

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

29 May – 31 May 2012

**Question: BET 174**

**Topic: Competitive Neutrality Issues**

**Hansard Page: Written**

**Senator CAMERON asked:**

In response to questions in relation to competitive neutrality issues as they pertain to the Productivity Commission, the PC gave the impression that it was not in competition with the private sector as the Commission responded to government commissioned projects. Your 2011-12 annual report on page 107 under the heading "Objectives for performance assessment" details four main activities of the P.C. including "performance reporting and other services to government bodies."

174. Could you advise me as to what "other services to government bodies" encompasses and whether there are any competitive neutrality issues arising from this area of P.C. activity.

**Answer:**

Further detail on the Commission's activities in this output group is provided on pages 150-162 of the Commission's 2010-11 Annual Report.

At the request of the Government, the Commission undertakes a number of major activities in this output group. It provides secretariat, research and report preparation services to the Steering Committee for the Review of Government Service Provision (SCRGSP) in respect of the annual Report on Government Services; the regular Overcoming Indigenous Disadvantage report; the two yearly Indigenous Expenditure Report; and the collation of performance data under the Intergovernmental Agreement on Federal Financial Relations, in support of the analytical role of the COAG Reform Council and the broader national performance reporting system. While work for the SCRGSP is focused on the performance of government services, the other streams focus on broader accountability reporting (Indigenous outcomes, Indigenous expenditure, broad National Agreement outcomes).

These activities are performed at the request of Government in accordance with Section 6(1)(b) of the Productivity Commission Act 1998 dealing with the provision of secretariat services and research services to government bodies as directed by the Minister. The activities in question largely involve data collection and performance reporting. The activities are not business activities as there is no independence of supply, no user charging and government policy prevents the provision of such work from alternative sources. As such, they fall outside the scope of Competitive Neutrality policy. An update on these activities will be provided in the Commission's 2011-12 Annual Report.