



Speech by

Hon. Paul Lucas

MEMBER FOR LYTTON

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MINISTERIAL STATEMENT

Queensland Rail; National Competition Policy

Hon. P.T. LUCAS (Lytton—ALP) (Minister for Transport and Main Roads) (10.06 a.m.): The story of Queensland's social and economic development in the past 135 years is inextricably linked to the rich history of rail. The imposition of national competition policy and its excesses is something I would have preferred not to have dealt with, but it is a fact, it is a reality and it is something that this government must deal with. Whilst national competition policy presents threats it also presents opportunities for Queensland Rail. With the backing of the Queensland government, Queensland Rail will take the fight right up to Pacific National and any other competitor. Neither myself nor the Leader of the Opposition can stop Pacific National using our rail network, just like we cannot stop interstate trucking companies driving on our roads. But unlike other states, such as New South Wales and Victoria, we will not take the easy way out and sell off our railways.

What we have now is one state owned integrated rail company in Australia—Queensland Rail—and one essential private sector monopoly. That is what national competition policy has got us.

Queensland Rail has set new records for patronage on its Citytrain network and coal tonnages and I am confident QR has a strong future. When Pacific National, which is jointly owned by Toll and Patrick Corporation, begins operation in early 2005, QR will lose half its containerised freight traffic on the North Coast Line between Brisbane and Cairns. It will rip \$32 million out of QR's revenue which means that fewer staff, trains and other assets will be required. For example, Pacific National will not even be using our overhead electric network; they will use diesels. Electrification was a Bjelke-Petersen initiative, I might add.

CEO Bob Scheuber last week personally briefed staff and union officials in Townsville, Rockhampton and Brisbane about the impact and the voluntary redundancy packages offered. Consultation is well under way. But let me make it clear: there will be no sackings and no forced relocations. QR's workforce has been steadily declining due to increased efficiencies, technological changes and competition. In 1966, it had 25,000 staff. Ten years ago it had 16,000 and now it employs 13,500. Under the Beattie government, the statewide reduction in average QR job numbers has been 1.15 per cent per annum. Compare this to the Borbidge government's rate of 2.3 per cent per annum. We continue to invest heavily in securing QR's future. This includes \$400 million in additional expenditure announced in October last year to provide extra Citytrain services; a further \$342.3 million for Citytrain in the Budget; \$104 million each year to fund the Traveltrain service, because people in regional and rural Queensland deserve a fair go; and \$17 million, I might add, in rural freight contracts to subsidise people in the electorate of the member opposite, which is very appropriate.

More than \$6.5 billion has been invested by the state in infrastructure and rolling stock in the past decade. Under successive conservative and Labor governments back to Bjelke-Petersen times, we have spent money on our rail network and other states have not. This record funding is in stark contrast to the recent Commonwealth funding announced under AusLink. Despite having one-fifth of the national rail network, Queensland's share is less than one per cent. We got \$7 million for signalling on the interstate

line and \$443 million was spent in the rest of Australia. They wreck their infrastructure, we look after ours and they get the benefit from that funding.

QR is investing more than half a billion dollars in track infrastructure over four years including a new line to the Bauhinia coal mine. Servicing Queenslanders and industry remains QR's core business. Its future lies in its ability to be a national business and it has already secured more than 12 per cent of the coal freight market in the Hunter Valley. More needs to be done. QR's commercial success, driven by its skilled and committed staff, is the key to safeguarding its future.