



Speech by

Michael Crandon

MEMBER FOR COOMERA

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SOUTH-EAST QUEENSLAND (DISTRIBUTION AND RETAIL RESTRUCTURING) AND NATURAL RESOURCES PROVISIONS BILL

Mr CRANDON (Coomera—LNP) (9.51 pm): I thank the member for the encouragement. We are here to debate the South-East Queensland (Distribution and Retail Restructuring) and Natural Resources Provisions Bill. As we know, there will be three combined distributor-retailer entities. The Brisbane, Scenic Rim, Ipswich, Somerset and Lockyer Valley councils will be the first one. The Gold Coast, Logan and Redland councils will be the second one. The Sunshine Coast and the Moreton Bay councils will be the third one. I have to say that I feel sorry for them and I feel sorry for the people of South-East Queensland. Why? Because they have lost control. The responsibility for water was taken off these councils many months ago.

The bulk supply, bulk transport and manufactured water infrastructure and the Water Grid Manager will be state statutory authorities each governed by its own board. The bill contains a provision for ministerial direction to perform, for example, non-commercial activities. Let us interpret 'non-commercial activities'. What say we call them 'to fix stuff-ups' caused by the rush that has surrounded every major decision that this government has made in the past decade or so. A classic example is the water grid debacle. The government needed to build a water grid. So out it went and it got someone to come along to start building a water grid for it. 'What's the contract price?' 'We don't know. We're going to do it on a cost-plus basis.' What does that cause? A cost blow-out. It is as simple as that. The government goes along and says, 'Don't worry about it, fellas. Just keep on employing people. Just keep on bringing them on board and we'll just keep on paying cost plus. That means that every time you pay somebody a couple of thousand dollars a week we'll give you that cost plus. We'll give you a profit on top of it.' That is what this government has been doing for the past decade.

The problem is that at the end of the day the wholesale price determines the retail price. These guys have control of the wholesale price. Retailers retail. That suggests that they are trying to make a profit, or at least break even. When you have a wholesaler that has total control of the whole affair, what do retailers have to do? They have no choice: they have to pass the cost on to the consumers. That is the people who live in South-East Queensland, who have copped their gas prices skyrocketing and their electricity prices skyrocketing. Does this sound familiar? Because this is exactly what is going to happen again.

We have already heard about it—500 per cent increases, potentially 700 per cent increases, because it has just been mismanaged. We have seen costs skyrocketing. We have seen cost plus added to do whatever we have to do. We have a desalination plant down the coast that is not up and running yet. It has not been fixed—'Cost plus. Don't worry about it, let's just keep going.' These councils have no choice. They will be forced to pass on the costs.

I have one final comment to make. I have used only three minutes of the time allotted to me. I can keep going if the members opposite would like. The Council of Mayors of South-East Queensland have expressed strong concerns that the councils are unable to appoint even one director, despite the entities being council owned. The councils cannot even control it at the retail level. They have no control. The government has given them nothing. I feel sorry for the councils of Queensland because of the way they

have been treated over the past 20 months or so with this whole debacle. I feel sorry for the people of South-East Queensland and what they are going to be stuck with going forward from here because of this government's ineptitude.