

PO Box 234
Curtain
ACT 2605
Tel/Fax 02-62814493

31 May 2004

Dear Mr Banks

Review of National Competition Policy (NCP) Arrangements

On 30 April I advised the Inquiry Secretariat that the Balanced State Development Group (BSDWG) intended to make a submission in response to the 'call for submissions' (NCP CI) and the attached 'issues paper', dated 27 April 2004.

As you will recall BSDWG has made submissions to a number of earlier Inquiries and/or Interim Reports relating to those Inquiries. Some of these Inquiries have addressed issues related to NCP and PC Report no 8 'Impact of Competition Policy Reforms on Rural and Regional Australia' appears to be directly relevant to the present Inquiry's Terms of Reference.

BSDWG was surprised that, although PC Report no.8 is referenced in the Issues Paper under the heading "Some readily accessible background information", there is no reference to the Australian Government's formal response to that Report. In this submission we have provided comments on some aspects of the follow up to that formal response.

Unfortunately one of our principal conclusions is that there is very little evidence that the 30% of Australians who do not live in Metropolitan and Large Urban Areas have derived real benefit from the implementation of National Competition Policy during the first decade since Federal, State, Territory and Local Government committed to its implementation for the benefit of (all) Australians.

In a memorable and remarkably candid June 1997 appearance before the House of Representative Standing Committee on Financial Institutions and Public Administration the then Chairman of the ACCC advised that 'The people in rural areas are not always worse off, it is just that they do not gain as much as others do from some of the reforms.'

Perhaps the then Chairman should have added 'and have to wait over a decade for their gain to arrive.'

Nevertheless BSDWG remains committed to helping to ensure that the benefits do arrive.

After considering how best to structure our submission we decided that we should adopt the approach we used in 98/99. Our comments on a number of issues are dealt with in a series of attachments dealing with:

1. How best to meet some of the requirements of Paragraph 6 of the Terms of Reference.
2. Whatever happened to Productivity Commission Report no 8?
3. What are the real responsibilities of the National Competition Commission (NCC)?
4. How effective are current methods of Performance Monitoring to ensure Community Understanding of the real outcomes of National Competition Policy (NCP)?
5. How can access be improved to facilities that will allow Australians to undertake Life Long Learning if that is their choice.
6. The functions and performance of Local Government are increasingly relevant to NCP.

In the time available to BSDWG to prepare this submission before the nominated deadline of 11 June (presumably chosen to provide long weekend reading for those members of the Commission who do not ski) we have not yet reached agreement as how we should respond (if at all) to some of the other issues raised in the April Issues Paper.

I will write to you again when we have resolved this point.

