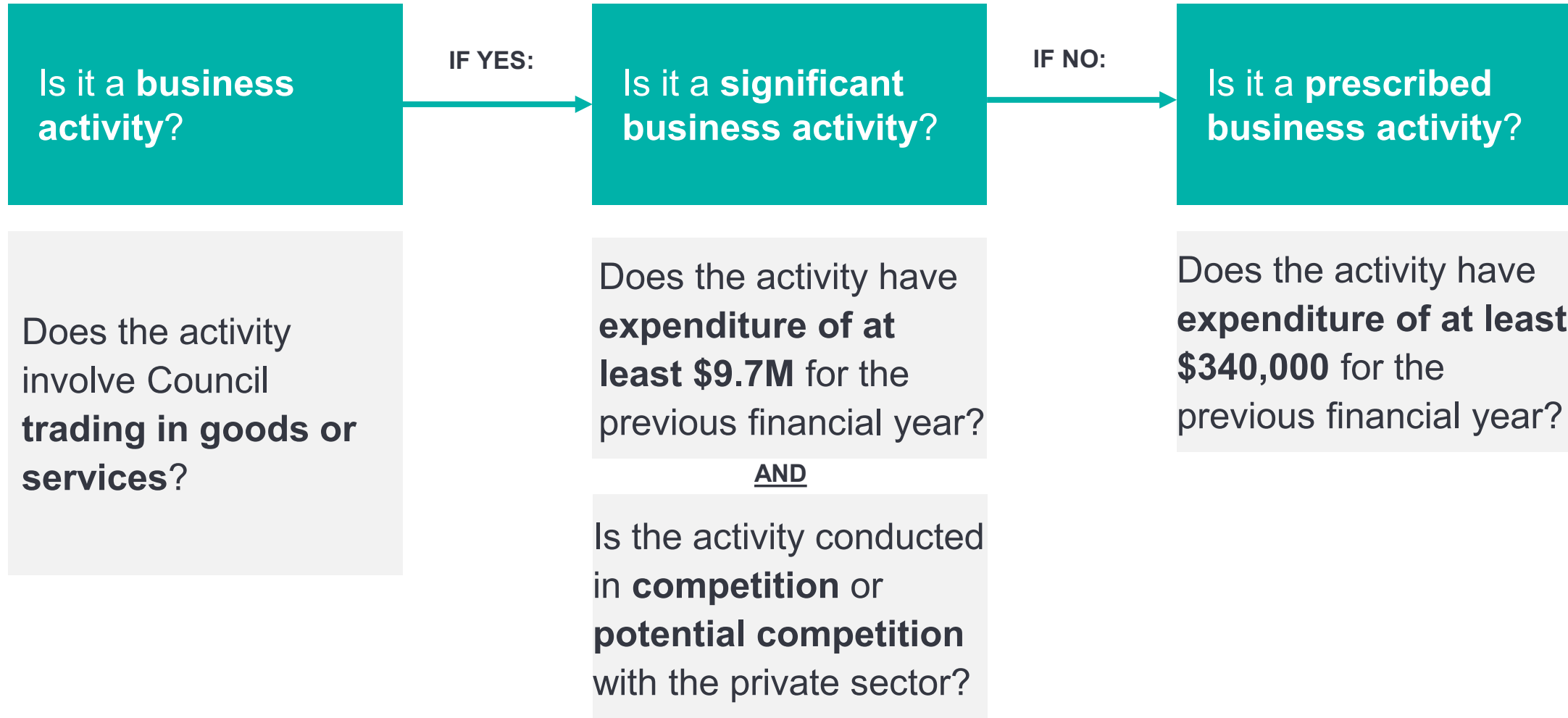
- Council must consider and resolve the application of National Competition Policy (NCP) on an annual basis.
- The purpose of this report is to make recommendations on the application of National Competition Policy reforms for the 2021/2022 financial year to:
  - off-street parking
  - festivals.

# National Competition Policy legislative regime at a glance

If Council undertakes **significant business activity** it must apply the **competitive neutrality principle** to reform that activity unless a **public benefit assessment** shows that the benefit of applying competitive neutrality will not outweigh the costs of doing so.

Council must consider whether or not to apply the **code of competitive conduct** to its other **business activities** (which are not significant business activities) which meet a prescribed expenditure threshold.

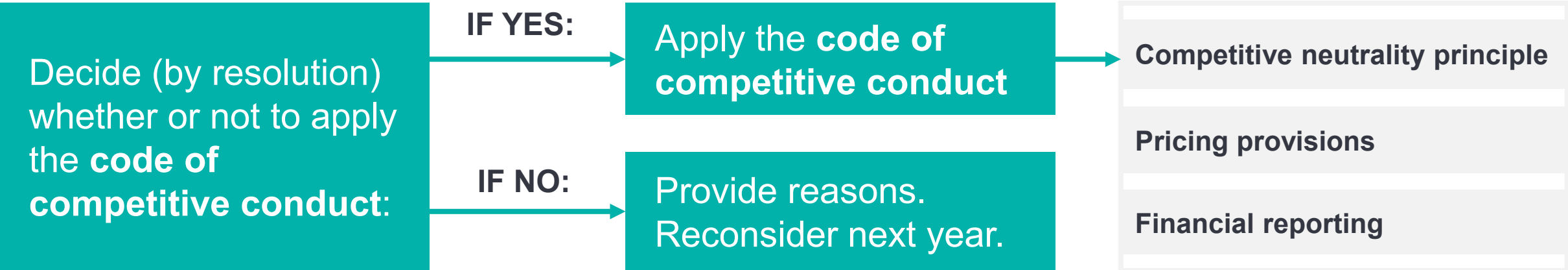
For each of Council's activities, consider:



# Off-Street Parking

## ParknGo at Mooloolaba Central & future paid parking in Maroochydore City Centre

- 01 Business Activity?** Yes. Council is trading in commercial parking services that are delivered to the public through agreements with parking management companies. Council controls the prices at which the services are supplied.
- 02 Significant Business Activity?** No. Expenditure is below the \$9.7 million threshold.
- 03 Prescribed Business Activity?** Yes. Expenditure is above the \$340,000 threshold.



# Pricing provisions

Projected total revenue from conducting the activity should cover the projected total costs.

**Total costs** includes:

- operational costs
- admin and overhead costs
- costs of resources
- depreciation of assets
- tax equivalents
- equivalent cost of funds advantage
- return on capital.

## Off-street parking

Result in increased parking charges by setting a price path to full cost recovery over the next five years.

# Festivals

## Caloundra Music Festival and Horizon Festival

01

**Business Activity?** Yes. Council is trading in ticket sales, food and beverage that are delivered to the public. Council controls the prices at which the services are supplied.

02

**Significant Business Activity?** No. Expenditure is below the \$9.7 million threshold.

03

**Prescribed Business Activity?** Yes. Expenditure is above the \$340,000 threshold.

Decide (by resolution) whether or not to apply the **code of competitive conduct**:

IF YES:

Apply the **code of competitive conduct**

IF NO:

Provide reasons.  
Reconsider next year.

**Competitive neutrality principle**

**Pricing provisions**

**Financial reporting**

# Pricing provisions

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- return on capital.

## Festivals

Result in increased ticket prices by setting a price path to full cost recovery over the next five years.



The background consists of several overlapping, curved, organic shapes in various shades of blue, ranging from light cyan to a deep, dark blue. The shapes are layered, creating a sense of depth and movement. The overall composition is abstract and modern.

Questions