

From: John Duggan
To: compol@pc.gov.au
Subject: Impact of Competition Policy reforms on Rural and Regional Australia
Date: Thursday, 10 December 1998 12:08PM

Sir/Madam,

On behalf of Ulmarra Shire Council I wish to submit the following submission in respect of the Impacts of National Competition Policy on rural and Regional Australia.

Firstly, thanks for the recent opportunity to address one of the commissioners at Lismore. The meeting was very informative and interesting.

As you would be aware, one of the major issues in rural and regional Australia is unemployment. In the North Coast region of New South Wales unemployment generally and youth unemployment specifically are very high. National competition policy reforms are worsening this position in a number of ways;

1. Often, tendered contracts are let to firms outside the area, generally from the major cities. In many respects local contractors cannot compete because of economies of scale.
2. This not only takes away significant income from the area, but the multiplier effect ensures that the local community suffers even more
3. The north coast area specifically has many highly skilled and expert people. These people are also often added to the unemployment queues because the opportunities to use their skills are not available. We have suffered the loss of many of these skills since the introduction of NCP.

Council understands the concept of NCP to ensure that all players are on a level playing field and that the community should save significant money. Factually, a level playing field does not exist. The current relationship between federal, state and local governments prohibits the level playing field. In many instances, Local government specifically is subject to conditions and charges that are not forced on federal and state government. Additionally, Local Government specifically can not fairly compete on a level playing field with private businesses because of the legal, accounting, transparency and reporting requirements which do not apply to the private sector. I would be happy to provide specific examples if the commission requires.

The NCP guidelines place a strong emphasis on efficiency. There also needs to be an emphasis on effectiveness and social implications. We seem to have forgotten the basics about what we do. We in Local Government are here to serve our local communities. We exist to provide services to our local communities. Admittedly there is a need to ensure value for money, however the constant emphasis on efficiency has eliminated the consideration of social impacts. Recent research indicates that people are prepared to pay for quality services. In regional Australia, the desire of the communities to continue to exist and to prosper is very strong. These communities are generally suffering at the benefit of the large cities.

I thank the commission for the opportunity to submit a comment.

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