



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 21 April 2004

NATIONAL COMPETITION POLICY

Hon. P. D. BEATTIE (Brisbane Central—ALP) (Premier and Minister for Trade) (5.45 p.m.): I rise to support the motion before the House. In most cases competition is a good thing. Competition can help to grow our economy, provide more jobs and provide lower prices for consumers. However, it does not follow that all competition will necessarily boost living standards or protect the community. The reality is, unfortunately, lost on the federal government's competition commissars at the National Competition Council—that is what they are.

The NCC is all about driving competition for its own sake and that alone. It does this through the threat of reducing national competition payments. The federal Treasurer, Peter Costello, who is keen to take money off the states at every opportunity, simply rubber-stamps the NCC's recommendations and of course pockets the money. Appeals to Mr Costello to consider the public benefit simply fall on deaf ears. I have achieved one change through COAG in terms of the need to consider the public benefit when it comes to competition. Unfortunately, the NCC does not necessarily want to follow the rules because it does not like the amendment that I achieved through COAG.

On 8 December 2003 the federal government indicated that it would be reducing Queensland's competition payments by around \$58 million in the 2003-04 year. These penalties were driven by the NCC's insistence that Queensland introduce full retail contestability in electricity. A necessary consequence of this would have been much higher prices for electricity consumers in regional Queensland.

Let us be really clear: the National Party and the Liberal Party at a federal level through the NCC principles support increases in electricity prices in Queensland in each one of the regions and in the south-east corner. Let there be no argument about it. As well, we lost money because Queensland would not deregulate its liquor licensing arrangements to make alcohol more widely available through supermarkets. We lost money because we do not agree with that principle as it would affect jobs in the hotel industry. Again, the National Party and Liberal Party support that. Thirdly, we did not support Queensland deregulating the health professionals, including pharmacy, fisheries and the taxi and hire car industry. Other than a minor change on electricity, which should actually benefit small business, Queensland considers the NCC's demands totally unacceptable and without justification.

Queensland will continue to stand up for the public benefit and take the fight to Canberra. We have lost around \$58 million as a result. Do I hear anything from the National Party or the Liberal Party about it? No! Is it not strange that the government ends up supporting an Independent's motion in this House because we are the only ones who can see the benefit for Queensland? Although there are 20 members of the National Party and the Liberal Party, there is only one of them in the House for this debate. We have one member present from the National Party and the Liberal Party. They are hiding from this debate and they are hiding from the loss of \$58 million. It is their responsibility.

While we are talking about economic issues, let me broaden this debate. I notice that yesterday the Victorian government announced some catch-up strategies in relation to a sort of minibudget, I guess. It is a bit like the AFL Premiership: Queensland still holds the title. I will go through the big ticket items in terms of business costs announced yesterday by Victoria.

Victoria plans to reduce WorkCover premiums to just below two per cent in 2004-05. This will make them the second lowest in Australia. Guess who has the lowest? The lowest premium in Australia, by a fair margin, will still be in Queensland, with a premium of 1.55 per cent. Victoria will

reduce its highest marginal land tax rate, which kicks in at \$2.7 million, from five per cent to three per cent. In Queensland, the rate of 1.8 per cent applies above \$1.5 million. We are still the best. Victoria's rate of payroll tax remains above that paid by Queensland—5.25 per cent in Victoria versus 4.75 per cent in Queensland.

Business and more small businesses are caught in the tax net in Victoria because its threshold is lower—\$550,000 in Victoria versus \$850,000 in Queensland. Potential first home owners in Victoria are also still waiting for some stamp duty relief, which we are implementing here. Victoria also plans to increase its land tax threshold to \$175,000 and reduce its top marginal land tax rate to three per cent by 2008-09. Its land tax threshold for companies is now slightly less than in Queensland—it is \$170,000 here—however for individuals our threshold is still much higher, effectively \$275,997. When it comes to competition, Queensland leads Australia.