



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

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COMPETITION POLICY REFORM [QUEENSLAND] REPEAL BILL

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (9.14 p.m.): In entering this debate on the Competition Policy Reform (Queensland) Repeal Bill, I formally second the amendment moved by the Leader of the Opposition. I do so because I believe that it is important that we have a review of the NCP and its impact, both positive and negative. I think that is a far smarter way of addressing this issue than adopting the proposal that is before this place of simply negating the current legislation.

In common with the Treasurer, I spoke to the Competition Policy Reform Bill when it was introduced in 1997. As the Leader of the Opposition and the Treasurer have said already, this Bill came about because of the previous Federal Labor Government and the previous State Labor Government agreeing to look at National Competition Policy. The Commonwealth introduced its legislation and the State Labor Government under Premier Goss introduced its legislation into this House. However, before that legislation was debated, the Parliament was prorogued, there was an election and the coalition Government then introduced that Bill to meet its obligations that had been signed by the previous Government. That Bill was precisely the same Bill that was introduced by the previous Labor Government except, of course, the dates were changed to reflect the fact that there had been an election.

The objective of the Competition Policy Reform Bill was to apply seamlessly the Trade Practices Act on a national basis. A little while ago, the Treasurer examined that in some detail. The objective was to apply the Trade Practices Act in a seamless way because the Commonwealth legislation could apply only to incorporated bodies and it is up to the States to apply legislation on unincorporated bodies and persons. The objective of the policy is about Australia and about Queensland: to make Australia competitive internally. It is not about anything else; it is about making us competitive, it is about making Queensland competitive. I think that it is worth understanding some of the myths that surround the National Competition Policy.

Mr Hamill: Are you supporting it or condemning it?

Dr WATSON: No, I am supporting it. National Competition Policy is not about competition for competition's sake.

Mr Hamill: That's what I said.

Dr WATSON: I am supporting what the Treasurer said. It is not a policy that compels privatisation. Often I hear that argument being run. It is not a policy that compels privatisation, it is not a policy that forces or even encourages Governments to abandon or reduce their community service obligations; National Competition Policy is about best management practice. It is about the way in which we manage Government business enterprises, it is about delivering for the taxpayer—for the consumer—the best value for money. We have to understand that the National Competition Policy underpins a competitive economy and that a competitive economy is a prerequisite to sustainable growth. We all want sustainable growth. We all want the jobs that are associated with that. We cannot have sustainable growth, we cannot have rising standards of living, and we will not have jobs and we will not have investment unless we are competitive. I will come back to that.

National Competition Policy is about the facilitation of higher productivity and investment. It is about ensuring there is no difference between the competitiveness of the Queensland economy, the

Australian economy and the world economy. National Competition Policy was developed in such a way as to recognise other policy objectives in the State. Governments can deliver welfare services. They can deliver community service obligations. They can take into account consumer interests. They can take into account environmental factors. None of these things is excluded by National Competition Policy.

I get mad when I hear people blame National Competition Policy for Governments abrogating their responsibilities. National Competition Policy is not about Governments abrogating their responsibilities; it is about Governments accepting their responsibilities. Neither the ACCC nor the National Competition Council can be blamed. The authority for this legislation lies in this place. If there is a problem, it is because this Parliament or the Government does not operate in a particular way.

Mr Elder: Blame John Howard, shall we?

Dr WATSON: It is not about blaming John Howard, as much as the honourable member would like to do so. It is a question of whether or not this place has the ability to take charge of affairs. In a political fashion, that is what the Treasurer said, although I think he said it in a way which does not behove him.

Mr Hamill: Are you supporting the repeal of the Act?

Dr WATSON: Listen to what I am saying.

Mr Hamill: You haven't got the guts to tell us, have you?

Dr WATSON: I have already said that I support the competition Bill.

Mr Hamill: No, you are opposing the Bill.

Dr WATSON: We have moved an amendment.

Mr Hamill: Say it: I oppose the Bill.

Dr WATSON: I am not going to be in a position to vote against the Bill that we introduced into the Parliament. I am not going to talk about this. I want to talk about competition.

Mr Sullivan: You are saying that you don't oppose the competition Bill, but you oppose the Bill before the House.

Dr WATSON: The member for Chermside is crazy. Let us examine what competition is about. Competition is about providing consumers with choice. Competition is about providing lower prices to consumers. It is about consumer sovereignty.

Mr Hamill: Why do you do this to yourself?

Dr WATSON: I am not doing anything to myself. The Treasurer has had too much red wine.

Mr Hamill: This is why the Liberal Party is such a shambles. You cannot determine which side you are on. This is sad.

Dr WATSON: The Treasurer is very sad. I am afraid he is letting things talk for him other than his head.

The reason we are debating these issues is that all honourable members support a competitive market, a competitive economy. Why do Western societies in particular have such a high standard of living? Why do Queensland and Australia enjoy such high living standards?

Mr Seeney interjected.

Mr Elder: I know where I stand on it.

Dr WATSON: I know where I stand, too. There is no question about that.

Mr Hamill: You are supporting him, aren't you?

Dr WATSON: I am supporting the amendment moved by the Leader of the Opposition, and I support the original competition Bill. That is what I said. There is no question about that. The Leader of the Opposition has said that we support a review. I have said that I support a review, because I think both the positive and negative impacts need to be examined. There is no question about that. Anyway, let me get on with it.

If this repeal Bill were passed by this Parliament, it would have significant negative consequences on the State Budget—\$2.33 billion of Commonwealth funding over a 10-year period. It would jeopardise the fact that for a five-year period Queensland has been exempted from the coal freight regime. It has been exempted from the Commonwealth access regime, which is worth a billion dollars over a five-year period. Most importantly, Queensland retains control over the granting of legislative authorisation on anti-competitive behaviour, which is basically the public benefit test.

As Minister for Public Works and Housing, I went through a public benefit test with respect to the Residential Tenancies Authority. We conducted a rigorous public benefit test, and it came down on the side of keeping a monopoly because it was determined that it was for the public benefit. There is

nothing in the National Competition Policy which says we have to give up those sorts of monopoly positions. What one has to do is subject them to a significant public benefit test.

On the other hand, there is no doubt that the costs associated with the National Competition Policy have been unevenly distributed across the country. For example, there is no doubt that in the telecommunications area—which has been so beneficial to south-east Queensland and to south-east Australia, whether it be in Victoria, New South Wales or Brisbane—the benefits of deregulation, the benefits of the National Competition Policy, have centred on the major population areas.

There is no doubt that those sorts of things have to be addressed, because we cannot leave the rest of the country behind us. But that is not solved simply by throwing out the National Competition Policy, that is solved by doing a lot of other things. There are things that we can do. I suspect it will be solved quite readily over the next couple of years by increased services being provided to country areas right throughout Australia by Austar. This year it is starting to provide Internet access and telecommunications right across rural Australia to 2.9 million homes. It will deliver the sorts of services we get in the city, perhaps even better, by using the analog spectrum which was relinquished by other companies. Austar will take that over and start to deliver those services to rural Queensland, New South Wales and everywhere else.

Mr Paff: How is that going to create jobs?

Dr WATSON: Because that will allow them to compete in the same way as businesses and consumers compete in south-east Queensland and south-east Australia. We have to ensure that not only south-east Queensland or New South Wales or Victoria benefit from these sorts of activities but the remainder of Queensland and Australia. That is not done by stopping that kind of development. We have to figure out how we are going to develop that sort of development right across this country.

It does not matter what this Parliament does in some respects. This Parliament can reject the Bill or it can accept it. It will not make any difference. The thing which is driving the change does not reside in this Parliament. It does not reside in the Commonwealth Parliament. The things that are pressuring the change are external to this Parliament and mostly to this country. I refer to the technological changes taking place, and in particular the changes in telecommunications and transportation, which are outside the control of any of us. Technology is driving the changes. We will not stop that by doing something about the National Competition Policy.

Mr Paff: Is that what you're trying to do here tonight?

Dr WATSON: No, the honourable member is the one who wants to stop change. That is the last thing we can do. We have to find a way to allow people to adapt to change and help them through it. Those are the sorts of things about which Governments should be worried. We cannot stop change. If we try to do so, we will consign our constituents to a future of poverty and joblessness.

Undoubtedly, the changes have impacted unevenly across the community. There is no doubt that the changes seem to have impacted hardest on the rural community. That is one of the reasons we have a rural drift. Some of our best people are leaving their properties and the country towns and going to the cities. Some of that is due to the technological changes over the past 100 years, which have produced better machinery, plant varieties, fertilisers and so on. All of the factors that are increasing productivity on the land are also resulting in fewer jobs and opportunities in the traditional industries. Therefore, people are moving. That will not stop. If anything, that sort of change will accelerate. It is not good enough to say that we will try to stop it. None of us can do that. We have an obligation to help the people most affected by that change through this process. We have to come up with mechanisms for ameliorating the negative effects on them. That is part of the role of Government.

Mr Hamill: What would you make of the whole rail freight issue that the Leader of the Opposition was on about?

Dr WATSON: I indicated that we would lose a billion dollars over five years if we did not have the National Competition Policy. If the honourable member had been listening rather than running around outside, he would have heard me say that.

Mr Hamill: I haven't been outside. I have been right here.

Dr WATSON: The honourable member should have been listening.

Mr Reynolds: Is this about the trickle-down effect?

Dr WATSON: The honourable member would feel safer under the old Moscow regime. I understand his position, but I do not see him living it. I see him enjoying the benefits of a competitive economy in Australia. If the honourable member is really interested in that type of thing, he should go elsewhere.

The Government has three roles. Firstly, we have a responsibility to make sure that the wealth that we develop in our country is distributed equitably. We do that, firstly, by making sure that we remove impediments from our economy through the technological changes that are taking place. I

believe that has a net benefit to society. We have to make sure that the wealth is spread across the country. We have to make sure that we do not undermine this. Therefore, we have to make sure that the incentives to adapt to that change are in place and that we do not put road blocks in the way of firms and individuals adapting to that change. We have a responsibility to ensure that the deleterious effects of that change do not impact more heavily on certain areas of our society.

Mr Reynolds: Is this free market philosophy or laissez-faire? I'm not too sure exactly where you are on this.

Dr WATSON: Laissez-faire is an old ideological argument. No-one subscribes to pure laissez-faire. It has never existed. There has always been a role for Government.

Time expired.

Mr SPEAKER: Order! Before anybody else speaks on this, I am going to make a ruling on this matter. I have just come into the House. I have conferred with the Clerk and I have also brought my own decisions into this. I rule now that this motion is out of order.

A Government member: The amendment.

Mr SPEAKER: The amendment is out of order. We will continue with the second-reading debate.

Dr WATSON: Why is it out of order?

Mr SPEAKER: I will give the honourable member the reasons afterwards, if he wishes. I have conferred, and I believe this amendment is out of order.

Dr WATSON: With all due respect, Mr Speaker, we took advice on this and we believed that it was in order. No-one advised us that it was not in order, and I think the Deputy Speaker, when he was in the chair, accepted the motion.

Mr Hamill: It has been moved.

Mr SPEAKER: It has been moved; it has not been accepted. There has been no vote on this amendment and I am now ruling it out of order.

Dr WATSON: I would like to know the reasons. At the moment, I cannot respond without knowing the reasons why it is out of order.

Mr SPEAKER: I will give the honourable member one reason. Standing Order 248 states—

"A Bill, having been read the Second time, shall be ordered to be committed to a Committee of the Whole House, either then or at a future time, or it may first be referred to a Select Committee."

There is no select committee to which the member has referred it. No select committee has been appointed. How can it be referred to a body which does not exist?

Dr WATSON: That was part of the motion; it established that.

Mr Sullivan: But you can't refer it to a non-entity.

Mr SPEAKER: It cannot be referred to a non-entity. That is why I am ruling it out of order. There is no entity to refer it to. First, establish a committee. Then it can be referred. The honourable member could possibly refer it to LCARC, but there is no committee in place to refer it to. That is why I am ruling it out of order.
