

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 1

Topic: National Competition Policy

Hansard Page: pg 109, Wednesday 17 October 2012

Senator CAMERON asked:

Senator CAMERON: Seeing that this is your last estimates appearance and you are going to be there until December, I might try and give you a bit of homework. I will go through these questions and will put them on notice. National Competition Policy led to many changes in the way state and federal governments deliver services. In hindsight, were there any areas where you think the changes were poorly conceived or implemented, or would you describe competition policy as an unmitigated success story? I have only got a very short time so I will go through the range of questions.

Mr Banks: I could give you a one-sentence quick response to that, and that is that we did not in fact find that everything that NCP achieved was an unmitigated success. There were some problems along the way, including in areas of contracting out and so on, which are documented in a report from 2005. But I will get back in more detail.

Answer:

In its *Review of National Competition Policy Reforms* (PC 2005, rep. no. 33), the Commission found that, overall, the NCP had delivered benefits to the Australian community that greatly outweighed the costs by contributing to a productivity surge that underpinned continuous economic growth.