




Speech By
Shane King

MEMBER FOR KURWONGBAH

Record of Proceedings, 15 November 2018

TRANSPORT AND PUBLIC WORKS COMMITTEE

Report, Motion to Take Note

 **Mr KING** (Kurwongbah—ALP) (3.47 pm): I move—

That the House take note of the Transport and Public Works Committee report No. 10 titled *Inquiry into the operations of toll roads in Queensland* tabled on 13 September 2018.

This report presented a summary of the Transport and Public Works Committee's examination of the inquiry into the operations of toll roads in Queensland. Our committee made five recommendations, and these were based on evidence from a large volume of submissions and a public hearing. There was an expectation from certain media outlets and submitters that this inquiry would lead to recommendations demanding that the operator lower tolls. We have no power to demand that a private operator lower their fees. If we look at the facts that we heard during the inquiry, we heard that the operator had incurred substantial debt when they bought the tolling rights during the term of the Newman government. An article from 2014 in the *Australian Financial Review* which I will table states—

The Queensland government has sold more than \$10 billion of assets since elected in 2012, despite claiming it would wait for a privatisation mandated at next year's election.

That is just to clear up a bit of asset sales talk that goes on from those opposite. I table that article.

Tabled paper: Media article from the *Australian Financial Review*, dated 14 October 2014, titled 'Despite assurances, Queensland on asset selloff binge' [1919](#).

In my case, I have never been happy with any government asset sale, but the rhetoric that comes from those opposite is sometimes a bit overwhelming.

The loans that the company took out were based on rates of return and maintenance costs, and the tolling fee rates were set during the term of the Newman government. Because of this, our committee agreed that, if a government were to intervene in the business decisions of a private operator by asking them to lower tolls, the effect could be that we as a government would have to subsidise tolls for commuters, which would remove transport funding from the rest of the state for the benefit of South-East Queensland commuters. I do not think the regional MPs on the committee or any regional members in this place would be really happy about that. The other effect could be that the operator would not remain viable due to lower revenue and potentially close up, and that is not something we want to see.

There was a school of thought out there that, if the operator reduced toll rates, they would get more custom and more money. I must admit I was of that opinion before the inquiry. However, during the inquiry we looked at the operator's modelling and lots of things, and the operator showed us that that would not work as thought. Our recommendations, therefore, were around improving systems to make it easier for customers to pay their tolls, to be notified of tolling debts and to have access to a more streamlined complaints procedure.

These tolls do go towards maintenance and improvements. We heard from Transurban that, since purchasing Queensland Motorways in 2014 during the Newman term, Transurban Queensland has invested almost \$580 million to progress two upgrade projects—the Logan enhancement project and the Inner City Bypass upgrade—without the need for a government contribution.

We heard stories of customers who had some tolling debts with the State Penalties Enforcement Registry, fondly known as SPER, while other debts were with a debt collector and some were still with the operator. This caused confusion and we made a recommendation in relation to that. We were informed that, when a debt is handed to SPER, the operator forgoes all that debt and consequently it is not in their interest to refer to SPER as they lose that revenue. Our recommendation 5 seeks to ask the government and the operator to work towards fixing those issues. Finally, they basically said that there is a choice for commuters: pay a toll and get a smooth, quicker transit with the security of camera monitoring, or travel the ground roads at no cost. The evidence showed us that because there is a financial impost the toll roads do remain clearer.

I would like to thank our committee and secretariat staff as we worked collaboratively on this report. I was quite surprised to see the statement of reservation come through. I think it was written by someone who did not go through the process with us. It showed little understanding of the evidence we reported on. I know that our excellent deputy chair would not have written it, although his name was there. I think he might have been a bit embarrassed by it because he is excellent and we work together well. I think it was a great result.