



President's Message

May 2016

May marks more than a year since the Harper committee's review into Australian competition policy. The government has announced its support for the majority of the recommendations however the extent of reform is dependent upon the government's will to overcome powerful vested interests.

According to economists at the OECD there is a positive relationship between product market competition and productivity growth. Competition has "pervasive and long lasting effects on economic performance by affecting economic actors' incentive structure, by encouraging the innovative activities and by selecting more efficient ones from less efficient ones over time"

"Competition brings about productivity gains, consumer's welfare gains and long-run economic growth" they say.

For Australia we need to establish a culture where change is the only constant and innovation is the new normal.

The Harper review opened our eyes to possibilities in reform of major public sector services such as health, education and welfare.

These are massive constraints on the public purse and their reform would create opportunities for private sector competition and product innovation which can only benefit taxpayers and increase the scope and quality of service provision to the public.

The Challenge is for our leaders to get the big picture correct with policy settings which blend macro-economic reform with competition policy and service delivery.