




Speech By
Glenn Butcher

MEMBER FOR GLADSTONE

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QUEENSLAND COMPETITION AUTHORITY AMENDMENT BILL

 **Mr BUTCHER** (Gladstone—ALP) (11.36 am): I thank the member for Glass House for his contribution. The people of the Gladstone electorate voted on the asset sale of the Gladstone port. The LNP put forward that it was going to sell the port from underneath them and, as a result, I received 65 per cent of the primary vote. I thank the member for Glass House for that and I thank the LNP for making my electorate of Gladstone one of the safest seats in the state.

Honourable members interjected.

Madam DEPUTY SPEAKER (Ms Pugh): Order! The member is only just beginning to give his speech. Can we at least give him silence? Member for Gladstone, I call you back to the long title of the bill.

Mr BUTCHER: As the assistant treasurer, I rise to speak in support of the Queensland Competition Authority Amendment Bill 2018. Although this bill is not generally a topic discussed in the context of the Queensland economy, the Queensland government's approach to access regulation is necessary to ensure that there are positive investment incentives in significant infrastructure in Queensland.

Queensland access regulation greatly affects sectors of the economy where there is in place significant infrastructure that provides critical services such as rail and port services. The port services in Gladstone that I spoke of before are critical to the Queensland economy. The way we export coal and other resources is certainly a big part of this bill. For example, the Central Queensland coal network is regulated under the access regime. In 2016-17, our state exported about 270 million tonnes of coal. That figure is expected to grow to above 240 million tonnes by 2020-21. As I said, the Port of Gladstone plays a huge part in exporting that coal, with over 120 million tonnes leaving that port last year.

A robust access regime is not just about existing resource developments but also about the future potential for development. Investors and developers need to know that the Queensland economic regulation regime has solid foundations and that it will provide certainty for industry and the stakeholders involved.

The bill will make amendments to deliver certainty about the access criteria that is used to determine what may be regulated under the Queensland access regime. This is a key process in the regime. Recent confusion over the declaration process has brought this debate here today. It has become a more costly, more complex and more time-consuming path than it needed to be. Whilst this confusion occurred in the national context around the well-documented Pilbara railway access matters, the interpretation of the national access regime affects all state and territory access regimes.

A declaration process based on an assessment of prescribed access criteria that is longer than it needs to be costs the community and can affect certainty that access regulation is appropriately addressing market failure. One of these issues, which is a key part of the bill here today, is the interpretation of the uneconomic to duplicate access criterion. In the Pilbara decision the High Court found that a private profitability test should apply against this criterion. This test has been extensively

reviewed, including by the Australian Productivity Commission. On this basis the Commonwealth government passed legislation in October 2017 which reframed the interpretation of the uneconomic to duplicate criterion to a more appropriate test based on the economics of natural monopoly.

The Queensland access regime operates simultaneously with the national access regime, so it is essential that the declaration process remains consistent. Inconsistency leads to the risks of forum shopping and, more generally, to uncertainty in economic regulation. This bill delivers consistency and it promotes economic efficiency and the welfare of the whole Queensland community.

The Queensland Competition Authority Amendment Bill 2018 being debated here proves the Palaszczuk government's commitment to the resources industry in Queensland. We are the first state to review our access regime to reflect the approach in the Commonwealth legislation. This is a complex but necessary bill that clarifies the application of access regulation in Queensland, which is an important tool in the government's economic framework. Queensland will yet again be leading the way with this bill. I commend the bill to the House.