Speech By

Tim Nicholls

MEMBER FOR CLAYFIELD

Record of Proceedings, 22 March 2018

QUEENSLAND COMPETITION AUTHORITY AMENDMENT BILL

Mr NICHOLLS (Clayfield—LNP) (11.49 am): It is with great pleasure that I rise to talk about the Queensland Competition Authority Amendment Bill. It is also with great pleasure that I note that the member for South Brisbane has introduced this bill, because if there were anyone who did not believe in competition it would be the member for South Brisbane. She would want a one-party state with the commissars from the Left telling everyone what they should do, how they should think, where they should buy their food—

Madam DEPUTY SPEAKER (Ms Pugh): Order! Member for Clayfield, I draw you back to the long title of the bill.

Ms Trad: I am actually enjoying this.

Mr NICHOLLS: Absolutely—member for South Brisbane, so am I. The competition bill introduced by the member for South Brisbane, who presided as deputy state secretary of the ALP at a time when her mentor was selling, selling, selling assets, is quite an act of breathless hypocrisy in this place. In fact, I am sure the briefing from the Treasury officials—I see them all sitting over there—would have been quite entertaining. They would have said, 'This is what competition means, Treasurer. This is how it is meant to work. These are why the principles are in place, Treasurer, just so you understand it.' She might also want to think about why they delayed introducing competition into the retail energy market for a year, with Minister Bailey at that time, despite all the obvious advantages that came forward. She might want to think about why we need to make these changes in the first place, because it was the Labor Party that, before the 2009 election, said, 'We don't have any plans to privatise.'

Mr Minnikin: Nothing to see here.

Mr NICHOLLS: Nothing to see here. When specifically asked on 612 ABC radio program one Friday morning by her good friend Madonna King, she said, 'No, we have no plans to privatise.' In this place we asked the question about Queensland Rail, one of the businesses the subject of this legislation. Who was the minister at the time?

Mr Bleijie: Rachel Nolan.

Mr NICHOLLS: That is right. In May, the former member for Ipswich, Rachel Nolan, stood in this place and said, 'No, there are no plans to privatise,' but the next day, guess what? Whooshka! It is on the table.

Ms TRAD: Madam Deputy Speaker, I rise to a point of order. Whilst this trip down memory lane is quite entertaining, more so for the member for Clayfield than anyone else, I suggest that he remain relevant to the long title of the bill.

Madam DEPUTY SPEAKER: Member for Clayfield, once again I draw you back to the long title of the bill.

Mr NICHOLLS: I am aware of the long title of the bill. For a proper debate in this House, Madam Deputy Speaker, and in no way reflecting on anything that you have directed me to do from the chair, I think it is important that we put things in context. I think that people would say that a debate out of context is not a debate; it is just a screaming match. That might be what some want, but I want to put this in some context, because this is one of the items that is specifically referred to in the legislation as a matter that is being regulated by the Queensland Competition Authority and by the legislation in place. If you do not understand the history of it, these changes do not make a great deal of sense.

We have to put it all into context, because a significant number of changes are being made here as a result of the decision in the Pilbara case. We heard the member for Gladstone talk about the Central Queensland coal network. As we know, the Central Queensland coal network is Aurizon. As we know, Aurizon exists because the Labor Party sold the Queensland Rail Network. The reason we have to make these changes is that, when they sold it, they sold the below-the-rail assets and the above-the-rail assets to one monopoly operator, and that was their big mistake. Instead of allowing access above the rail, where there would have been competition, they said, 'No, we're going broke.' The Labor Party in Queensland went bust in a boom; I remember that—$80 billion. I remember that.

An opposition member: We're heading back there.

Mr NICHOLLS: We are heading back there. We will see where the Treasurer takes us. In order to maximise every cent—

Ms Trad: Today, 160,000 jobs reported. How many did you sack?

Mr NICHOLLS: Now I am really enjoying it, because we have the Deputy Premier up in arms. She is on the defensive now. They needed to squeeze every cent out of the sale of the Central Queensland coal network, because they had to pay down debt. They got all that money and do you know what? They did not pay down debt. It is still going up.

We have to make the changes that the bill talks about, because of the decision that was made that did not allow for competition above rail and because of the decision that the High Court made in 2012 in relation to the Pilbara case. That case involved four railway lines—not just one—in Western Australia, two run by BHP Billiton and two run by Rio Tinto. There was an appeal case to the Australian Competition Tribunal by Fortescue Metals Group, which wanted to get onto the railway line. The Australian Competition Tribunal made a finding in relation to the appropriate test to apply for competition. Then, on two of those, there was an appeal to the full Federal Court. The full Federal Court found that the test to apply under part IIIA of the Australian competition law was, in fact, in relation to what is euphemistically known as the 'private profitability test'—that is, another supplier can provide it, provided that they can make a private profit—it does not have to be a great profit—and then there is no reason to declare. They overturned the decision and remitted it back to the Australian Competition Tribunal and told it to apply the law as determined by the High Court. It went ahead and did so, involving billions of dollars being spent on below-rail networks in Western Australia in order to ship ore. Therefore, there is now an attempt to clarify what has come through the subsequent reviews in order to make sure that the principles are there.

Therefore, the LNP will be supporting this bill because we in the LNP support competition. We want to see more competition in all spheres. I have said for a long time that competition in all spheres delivers better results. It drives innovation, it drives investment and it drives better practices. In politics we have competition. I accept that, as we all do. We accept the outcomes, learn from them and go about things in a better way. In business you have to do that as well. The problem with monopolies is that they become tied up, they do the same thing time and time again, they do not innovate, they do not invest and, ultimately, society pays the price.

The Labor Party would love to have Telstra back in its pocket. Look at how well that has worked with the NBN. How well did that go? Now we have competition for phone services, we have competition for internet services and we have competition for IT services across-the-board. No-one would argue that we would want to go back to waiting for the old Telecom to turn up to hook up your phone six weeks after you made application for it. Competition is vital here.

I have a couple of concerns with the bill in relation to some of the changes that are proposed. The test has been pretty solidly agreed upon in relation to the effective provision of services, rather than the private profitability test. The natural monopoly test has been more clearly defined, because it is notoriously difficult to define. It suffers different definitions depending on which economist you speak to on which day of the week and how they were feeling on that day. My concern relates to the time periods placed on the QCA.

There are six-month time frames being placed on the QCA in order to give its decisions and make statements in relation to them. This is a serious point that I direct to the Treasurer, in that often the QCA is gamed by those people who run private monopoly networks, such as Aurizon, which was sold off. Those companies can spend an enormous amount of money putting together huge submissions that simply overwhelm the QCA's ability to go through them. I have seen that occur in relation to the undertakings put forward and the access undertakings put forward.

I think the very real danger that should be guarded against, either in terms of resourcing the QCA appropriately or otherwise, is that the QCA and the system are not gamed in the manner by large corporates putting together huge submissions designed to confuse, to obfuscate and to not come to a clear outcome. There are no penalties in relation to the QCA not making its decision. There are no deeming provisions that I can see in here if it does not make its decision within six months. Nonetheless, I think it is a real issue that needs to be dealt with, because those companies do that. I am as much against monopolies by large corporates as I am monopolies by the state. They all fall into the same trap and they all seek to preserve their own patch without allowing for competition.

In conclusion, obviously, as the shadow Treasurer has indicated, we are supporting the bill. Obviously, it is necessary. There is a real concern about the time limit on the QCA. No-one in Queensland should ever forget that, when it comes to privatisation, Labor speak with forked tongue.