



Speech by

Mr DOUG SLACK

MEMBER FOR BURNETT

Hansard 31 May 2000

COMPETITION POLICY REFORM [QUEENSLAND] BILL

Mr SLACK (Burnett—NPA) (8.53 p.m.): Although much has been said about National Competition Policy in this debate so far, and many honourable members would say that it should be nearing its conclusion, and it is, it has been a very, very worthwhile debate because the issue that we have been discussing is something that has affected all of our electorates, not only the country electorates, which have been more adversely affected—and I do not think that that can be disputed—but also the city electorates. Many of the consequences of National Competition Policy impact on the average citizen—if there is such a thing—in all electorates.

Although National Competition Policy was introduced with the best of intentions to improve the lot of Australians, its consequences have not necessarily achieved that aim, particularly given the way in which it has been implemented. I guess the other point is the lack of understanding of what it has to contribute compared with the pain that it has caused in certain areas. The problem has been mainly in rural areas. That has been established quite clearly by every committee that has examined its results to date. I know that back in 1995—while it can be said that it was a Labor Government, the Goss Government—

Mr Hamill: And a good Government, too.

Mr SLACK: I am not saying it was a good Government. It lost office, so the people obviously did not think that it was a good Government.

Mr McGrady: What about yours?

Mr SLACK: There were reasons for that, too.

National Competition Policy was signed off on with the best of intentions. All honourable members who have listened to this debate would know that everybody who had contributed to it has been trying to distance themselves from it to various degrees. There has not been one speaker who has said that it was a good thing—not one. Can members opposite name one?

Mr Kaiser: Your web site.

Mr SLACK: I take the interjection in relation to the web site. This morning the Deputy Premier referred to our policy. I inform the former secretary of the Labor Party—and he should know—that policies are fluctuating things and that in this particular case the policy of the National Party is under review. I do not doubt that his party's policy has been under review because—

Mr Johnson: They haven't got any.

Mr SLACK: Good point. What is the Government's policy on National Competition Policy? The Premier condemned it as much as he could, but what is the reality? The Government of the member opposite will not jettison it because it wants the dollars. It wants the billions of dollars that come with it. That is what it is all about. The member waxes lyrical about how bad it is, how it affects adversely the constituents he represents, but does he make the move to jettison it? No! How many dollars are involved? How many dollars does the Treasury depend on?

Mr Malone: Who signed off on it?

Mr SLACK: Exactly! Who signed off on it? The Labor Government! So the Deputy Premier cannot turn around and point the finger at the National Party and say that it is our policy that recognises

some of its benefits—and there are some benefits, but there are also some very marked negatives. The major negative has been the effect it has had on the rural communities that we represent.

Mr Lucas: Why are you being absolutist about it, then?

Mr SLACK: If the member for Lytton had any heart or thought, he would not be sitting back there interjecting and denigrating the contribution that has been made on behalf of those people whom this policy is affecting adversely.

Mr Lucas: Not at all. I am saying that you're being absolutist about it. The fact is that we have among the most efficient primary producers in the world. We don't throw the baby out with the bathwater.

Mr SLACK: I would expect the member for Lytton to be voting for this legislation when the time comes. Anyway, we will see what the Labor Party does when it comes to the vote.

I take the point of the member for Lytton; we have some of the most efficient primary producers in the world. However, members opposite cannot deny the fact that those primary producers are under considerable pressure, as are primary producers all over the world, through changing terms of trade for primary products as much as anything. Certainly I am the first to concede that National Competition Policy has been blamed for a lot of ills for which it does not deserve to be blamed. It is also responsible for some ills in that it has been unrealistic.

Professor Hilmer, the academic who drafted it, was not even supported by many of his contemporaries. It was an ideological statement that was embraced by Governments—to their shame, when we look back on it, because what they were really doing was abrogating their responsibilities as members of Parliament. They are the ones who should make decisions on some of these social issues. National Competition Policy is taking the power away from politicians—the elected representatives—to make the same decisions that they would make in relation to the social consequences of a policy when it is proposed to be implemented. That is the major fault of National Competition Policy.

In relation to chemists, the taxi industry, newspapers or whatever, National Competition Policy takes decisions out of the hands of elected members to represent their constituency whether a regulated system is in the best interests of that constituency. There are many country areas where it is in the interests of our constituency to have a regulated system. The Senate report—and I commend the Queensland Parliamentary Library for its precis of the latest report of the Senate inquiry into National Competition Policy—endorses what I and other members have been saying. I will read an extract from it for the benefit of the House. I take it that many members in the House have not given the Library the courtesy of reading it. The precis gives an outline of the terms of reference and states—

"Broadly, the Committee was to inquire into and report on the NCP, including:

its socio-economic consequences, including benefits and costs on unemployment, changed working conditions, social welfare equity, social dislocation and environmental impacts

the impact on urban, rural and regional communities

its relationship with other micro-economic reform policies, and

clarification of the definition of public interest and its role in the National Competition process."

This is the important part. It goes on to state—

"This final report reiterates many of the conclusions reached in the Interim Report of August, 1999 Competition Policy: Friend or Foe—Economic Surplus, Social Deficit? (See Acquisition Highlight No. 133). namely, that there are deep-seated concerns about the social impact of economic reforms which are perceived to value economic objectives such as productivity and efficiency over the social cohesion and common good of the community. The social benefits which economists promise will flow from the achievement of economic objectives are often not apparent to an increasingly sceptical public. This is particularly true in the numerous small, rural and regional communities that have been disproportionately affected by the pace of change. The Committee notes many times this central message:

'The nexus extolled by economists between the achievement of economic objectives and the flow-on to the achievement of social benefits is not always evident to the community at large. This scepticism of the nexus arises particularly in the many small communities being disproportionately affected by the impact of economic reform policies, social changes, globalisation and technology.' "

That sums up the effects of it very well.

The Government's position is that it wants the dollars. At least we were moral about it. As was instanced with the Local Government Association, we were prepared to return \$150m to local

government because of the social impacts of National Competition Policy. Those opposite might say that it was not a payment.

Mr Hamill: You are not going to call it a loan, are you?

Mr SLACK: No. I heard what the Minister for Primary Industries said in here this morning as to why the Government could not give the dairy industry the \$98m that came back.

Mr Hamill: There was no \$98m.

Mr SLACK: The Premier has already said it is \$98m. It is not given to the Government to do it. It is withheld if the Government does not do it. Is that right? That is right. In effect, it is \$98m in the system—

Mr Hamill: No, it is quite arbitrary. They call it as they see it.

Mr SLACK: The Treasurer should know better, but I can understand that he is not in a perceptive mood at the moment. Let us look at the \$2.4 billion over eight years or 10 years, if my memory is correct. The Treasurer should know those figures. That money is for the adoption and acceptance by the States of what is embodied in National Competition Policy. If we fail to do what the non-elected people decide, a proportion of that money is withheld. Is that right?

Mr Hamill: That's the problem.

Mr SLACK: Okay. That money, as the Treasurer should well know, is to address the social impacts arising from National Competition Policy. It was always recognised that under National Competition Policy there would be those who were disadvantaged. I refer here to the moral ground. The moral responsibility of a Government when it collects those national competition payments is to pay that money to those people who are disadvantaged by its introduction. That is a fair point of logic at the end of the day. This Government is trying to shirk from that responsibility. We accepted that responsibility in relation to the effect on local authorities, but the Government is trying to shirk from that responsibility. When the Treasurer gets up on behalf of the Government in this Parliament—I know there is a dairy Bill, but this is about National Competition Policy—and says that as a State there is no responsibility to address a proportion of the problems the dairy industry is facing as a result of National Competition Policy, then the Government is not accepting its moral responsibility to that industry.

Mr Hamill: Dairy farmers in Victoria sold out dairy farmers in Queensland.

Mr SLACK: I made the point before that the Treasurer is not perceptive tonight. Let me explain it to somebody who has difficulty understanding it. He was a Rhodes scholar in days gone by. He has had some problems in maintaining the intellectual capacity he displayed in gaining that honour. Let me explain it to him. Yes, Treasurer, it came out of Victoria. For the Minister's benefit, I say that deregulation was advocated by Victorian dairy farmers. They have been pushing it because deregulation is in their interests. They produce 94% of milk. They can supply the whole of Australia and they supply some of the world with their milk. Therefore, it was in their interests. So they pushed it. That happened, and the dairy industry throughout Australia had to recognise that.

However, at the same time that was happening, National Competition Policy was coming into force. While the Victorian dairy industry was going to deregulate—that was fact, and that would have quite a damaging impact on the rest of the dairy farms in Australia operating under regulation—the response to that was governed by the requirements of National Competition Policy. Because the requirements of National Competition Policy had to be conformed with, that removed some of the options available in addressing the push by Victoria for deregulation. If the Minister for Primary Industries does not believe me, I suggest that he go out and do his homework again.

Mr Lucas: There is no legislative power to stop interstate trade.

Mr SLACK: The member for Lytton is misrepresenting what I am saying. Whilst there is no legislative power to stop Victorian dairy farmers doing what they are doing, they have decided that they are going to deregulate.

Mr Hamill: Because the dairy farmers want to do it.

Mr SLACK: Yes, they do. That is right. The Treasurer does not have to press that on me. I am saying that. The other dairy farmers in Australia did not want to do it, but there was pressure in the process. At the end of the day, to cut it short the Premier got up in this House and said that a figure of \$98m was relevant to National Competition Policy. That is in the same category as that \$150m we gave to local authorities to counter the impact of National Competition Policy. It can be put in the same category. Putting it in the same category, together with the Commonwealth contribution from which Queensland will get \$232m, the State Government should contribute something because that equates to the \$98m that is not being withdrawn. That is the position in relation to the dairy industry.

Mr Hamill interjected.

Mr SLACK: The Treasurer can argue his case when the dairy industry Bill is debated. I hope that he will be a prominent speaker on the dairy Bill to support the argument he is advancing.

I raise the issue of water. The Government has advanced the argument that National Competition Policy is responsible for the jettisoning of the dam on the Balonne at St George. I will not argue the matter one way or the other. It may or may not be correct. We claim that that is not the full story. Having said that, there is no doubt that the effect of National Competition Policy on the provision of water resources for farmers and immediate users of water is very detrimental to their economic wellbeing. It does not take into consideration in a meaningful way the contribution that water conservation and the use of water by farmers or industry makes to the general economy of an area.

The provision of water is not an economically sustainable industry in itself for the farmer. There would be very few farmers who could afford to pay the full charges of the provision of water as per the National Competition Policy. If the farmers cannot afford to do that and therefore cannot reap the benefits of the production that flows from that water, then the whole community misses out because of the multiplier effect. Other industries that would be affected by such an arrangement are the transport industry and the sugar industry. There are also environmental benefits and leisure benefits that flow from water. It is of benefit to the whole of the community in which it is provided.

In other words, the provision of water infrastructure throughout the State is of benefit to the whole of the State. Therefore, it is unfair to burden the farmers with the whole cost in order to recoup the cost of providing the storage. That is one of the major failings of National Competition Policy in respect of water storage. The same applies to the provision of many other types of infrastructure to facilitate development within this State, as in any other State. If National Competition Policy is applied strictly, there will be a big restriction on the establishment of infrastructure which supports long-term development that benefits the economy of this State. I hope that members take note of the adverse effects that National Competition Policy is having on rural areas in particular.
