



Speech by

BILL FELDMAN

MEMBER FOR CABOOLTURE

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QUEENSLAND COMPETITION AUTHORITY AMENDMENT BILL

Mr FELDMAN (Caboolture—CCAQ) (12.54 p.m.): Far be it from me to pass up the chance given to me by this debate to slam the guts out of National Competition Policy. I understand the objectives of this Bill. The policy objectives are to extend the application of the State's monopoly prices oversight regime and third-party access regime to local government; to establish an independent prices oversight regime for private water suppliers; and to make miscellaneous amendments, mainly to the State's third-party access regime.

I heard what the previous speaker said, but I sit here and wonder at what price we are selling off our public utilities. I have here a thick document from the Productivity Commission on the impact of competition policy reforms on rural and regional Australia. Electricity is another utility that I believe this Government is in the process of selling off to private enterprise. I look with horror at what is happening to the electricity industry in New South Wales and Victoria. I really pray that this Government does not go down the same path and let National Competition Policy impact on a public utility such as electricity to the extent it has down there. A horror story from this report is as follows—

"Most significantly, the LaTrobe Shire Council said that, as a direct result of electricity reform, its region had lost between 6,000 and 8,000 jobs, equivalent to 10 per cent of the Shire's total population."

That is an absolute horror story of selling off public utilities. When that sell-off is done, we then have to establish a committee that sits over the top and tries to assess how much damage it can control as a result of National Competition Policy and monopoly abuse, which is what occurs after these utilities have been taken over. Suddenly there are price discrepancies and there is price manipulation right across-the-board. It is something that I believe we have been forced to have because of National Competition Policy. The City Country Alliance recognises that we really do have to support this Bill. There need to be some controls to rein in National Competition Policy, which is running rampant.

We see that it is not only electricity going down that path. Water is also going down that path. We will be reliant on private providers for water and I am afraid we will have parts of our anatomy in a vice-like grip. We might have to pay exorbitant amounts for water in future. I think it is very poor acceptance of National Competition Policy standards. It is unfortunate that this State has to go down this path and is forced into this sort of oversight regime because of the potential for monopoly abuse.

The major component of this Bill seeks to provide accountability in the provision by the private sector of what are basically our essential services—services that each and every one of us in this State used to own and be proud of and have some say in with regard to administration. The intent of this legislation is honourable, but these measures should not have been necessary because essential services should never, ever have been privatised in the first place.

Mr Purcell: Hear, hear!

Mr FELDMAN: I heard John Thompson on the radio slamming what was going to happen with the electricity industry. I know what is going to happen, as does the member for Bulimba. He knows what will happen to those workers, as I do. It is the battlers who will get it in the neck again. It is just not right. We are getting rid of things we should never, ever get rid of. That is the shame of National

Competition Policy. Earlier I spoke on the First Home Owner Grant Bill. A lot of good that will do for workers who are going down the chute! They will not have the capacity to access it or provide for it.

Water is another example of a utility that should not be privatised. If it is, we will be paying through the nose for water. We will need somebody to rein in the stupidity and the excesses. There is enormous in-built accountability when the provision of that service is in the hands of local government.

Sitting suspended from 1 p.m. to 2.30 p.m.

Mr FELDMAN: Before lunch I was sharing with the honourable member for Bulimba some of the horror stories from the sale of public utilities. I want to refer to what has happened in other places.

The Bland Shire Council told the commission that the number of local service employees in West Wyalong had fallen from 20 to four. The Tumut and Cooma-Monaro Shire Councils, which are now serviced by Great Southern Energy, reported that rationalisation of the electricity supply arrangements had led to job losses in their areas of 50 and 80 respectively. Great Southern Energy agreed that employment had been reduced, but contended that the job losses were 27 in Tumut and 34 in Cooma. The Glenelg Shire Council—Portland— reported that the closure of Powercor's service centre had reduced employment in the region by 200. The South Grampians Shire Council—Hamilton—said that the shire had lost 72 electricity jobs since 1991. That is just a sample of what happens when public utilities are privatised.

I will not be telling the honourable member for Bulimba anything new because I know that he has employment at heart and we all heard him share his experiences last night when we were debating the National Competition Policy. The multinational companies around the world must be laughing when they see such a rich country as Australia giving away its public utilities such as water and power. We are going to give them away.

Water is absolutely critical to our survival. We are going to give it away and let someone else sell it back to us. When I was a kid I used to go to the movies. The cowboy movies were all about water. I watched them killing each other about water and water rights. Here we are giving it away. Even though I believe it is suicide to do so, we are heading down the same path. We have to bring in legislation such as this to try to control the multinational predators. We are going to let the predators monopolise these things and then sell them back to us.

I remember Productivity Commissioner Judith Sloan claiming that the economic decline in Queensland should not be blamed on National Competition Policy. She even had the temerity to suggest that economic disasters in rural Queensland are a perception. She should take a walk in the real world. She should talk to some rural producers who are facing ruin. She should come and talk to some of our dairy farmers who are seeing a career and a way of life built up over several generations being torn about by deregulation. She should walk through some of the places where Pat Purcell used to work and see what happens there. She should see first-hand the agony and despair in the eyes of our dairy farmers. She should see the agony in their eyes when they go to the bank. Professor Sloan says that she wants to add some doses of reality and explode the myths. In the same breath she talks about NCP delivering lower input costs for transport, telecommunications and energy. There is the real myth. Fuel has never been dearer, telecommunications in regional areas has regressed, and the performance of energy suppliers has plumbed new depths of ineptitude. We do not see any benefits there, but then, in the rarefied area of academia, they might be perceived as benefits.

As I said before, the major component of this Bill is to seek to provide accountability in the provision by the private sector of what are basically essential services. The intent is honourable, but these measures should not have been necessary because essential services should never be privatised.

Taking the supply of water as an example, there is an enormous in-built accountability when the provision of that service is in the hands of local government. If inefficiencies are not addressed, if service levels deteriorate, or if the pricing structure disadvantages the consumers, they have a very powerful redress at hand. They vote the council out of office. This is one of the most effective possible methods of ensuring accountability and of ensuring that the interests of the consumer are paramount.

This method of delivering accountability is not available if the utility has been privatised; nor can it be legislated in any meaningful form or with any worthwhile result. No prices oversight regime will prevent extortionate pricing levels if the facility happens to be in the hands of an unscrupulous private sector operator. The consumer cannot vote the provider out of office; nor can the consumer change to an alternate supplier.

If the service in question happened to be gas, for example, the consumer who is being overcharged can elect to change to an alternative supplier, or even to an alternative fuel. However, in the case of water, there is no alternate product, and, because of the nature of the delivery infrastructure, there cannot be an alternative supplier. The customer has absolutely no defence against unscrupulous providers.

I know that the intent of this Bill is to introduce that consumer protection provision, but I am not at all convinced that a prices oversight regime will do that. One has only to look at the abysmal and toothless performance of Professor Fels and his Prices Surveillance Authority to realise the futility of legislative consumer mechanisms.

Really, the point I am making is that the provision of essential services is fundamental to the wellbeing of a community and its residents and should always remain the domain of the public sector. The provision of such basic needs as water supply and sewerage, electricity, communications and waste disposal should never be compromised by an obsession with bottom line profits.

The privatisation of public utilities is just one of the destructive offshoots of economic rationalism which is sweeping through our nation like a deadly plague. While we will be supporting this Bill because of its intent to ameliorate the damaging impact of economic rationalism, we are reluctant, to say the least, in that support, on the basis that such support could be seen as legitimising this evil and simplistic economic experiment. Support it we must, though, because not to do so would be to facilitate and invite open slather to the predatory behaviour that pervades the "profits before people" ideology of those companies which control our water and, perhaps, our electricity. I just pray that this Parliament and this Government votes down any attempts to completely privatise these commodities. That is all I wish to say. We will be supporting the Bill because I believe that we have been forced into that position.
