

## **Cheaper Power (Supplementary Appropriation) Bill 2024**

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Committee Secretary  
Cost of Living and Economics Committee  
Parliament House  
George Street  
Brisbane Qld 4000

Dear Committee Secretary

### **Cheaper Power (Supplementary Appropriation) Bill 2024**

Thank you for the opportunity to make this submission on the *Cheaper Power (Supplementary Appropriation) Bill*. The bill is severely flawed, and the Parliament should only pass it with substantial amendments. Specifically, the appropriation should be much smaller, and the Government should target the assistance better.

The \$1,000 per household rebate must be better targeted, as it is not means-tested. While many needy households will benefit, the rebate will also go to hundreds of thousands of financially comfortable households that do not need the assistance. Under the current proposal, the Government will unnecessarily spend hundreds of millions of dollars. Furthermore, the rebate is incompatible with the Government's commitment to reducing greenhouse emissions because the subsidised power could encourage additional electricity consumption. For these reasons, it is bad policy.

The Treasury should have provided an update on the budget aggregates to accompany this supplementary appropriation. Otherwise, how can Members of Parliament or the Queensland public properly judge whether this is a responsible and affordable measure funded by coal royalties as the Government claims?

I suggest that Committee members ask the following questions of the Queensland Treasury officials who will appear at the 9 May public briefing.

1. How does this measure affect the net operating balances in 2023-24 and 2024-25?  
How is it being accounted for?
2. Will the Government run net operating surpluses in 2023-24 and 2024-25 so we can be sure that any debt incurred is of the 'borrow to build' variety? In other words, is

Treasury confident the Government will not borrow to pay for this measure, in whole or in part?

3. What are the implications of the measure for the Government's net cash flows from operating activities in 2023-24 and 2024-25?
4. What will the measure mean for the proportion of capital spending funded from these net cash flows? That is, what does this measure mean for the achievement of the Government's third fiscal principle?<sup>1</sup>
5. What are the implications of this measure for total government debt?
6. Is it true that total debt is on a trajectory to \$188 billion, as reported by *The Courier-Mail* on 17 April 2024? What does this mean for the affordability of this measure?

I would be available to discuss my views with the Committee in more detail. My contact details are below.

Yours sincerely,

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<sup>1</sup> In the upcoming budget, the 2022-23 financial year drops out of the window for the assessment of the Government's performance against this principle (see Chart 12 on page 31 of the *Budget Update 2023-24*). This makes it more likely the Government will breach this fiscal principle over the medium-term, particularly if one takes into account this new measure, as well as other recently announced spending measures.