

## **Submission to the Productivity Commission: Contribution of the Not-for-Profit Sector**

I wish to address the issue of Competitive Neutrality between the Not-for-Profit Sector's NGOs (Non-government Organisations) and NGCs (Non-government Companies); and the Private Sector. I believe there is a strong competitive advantage currently enjoyed by NGCs in a number of industries; however, I wish to address current issues within the Environmental Industry with which I am personally involved.

NGOs and NGCs in the past have no doubt played and should continue to play a large and important role in conservation and the enhancement of Australia's environment. This has been achieved through initiatives such as volunteer conservation programs and the provision of free assistance (physical labour and or consultation) to landholders on a host of environmental issues.

The growth in importance of the environment within the population's mindset through legislative change, education and necessity has led to a subsequent growth in the industry. This growth has transformed the Environment Industry into a viable market for previously scant, Private Sector businesses to operate in.

It is this rapid and recent growth that I believe is responsible for a lack of legislative control of competition between the Not-for-Profit and Private Sectors in the Environment Industry. It has become apparent to me (through my limited experience and research) that no legislative arrangements governing Competitive Neutrality exist between NGCs and the Private Sector.

For example, recently the company I work for has been unsuccessful in bidding for a number of environmental consultancy tenders. The successful applicant for the tenders was Greening Australia Victoria (GAV). I have no doubts that the tendering process was fair and the tender was awarded to the cheaper option of the pool. However, GAV are primarily funded (53% of their revenue stream according to their website <http://www.greeningaustralia.org.au/index.php?nodeId=5> most recent 2006/07) through direct Federal, State and Local Government funding as well as 3rd party funding through organisations such as Catchment Management Authorities; which receive the bulk of their funding through various forms of government.

I believe this sort of advantage is harmful, anti-competitive and counter productive to the industry and environment as a whole. Private sector businesses, such as the one I work for, are finding it increasingly difficult, and in a lot of cases impossible, to compete with the low cost alternative that NGCs such as GAV are able to provide. Continuation of this trend will surely force quality standards within the industry down in order for the Private Sector to compete and stay afloat in the industry.

I believe tighter controls on NGCs' Competitive Neutrality should be investigated by the Productivity Commission to ensure Private Sector businesses are not adversely impacted on by the tax exemptions, direct funding and facility provision afforded to the Not-for-Profit Sector by all tiers of government.

I am available to discuss any details of, or matters arising from this submission at any time.

Regards,

Shannon Dwyer