

# Queensland Council of Unions

Honorary President: **Rohan Webb**    General Secretary: **Ros McLennan**    Assistant General Secretary: **Michael Clifford**

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Committee Secretary  
Transport and Public Works Committee  
Parliament House  
George Street  
Brisbane Qld 4000

By email [tollroads@parliament.qld.gov.au](mailto:tollroads@parliament.qld.gov.au)

Dear Minister

## **Re: Inquiry into the operations of Toll Roads in Queensland**

As the peak union council in Queensland, the Queensland Council of Unions (QCU) makes this brief submission to the above inquiry.

Our submission goes to the issue of privatisation and that being the primary cause of difficulties now being faced in relation to the operation of toll roads in Queensland. The QCU has long held an opposition to the privatisation of public and/or essential services and as members of the committee would be aware, has campaigned on this issue in recent state elections. Privatisation was a byproduct of a neo-liberal agenda that we believe has run its course in Queensland and throughout most advanced economies.

The rationale for privatisation and contracting out is that the private sector can more efficiently deliver a service than the public sector. This notion is not accepted by the union movement and our interest is in service delivery and employment.

Even if one was to accept the premise of private sector efficiency, ownership makes no difference to efficiency but rather it is competition that creates efficiency. That is a private sector monopoly can be just as inefficient as a public sector one. It follows that the privatisation of a monopoly makes no sense whatsoever as it cannot be expected to increase efficiency.

Of course, there are also aspects of Government business that do not lend themselves to private sector operation either because they are unprofitable (public transport) or the profit maximization is contrary to social welfare (health and education).

The people of Queensland remain opposed to privatisation. The opposition to privatisation seems to continually grow on a yearly basis. The primary reasons for this are:

- The adverse effect on employment conditions and security; and
- The experience of consumers has been increased prices and a reduction in services.

The privatisation of toll roads is analogous with other public services. The private operator must be motivated by profit to provide a return on investment. This basic premise prevents any capacity for lower prices without a reduction in services, drastic cost cutting or subsidy from the government.

In the case of toll roads, the way in which services are reduced and/or costs reduced is in terms of the service offered to road users by way of a call centre. In Queensland this was achieved by the offshoring of that service. Offshoring that followed the sale of Queensland Motorways by the Queensland Investment Corporation has resulted in the loss of 100 jobs in Queensland.

In our submission it would not be good public policy to now subsidise the private operator. This would send a shocking signal to other private operators who would see the Queensland government as a soft touch. It would also mean that the taxpayer would be left (yet again) to pay for the short-sighted policies of government.

We also note that heavy vehicles are reluctant to use toll roads because of the cost. This reluctance is because of an incapacity to recover the cost of tolls from the client. The inability to recover costs reflects broader problems facing the road transport industry at a national level, in terms of payments to drivers.

The QCU is supportive of measures that would bring down the cost of living for workers. However, for the reasons outlined above, we have serious reservations about any suggestion of subsidising a profit-motivated organisation that is now conducting a public service.

Please contact Policy and Research Officer John Martin on [REDACTED]  
[REDACTED] in relation to this submission.

Yours sincerely



Ros McLennan  
**General Secretary**