




Speech By  
**Andrew Powell**

**MEMBER FOR GLASS HOUSE**

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### **QUEENSLAND COMPETITION AUTHORITY AMENDMENT BILL**

 **Mr POWELL** (Glass House—LNP) (11.26 am): I rise to address the Queensland Competition Authority Amendment Bill 2018. In a state the size of Queensland, it makes a lot of sense that when you build significant infrastructure like rail and like ports you only do it once or twice and ensure that all users ultimately use that one piece of infrastructure. At least that is what responsible governments should do.

On becoming the minister for environment I recall seeing a map of the state of Queensland produced by the then deputy premier, Jeff Seeney, the then member for Callide, showing a spaghetti network of proposed rail corridors crisscrossing the state of Queensland from new mining exploration areas such as the Galilee Basin and seeing new ports being proposed up and down the length of the Queensland coastline.

A responsible government, such as that in which both the then member for Callide and I served, should ensure that that spaghetti network is consolidated down into one or two corridors for rail and that existing ports' use is maximised first and foremost, and one of those ports in particular is the Dalrymple Bay Coal Terminal. It is important that when we do consolidate our infrastructure development, particularly around rail and ports and port channels, we allow third-party access to that infrastructure. That is why we do have a third-party access regime and we have it administered by the Queensland Competition Authority.

The original bill that established the Queensland Competition Authority explained in its explanatory notes—

In cases of natural monopoly, one facility meets all of a market's demand more efficiently than a number of smaller and more specialised facilities. Accordingly, it is not socially desirable that the infrastructure comprising a natural monopoly be duplicated. At the same time, the absence of competition enables a natural monopoly infrastructure owner to extract excessive profits through exercising market power.

When we only have one player in the market what we end up getting is the ability to create a monopoly unless we have Competition Authority oversight and these third-party access regimes.

The regime involves two steps. Firstly, it involves a declaration. It has to be determined to be that kind of infrastructure that requires this type of regime to be applied to it. Then there needs to be negotiation around the access conditions. The declaration is dependent on a number of prescribed criteria. It does not provide a right for third parties to access the infrastructure, but it provides the ability to negotiate that third-party access. There are three such services around the state of Queensland: the transport services provided by Aurizon Network's Central Queensland coal network, the coal-handling services at the Dalrymple Bay Coal Terminal, and the rail transport services provided by Queensland's rail interstate passenger and freight network.

As others have said, currently, to make a declaration five access criteria must be met: there must be an issue around increased access to the service that would promote a material increase in competition in at least one market other than the market for the service; it would be uneconomical to duplicate the infrastructure for the service, as we were just speaking about; the infrastructure for the

service is significant, having regard to its size or importance to Queensland's economy—and, certainly, the nature of rail infrastructure and port infrastructure fits that bill—access or increased access to the service can be provided safely; and access or increased access to the service would not be contrary to the public interest.

Following some reviews of this process, including a federal Productivity Commission report, the bill proposes to amend the first two and the last of those criteria and remove the fourth altogether. The first criteria, the competition criteria, will be reframed so that it considers whether declaration rather than access or increased access would promote competition. Rather than determine whether it is the access or increased access that makes it a significant piece of infrastructure; it is whether the declaration itself would promote competition.

The second criteria will be amended to confirm the test as an assessment of whether the infrastructure could meet the total foreseeable market demand at least cost compared to two or more infrastructure services. The last, the public interest criteria, will be reframed in the affirmative, requiring that access must promote the public interest rather than not be contrary to it. By removing the fourth criteria, that of requiring that access or increased access be provided safely, it is determined that this can be met through the public interest test itself.

There is broad support for this bill, although a number of stakeholders have raised business certainty concerns. In particular, Aurizon, Dalrymple Bay and the Queensland Resources Council have all asked that their existing declarations be extended. As I understand it, that is not addressed in what has been proposed today, or in any amendments.

The question remains: what is the Palaszczuk government going to do to give certainty to these businesses to make sure that, if they are not going to extend the declarations, there is a level of pricing determination provided that will ensure that these companies are able to make an appropriate amount of profit to provide for adequate maintenance? The last thing we want is to create a pricing determination on this significant infrastructure such that it creates an anomaly in the ability of businesses to have the money in their companies to maintain and improve that facility. We then get to a point where third parties will be looking to build their own infrastructure because they cannot rely on the services of, in this case, Aurizon or Dalrymple Bay Coal Terminal.

It is interesting to note, as others have, that we would not have to worry about private companies taking advantage of monopoly infrastructure in Queensland if the ALP had not flogged it off. It is important that the people of Queensland be reminded that the only party in this state of Queensland for the past two decades that has sold publicly owned government owned corporations—

**Ms TRAD:** I rise to a point of order. Madam Deputy Speaker, I know this was tried on yesterday. I do not think it is consistent with the long title of the bill. I ask you to rule on relevance.

**Mrs Frecklington:** You hate the truth.

**Ms TRAD:** So does the member.

**Madam DEPUTY SPEAKER** (Ms Pugh): Member for Glass House, I draw you back to the long title of the bill.

**Mr POWELL:** The Queensland Competition Authority Amendment Bill 2018 addresses specifically third-party access regimes that apply to two specific entities in the state of Queensland, one being the Dalrymple Bay Coal Terminal—

**An opposition member:** Sold.

**Mr POWELL:** It was sold by Premier Beattie in 2001. That is a statement of fact. Those opposite do not like it hear it, but we are talking about third-party access to a former government owned corporation that is now owned by the private sector, which was sold under a Labor government.

The other one specifically mentioned in the explanatory notes as being part of the Queensland Competition Authority's responsibilities and also in the committee's own report is Aurizon. That was flogged off as part of a fire sale along with our tollways, Forestry Plantations Queensland, the Port of Brisbane—

**Ms Trad** interjected.

**Mr POWELL:** They do not like to hear it. It was flogged off under then premier Bligh and the people of Queensland let the Labor Party know quite clearly what they thought of being duped at an election—being told by the then government that it had no plans to sell assets and then that government proceeding to sell five of them at the bottom of the market, including Forestry Plantations Queensland

in the electorate of Glass House. I repeat: we would not have to worry about private companies taking advantage of monopoly infrastructure in the state of Queensland if Labor had not flogged it off. The only party in this state that has sold assets in the past two decades is the Labor Party. The people of Queensland must remember that, and will remember that. It is clear that even the Deputy Premier continues to—

**Ms Trad** interjected.

**Mr POWELL:** The Deputy Premier does not want to hear it, but the record is clear. It is the Labor Party that sold the state government's state owned corporations.