Speech by

Mr N. ROBERTS

MEMBER FOR NUDGEE

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NATIONAL COMPETITION POLICY

Mr ROBERTS (Nudgee—ALP) (6.42 p.m.): There are many good reasons why we should be totally reviewing National Competition Policy reforms, not the least being the impact that it is having on jobs in various sectors and regions in the economy. One of my key concerns is the way in which the National Competition Policy agenda is being driven. States have little choice in its implementation. Under National Competition Policy agreements we are required to review all legislation and address any anti-competitive provisions, to apply third-party access regimes to essential infrastructure, and to apply competitive neutrality principles to Government business activities.

Application of those reforms in some instances is justifiable and in the best interests of delivering efficient services to the community. However, in other instances, the blind application of market-based economics, particularly in areas where social justice issues and equity are a key consideration, is inappropriate and unacceptable. When the Hilmer report reforms were first sold to Governments across the nation, the Industry Commission projected that competition reforms would deliver up to a 5.5% increase in the gross national domestic product after 10 years. That projection was challenged by Dr John Quiggan of the James Cook University, who estimated that the gain would be in the order of only 0.5%. Further studies by Dr James Madden of the University of Tasmania predicted only a 3.4% increase in gross domestic product. His study went further and calculated the estimated benefit that would accrue to each of the States. Some examples are: the Northern Territory, 6.79%; Victoria, 4.82%; and Western Australia, 4.27%. However, Queensland was expected to gain only 2.73%.

If the economic benefits of National Competition Policy are questionable, it is proper to ask why the policy is proceeding without substantial challenge and amendment. There is no doubt that National Competition Policy and other micro-economic reforms have inflicted harm on communities across this State. NCP is unpopular with the general populace because it is perceived to place economic efficiency before social goals and objectives.

After only three years of implementation of National Competition Policy, it is now time for us to take a deep breath and consider some appropriate amendments to ensure that social justice issues and obligations are given more prominence. There are several places where that could occur and where we at the State level can begin to wind back the harsher elements of NCP. In order to properly address the core issues, however, the national agreements underpinning the implementation of National Competition Policy need substantial amendment. Under the current regime, Queensland could pull out of the national agreements but would suffer massive financial penalties, which makes that option untenable. At the very least, we should be flagging a range of issues now that require negotiation in the lead-up to the review of the National Competition Policy agreements, which is due in the year 2000.

The National Competition Council—the NCC—and the Australian Consumer and Competition Commission need their powers reviewed. The NCC recently raised a concern that New South Wales was not meeting the spirit of the national agreements on NCP with respect to rice marketing. It went on to say in its annual report that it had given consideration to imposing a severe financial penalty on the New South Wales Government for its alleged breach. In common with many in this Chamber, I have some difficulty with an unelected, non-judicial body making threats of that nature, particularly when

those threats go to the ability of a Government to fund the services that it has to provide to its constituents. With respect to the ACCC, its chairman, Allan Fels, was recently quoted as saying that the decision of the Queensland Government to reamalgamate AUSTA may be anti-competitive and, therefore, the ACCC may oppose it. Again I ask: what right does an unelected body such as the ACCC have to directly interfere with a decision that was part of a Government's platform that was taken to the people in a general election and which it believes is in the public interest? Both of those instances raise significant questions about the powers that have been granted to those two bodies. They need to be reviewed as a matter of urgency.

Another area in need of immediate reform is the public benefit test, which is required to be applied where anti-competitive provisions or arrangements exist. That test seeks to incorporate social policy objectives into the decision-making processes of NCP. However, decisions in the Trade Practices Tribunal illustrate that the public interest is being narrowly defined along economic grounds at the expense of social considerations. Given the crucial part that that test plays in the implementation of NCP, it is important to amend the provisions of that test to ensure that specific social justice objectives, particularly jobs and job security, are taken into account. That issue is far too important to leave to the idiosyncratic deliberations of an individual member of a tribunal. I support the amendments moved by the Premier and also the Leader of the Opposition.