

## MARITIME SERVICES (ACCESS) (MISCELLANEOUS) AMENDMENT BILL

29 April 2009

Adjourned debate on second reading.

(Continued from 8 April 2009. Page 2339.)

**Mr PEDERICK (Hammond) (12:36):** I rise, too, to support the bill. In regard to the comments made by the members for Schubert and MacKillop, third party access is something that we should consider as only good for the state in regard to exports and imports. In consultation with this bill, the Competition and Infrastructure Reform Agreement was signed by COAG in early February 2006.

The aim of the agreement is to provide a simpler and more consistent system of economic regulation for nationally significant infrastructure. The reforms within the agreement provide for the reduction of regulatory uncertainty and compliance costs for owners, users and investors in significant infrastructure and to support the efficient use of national infrastructure.

That is the crux of the debate, to make the infrastructure that we have, both for the people who own and access the infrastructure, equitable to all so that it can be used profitably for all who are in the business of importing or exporting product. There have been problems at times with access.

One of my constituents, who contacted me, was involved in a fertiliser company. He had an issue with unloading a boatload of fertiliser. I must admit that there was excellent cooperation between the minister for environment's office and the Minister for Agriculture, Paul Caica, who I contacted on his mobile phone. And this is a bouquet for the government: I said, 'We need to fix this today,' and it was. There was a risk of that ship not being able to unload, being pushed off the port, and paying up to three weeks demurrage by the time some of the bureaucracy got sorted out.

It was good to see that it did get sorted out. I note that some of the bureaucrats involved sent a message back to all the MPs who got involved to say that next time they should try to do it without all the political intervention. But, that is the beauty of being in this place: if you need to act you can act. Perhaps it is a message that sometimes—and I am not having a go at bureaucrats individually—you have to put reality in front of bureaucracy to realise that pushing offshore 30,000 tonnes of fertiliser, or whatever was in the hold of the boat, could have cost South Australian farmers up to \$3 million in demurrage costs. It was certainly a win, and I appreciate the efforts of chiefs of staff and Labor ministers.

The bill ensures that South Australia's regulatory principles, with regard to third party access regimes, are consistent with those which will be applied across the nation. These principles include: an objects clause to promote economic efficiency and effective competition; a six-month time limit for conciliation by the commission, arbitration decisions made by the arbitrator to provide greater certainty to business, and to reduce the time and costs associated with settling access disputes; and pricing principles to be taken into account by an arbitrator.

I note that clause 10(2) provides that the pricing principles relating to the price of access to a service are as follows:

- (b) that access prices should not allow a vertically integrated operator to set terms and conditions that would discriminate in favour of its downstream operations, except to the extent that the cost of providing access to others would be higher;
- (c) that access prices should provide incentives to reduce costs or otherwise improve productivity.

So it is absolutely necessary for the people who hold the ports to manage them efficiently and to give fair and equitable access to anyone who wishes to use those facilities.

Looking at the grain trade, I believe that it is uneconomic in this state for private operators to get together and build their own port facility. I note that ABB Grain essentially manages the ports as far as grain is concerned. I have heard that some operators have said

that there have been some difficulties negotiating their way forward with third party access. However, I believe that, with wins that we have had recently with free air and moving into the future, and with the assistance of this bill, the operation should be streamlined so that third-party access is far more efficient and more equitable for all concerned. Certainly, it is a great move forward.

There are concerns about what products go over a certain wharf or jetty. I know there is discussion currently in Port Lincoln (essentially the nation's fishing capital) in regard to Centrex and its potential export of iron ore, and I think there needs to be much more examination of the issues involving access to the port or whether another port should be set up. The problem is that it is a bit like politics: perception wins. Whether or not there is an issue with iron ore sharing the same facility and the same bay as tuna farms, where prawn fishermen and other associated fisheries operate from, there is a perception—

*The Hon. P.F. Conlon interjecting:*

**Mr PEDERICK:** I am just saying that it is a bigger issue in the scheme of things. The right access arrangements should be made, the right thing for the town of Port Lincoln should be implemented and proper investigation and social, environmental and economic impact statements should be undertaken in that case.

I certainly support the bill. I believe it will provide far more equity. Obviously, the three year regulatory period for the access regime and price regulation has been extended to five years, and this aims to reduce costs and uncertainty for port operators. I just mentioned some of the clauses in the bill in regard to arbitration, but the bill does improve negotiation and arbitration processes by clarifying the efficiency of these processes and reducing regulatory impacts on businesses.

As I mentioned, with the issue of getting a shipload of fertiliser unloaded and not suffering the costs incurred with demurrage, anything that can make life simple with people accessing the ports, whether they are importers or exporters, is not just a good thing for this state but for this country. With those few words, I commend the bill.