

Dear sir or madam,

Here is my brief points on competition as seen from the user point of view. I can elaborate on each if required, or if this is the only submission of its type. However I am also aware of the length and volume of feedback, so would prefer it to be read rather than cast aside.

1. Competition sounds a good idea, but is not always beneficial or practical. For example the Institution of Engineers Australia could benefit from competition for all the reasons competition is said to be good. But text book competition only works for a large number of suppliers with similar products. In a market where only 2 or 3 suppliers can operate the chances of valid competition are low. This is typically true where physical connection is required e.g. water, sewerage, power, telephone. All these physically connected services do not lend themselves to competition (as duplicating the connections is infeasible). The current batch of retail competitors will only change spending from long term infrastructure to short term marketing competition. This short sighted appearance of competition without any real competitive benefits is a danger for Governments as well! Strategies which encourage longer term thinking will be of more benefit to any country, and especially to Australians.

2. Competition (for a public service) should be distinguished from ownership. Private companies will bid just as well for the right to manage public assets as for the right to own and manage. This was highlighted to me on a visit to South America, where Government contracts seemed to be put together with more business sense. For public assets I include all critical infrastructure - e.g. roads, telecommunications, power and services, rail and connected goods handling facilities. The management of these items can be leased out to multiple agencies, while ownership remains public. As well as better competition, there is no incentive to sell off the assets of asset rich services for short term private gain, as has happened in several cases in recent years.

With thanks,

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