

**TREASURER'S INSTRUCTION**  
**GOVERNMENT BUSINESS ENTERPRISES ACT 1995**

**GBE 09-60-01**

**APPLICATION FOR COMMUNITY SERVICE OBLIGATION**

**BACKGROUND**

Section 60(2) of the *Government Business Enterprises Act 1995* (GBE Act) provides that a Board of a Government Business Enterprise (GBE) must submit a request for declaration of a community service obligation (CSO) in a form, and contain the details, specified in the Treasurer's Instructions. Section 115 imposes an obligation on each Board to ensure that all Treasurer's Instructions are complied with.

The purpose of this Instruction is to ensure that the appropriate information is provided by a Board, when submitting an application for declaration of a CSO. The information provided should be sufficient to enable the Portfolio Minister to review the application, and the Stakeholder Minister to make an informed decision on whether a function performed, service provided or concession allowed by a GBE is or is not a CSO.

**DEFINITIONS**

Words and phrases used in this Treasurer's Instruction have the same meaning as those used under the GBE Act.

"Potential CSO" refers to a function performed, service provided or concession allowed by a GBE that is the subject of a CSO application.

**TREASURER'S INSTRUCTION**

The application for declaration of a CSO by a Board of a GBE is to include:

1. the scope of the potential CSO provided;
2. the Government objective being pursued;
3. the legislative authority under which the potential CSO is being provided;
4. the past or intended results of the potential CSO activity;
5. the cost of delivery of the potential CSO activity on an avoidable cost basis;
6. details of any revenues associated with the potential CSO;
7. the net cost (if any) to the GBE from delivering the potential CSO, as per section 60(3) of the GBE Act;
8. the continued relevance of the potential CSO to community needs; and

9. why, having regard to section 61(3)(b) of the GBE Act, the potential CSO would not have been performed, provided or allowed if the GBE were a business in the private sector acting in accordance with sound commercial practice.

The Board of a GBE is to ensure that its CSO policies comply, and are consistent, with the "Community Service Obligation Policy for Government Business Enterprises" and "Guidelines - Community Service Obligations", as required by section 114 and specified in Treasurer's Instruction GBE 13-114-04.

#### **ATTACHMENTS**

- "Application for declaration of Community Service Obligation".

## **Attachment**

### **GOVERNMENT BUSINESS ENTERPRISE APPLICATION FOR DECLARATION OF COMMUNITY SERVICE OBLIGATION**

The application for declaration of a CSO by a Board of a GBE is to include:

**1. the scope of the potential CSO;**

This section should provide a description of the function performed, service provided or concession allowed. It should also specify the scope or aim of performing the function, providing the service or allowing the concession.

**2. the Government objective being pursued;**

This section should relate the function, service or concession to a Government objective that is being pursued. That is, what outcome is the Government achieving from delivery of the CSO. The implications for this objective of not continuing the potential CSO should also be examined.

**3. the legislative authority under which the potential CSO is being provided;**

This section should reference any Act where the legislative authority is given to a GBE to perform the function, provide the service or allow the concession. The appropriate section(s) of any Acts should be attached.

Any other supporting information that would assist in establishing whether a Government directive has been given to a GBE should also be provided. This could include a directive given in the ministerial charter of the GBE.

**4. the past or intended results of the potential CSO activity;**

This section should detail the past results or intended results of the potential CSO activity. It should detail the beneficiaries of the service and what benefits are provided. It should give a brief description of the history of the CSO where it is known.

**5. the cost of delivery of the potential CSO activity on an avoidable cost basis;**

The cost of delivery of the potential CSO should be provided on an avoidable cost basis. Reference should be made to Treasurer's Instruction GBE 13-114-04 for a definition of avoidable cost.

All expenses relevant to the calculation of avoidable cost (including capital, administrative and a normal profit) should be included in this section.

Preliminary estimates of the above can be provided in the application, with more detailed analysis provided following the declaration of a CSO. Any further costing or financial information required will be requested by the Stakeholder Minister under section 60(5) of the GBE Act.

**6. details of any revenues associated with the potential CSO;**

All revenues that are generated from the function, service or concession should be detailed in this section. Details of the revenue source should be included in this section (i.e. Commonwealth or State funding, client groups etc.).

**7. the net cost (if any) to the GBE from delivering the CSO, as per section 60(3) of the GBE Act;**

This section should refer to section 60(3) of the GBE Act and specify whether there is a net cost to the GBE from delivering the potential CSO.

The net avoidable cost should be derived in this section from the avoidable cost and revenue information provided in sections 5 and 6 above.

**8. the continued relevance of the potential CSO to community needs; and**

The continued relevance of the potential CSO to community needs must be detailed in this section. Reference to any Government objectives, policies or programs should be made in this section, if appropriate. Where appropriate, the ramifications of continuing or not continuing the potential CSO should be provided.

**9. why, having regard to section 61 of the GBE Act, the potential CSO would not have been performed, provided or allowed if the GBE were a business in the private sector acting in accordance with sound commercial practice.**

This section requires justification of why the potential CSO would not have been performed, provided or allowed if the GBE were a business in the private sector acting in accordance with sound commercial practice. Any supporting evidence or information to illustrate the non-provision of the function, service or concession by the private sector (e.g. newspaper clippings, annual reports etc.) should be provided in this section or attached.