



MEDIA RELEASE

NSW Government actions leading to closure of thriving regional business

[22/01/18] - A family owned regional business is facing closure as the result of a new taxpayer-subsidised NSW Government agency being set up in direct competition, and the arbitrator of the case, the Independent Pricing and Regulatory Authority (IPART), not being authorised to investigate the breach by the NSW Government.

The Regional Conferencing Unit appears to have been established in breach of the NSW Government's own rules of "Competitive Neutrality", which governs its agencies from going into commercial competition with private enterprises.

Ms Carla Offord, co-owner of The Conference Shop located in the Southern Highlands, explains how the NSW Government has directly challenged the viability of her thriving business through the establishment of the Regional Conferencing Unit under the auspices of Destination NSW.

"Three and a half years ago, The Conference Shop set about building an online portal that would enable regional venue operators to showcase their properties to conference and event organisers, both domestic and international. We successfully identified market opportunities for smaller regional players with limited budgets, and we invested a great deal of time, travel and money to build up our knowledge of regional venues, understand their needs and create an innovative and efficient platform for them and ultimately users," said Ms Offord.

"Over the past couple of years we have worked closely with Destination NSW in order to attract more attention to the smaller, regionally based events and venues, and were asked to explain how we operate our business. We were led to believe that there could be opportunities for mutual co-operation."

"They obviously liked our business model. So much so, that they've decided to plagiarise it."

The NSW Government has rules which set out the circumstances and manner in which Government agencies are allowed to compete against private enterprises. Known as Competitive Neutrality, one of the main principles is that the pricing of any 'contestable' services must be 'cost reflective' to ensure that competition is on a level playing field.

"In this case, a new Government agency is offering its services free of charge in direct competition to our business", said Ms Offord. "We need to pay for rent, wages, electricity, etc. and therefore need to set our fees on a commercial basis. The Regional Conferencing Unit doesn't have to face this reality, thanks to a massive taxpayer subsidy. How can this possibly be described as neutral competition?"



There are several other aspects of this matter that have left an even sourer taste.

“After following due process and registering our complaint, we attended a meeting on 13 September, 2017 with the Minister for Tourism, Adam Marshall, to discuss our situation. He assured us that his Government’s policy was to encourage private enterprises in regional NSW; not to put them out of business. He also promised a formal, written response within 14 days,” said Ms Offord.

“That was well over four months ago, with no response. We are yet to hear a word from Adam Marshall.”

“This is happening at the very time when the Deputy Premier and Minister for Regional NSW, John Barilaro, is constantly speaking out on the need to foster the entrepreneurial spirit at Regional level. He often mentions his own background, running his family’s business in Queanbeyan. I wonder how he and his family would have managed had the Government opened up shop across the road and offered the same services free of charge, courtesy of the taxpayer?”

With Destination NSW having failed to follow Government guidelines for addressing complaints and with Minister Adam Marshall having failed to honour his commitment, The Conference Shop requested that the matter be formally investigated by the Independent Pricing and Regulatory Authority. Ironically, IPART is not able to investigate any complaint against the NSW Government unless it is firstly authorised to do so by the NSW Government.

A formal request has now been made and refused by the Premier, Gladys Berejiklian, for such a referral to IPART. That is, the Premier has blocked an independent investigation into her own Governments conduct.

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