



PREMIER OF TASMANIA

30 MAY 2024

Productivity Commission
National Competition Policy Analysis
ncp@pc.gov.au

Dear Sir/Madam

Submission to the Productivity Commission's National Competition Policy Analysis

Thank you for the opportunity to provide a submission on the Productivity Commission's study to assess the economic effects of national competition reforms.

The Tasmanian Government supports the National Competition Policy review and the modelling work that has been commissioned by the Commonwealth Treasury.

Senior officials in Tasmania's state service are actively participating in the reform process with the Commonwealth and other jurisdictions.

Broadly speaking, the Tasmanian Government is supportive of the proposed modelling approach outlined in the consultation paper. However, I wish to draw your attention to the data limitations that are often experienced in smaller jurisdictions, including Tasmania. Such data limitations can impact on the reliability of any estimates and, in turn, the confidence to which modelling results can be relied on for policy proposals.

That said, state and territory results will be crucial to facilitate decision making for reform proposals. A key element of the reform process that is important to Tasmania is to ensure that there is adequate flexibility in any agreements to ensure that only those reforms that are directly beneficial to Tasmania are implemented. In this light, it will be important that any modelling undertaken includes state and territory based impacts to allow each policy to be assessed on its merits by each jurisdiction.

I appreciate that balancing the above two objectives can be problematic and I look forward to you working with our senior officials to achieve the best results possible to facilitate decision making.

For Tasmania to commit to implement any specific reforms, which are likely to deliver significant benefits to the Australian Government through the taxation system, there is an expectation that incentive payments would be provided by the Australian Government to states and territories (similar to those provided through the NCP reform processes undertaken in the 1990s) to ensure that they are appropriately compensated for any costs associated with major reforms. These payments were also a valuable mechanism for achieving community support for the NCP reform program.

Once again, thank you for the opportunity to provide comment and I wish you well with the review.

Yours sincerely

Jeremy Rockliff MP
Premier