



Speech by

Liz Cunningham

MEMBER FOR GLADSTONE

Hansard Tuesday, 9 November 2004

ERGON ENERGY TENDERS, GLADSTONE ELECTORATE

Mrs LIZ CUNNINGHAM (Gladstone—Ind) (11.58 a.m.): I rise to express the concerns of a number of people in my electorate in relation to the granting of the most recent Ergon Energy tender for disconnect, reconnect and special meter readings. The contract covered 17 separate areas going down as far south as Miriam Vale South, which is Lowood, north to Yeppoon and west to Blackall, Barcaldine and Longreach. In that geographical spread, which is a significant area, there were 17 separate elements to the contract. In the contract documents it was stated quite clearly that 'tender submissions for any of the separate parts outlined below are invited', although it has been noted that it was also stated in the documents that Ergon reserved the right to allocate the contract to one group for the entire area.

Gemmell Electrics Pty Ltd, which operates out of Gladstone, has five full-time staff and five part-time staff or casuals. It has had the contract for seven years. Previous to this contract it had been successful in tendering with Ergon. It lost the contract for a short time. The seven-year contract included several small extensions to allow Ergon—this was its advice to Gemmell—to tender for the whole contract at one time. Ergon said that this would tidy up the process.

Tendering by government owned corporations and government departments was, until the early 1990s, by way of open tender. Therefore, all tenderers, particularly those who lost, would know the comparisons between the financial tenders and the conditions of the tenders they submitted and those of others. They would be able to understand more clearly why they may have lost the tender.

This has changed. Now it is all done very secretly. In the contract documents Ergon Energy made it clear that the tender would be conducted by confidential tender. Therefore, anyone who loses their tender is unable to find out whether they lost it because their prices were too high or because their other conditions were too difficult for Ergon to accept.

Gemmell Electrics has done this tender job for Ergon for seven years. To rub salt into the wound, Ergon Energy wrote to Gemmell on 1 November requesting back certain specialist equipment that it had been using and stated—

We would like to extend our thanks for the excellent manner in which this contract has been carried out over the past seven years. It is without doubt that the first-class level of customer service provided in the Gladstone District would not have been possible without the efforts of yourself and your employees.

The contract was allocated to Skilltech Consulting Services Pty Ltd of Victoria. It is not even a Queensland company. It does not have qualified people. It is a labour hire company which will be body hiring throughout the central Queensland region.

Previously these contracts were filled by smaller electrical contractors located in geographically diverse areas. They were better able to cover the diversity of central Queensland—and I am sure other areas of the state. They were able to achieve the requirements under the contract—that is, that a reconnect has to be finalised within four hours and a disconnect within 24 hours.

One of Gemmell's electricians who has to be laid off because of the loss of this contract applied to Skilltech Consultancy Services for the one full-time position that it has made available for the Gladstone district. At the interview Skilltech asked this particular electrician whether he would be prepared to add to

his area Miriam Vale south. Bearing in mind the contract requirements for four-hour connections, he said it could not be done. Therefore, he was not considered for the position.

My challenge to the Minister for Energy is that with the change of this contract those who lost contracts cannot find out why they lost contracts. The service is now being provided by a Victorian company. It is questioned by those who have been doing the contract whether they can achieve the service provision that has been successfully and very capably provided over the last few years. The Smart State is allowing work and profits to go out of the state to a Victorian company. Residents in my electorate question the wisdom of that.