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#DES2016

# Competition Policy Review

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Professor Ian Harper  
Senior Advisor , Deloitte Touche Tohmatsu



# Competition Policy Review: Process

27 March 2014: Four-person Panel appointed,  
TOR issued for 12 month review

14 April 2014: Issues Paper released,  
around 350 submissions received

22 September 2014: Draft Report issued,  
further 650 submissions received


31 March 2015: Final Report submitted to  
Australian Government

# Government's response

24 November 2015: Government released response to the Review



39 of 56 recommendations accepted outright

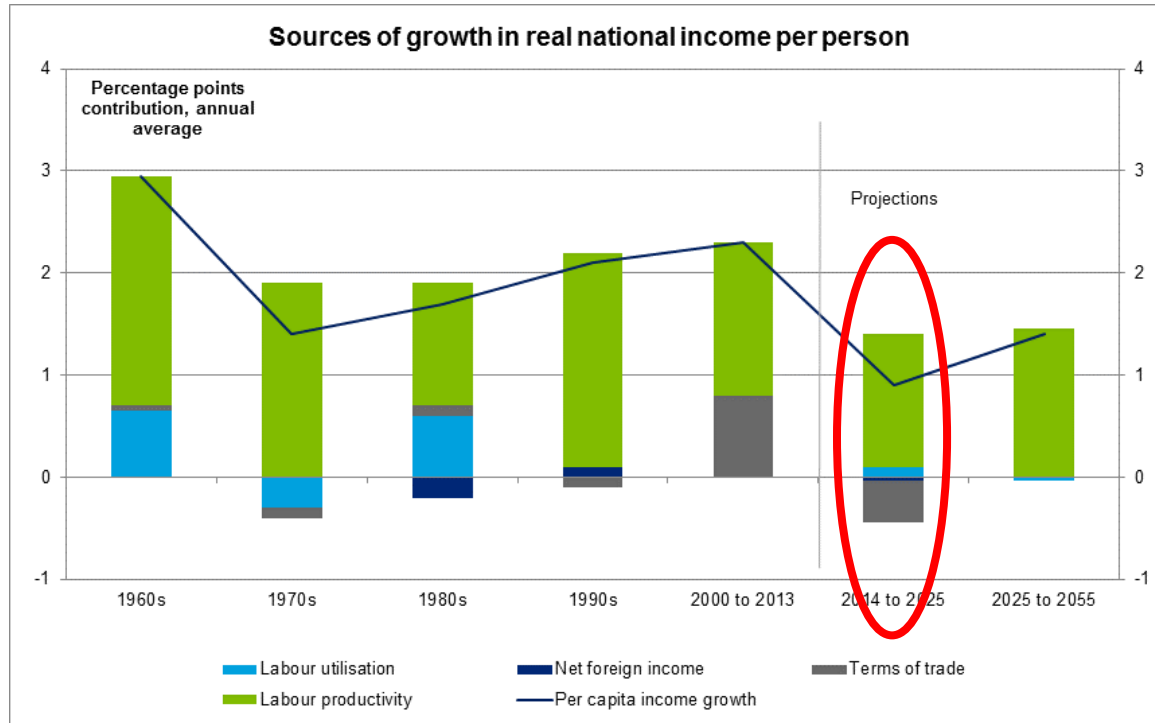


5 recommendations accepted in part



Government remains open to a further 12

# Australia's productivity challenge



# Why is competition important?

Competition ...

- delivers long-term benefits for consumers
- drives choice, efficiency and innovation
- contributes to productivity growth and higher living standards for Australians

# Building on past reforms

- Hilmer Review exposed **public utilities** to competition through **deregulation** and **privatisation**
- Harper Review exposes **core government services** to competition by **separating service provision** from policy, funding and regulation
- **Public outlays** on human services are **growing fastest**

# Competition principles for human services



- Promote user choice
- Separate policy, funding, regulation and service delivery

# Competition principles for human services



- Commissioning should have a clear focus on outcomes



# Competition principles for human services



- Encourage diversity of provision
- Encourage innovation in service delivery

# Implementation

- Govt has **commissioned a review** from Productivity Commission
  - identify **services best suited** to the introduction of greater **competition, contestability and user choice**
  - recommend **how best to introduce** greater competition, contestability and user choice to the **services identified**
- **difficulties** should *not* mean reform is **simply abandoned**

# How hard will this be?

- We have made a **start**, e.g., Aged Care, VET and NDIS
  - mixed results → need for detailed analysis
- One size will **not** fit all
  - need for trials across different services and locations
- User choice will **challenge** established **cultures** of **service delivery**
- But **productivity** is about more than **cost efficiency**



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