

RICHMOND VALLEY COUNCIL

25 May 2004

The NCP Inquiry
Productivity Commission
PO Box 80
BELCONNEN 'ACT 2616

Dear Sir/Madam

Reference is made to the inquiry being conducted by the Commission. In that regard, Council provides the following information for your consideration:

- NCP is a theoretical economic concept that is supposed to benefit communities through competition and the subsequent reduction of prices for goods and services.
- Whilst recognising the intent of the concept, it is considered that the policy does not appear to take into account the impact of NCP on rural and regional areas. In that respect, larger urban economies can benefit from NCP outcomes, however, issues such as dairy de-regulation have a significant impact on both the social and economic issues of rural/regional areas.
- In addition, the outcome of NCP appears to give larger companies (e.g. Woolworths, Coles) an ability to dominate markets and impact on local economies. This in effect, can decrease competition at a local regional level as smaller companies do not have the ability to respond as quickly to changed market conditions, etc.

Accordingly, the NCP principles need to include some sort of "balancing factor" to prevent an undesirable market dominance being created.

The opportunity to have impact on this matter is appreciated.

Yours faithfully

Brian Wilkinson
GENERAL MANAGER

All correspondence should be addressed to:

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