



OFFICE OF THE CHIEF EXECUTIVE

Submission No. 008

11.1.3

26 June 2015

Our ref: A2225881

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Ms Erin Pasley
Research Director
Infrastructure, Planning and Natural Resources Committee
Parliament House, George Street
BRISBANE QLD 4000

By email: ipnrc@parliament.qld.gov.au

Dear Ms Pasley

Powerlink Queensland Submission – *Building Queensland Bill 2015*

1 Introduction

- 1.1 Thank you for the opportunity to provide a submission in relation to the *Building Queensland Bill 2015* (the Bill).
- 1.2 This submission is made on behalf of Queensland Electricity Transmission Corporation Limited trading as Powerlink Queensland (Powerlink), in consultation with Energex and Ergon Energy. Energex and Ergon Energy agree with the theme of the submission.
- 1.3 Powerlink is a Government Owned Corporation (GOC) that owns, operates, develops and maintains Queensland's high voltage electricity transmission network, which transports electricity generated at major power generators to the regional distribution networks (owned by Energex, Ergon Energy and Essential Energy). The distribution networks then supply to around two million electricity customers.
- 1.4 Powerlink also directly supplies some large industrial users (such as aluminium smelters and the resources sector).
- 1.5 The majority of Powerlink's network is regulated under the National Electricity Law and the National Electricity Rules by the Australian Energy Regulator (AER). A small number of transmission services are provided on a non-regulated basis, when large industrial customers (such as mines and generators) need to connect to the high voltage network.

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Powerlink Queensland is the registered business name of the
Queensland Electricity Transmission Corporation Limited
ABN 82 078 849 233

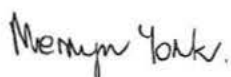
2 Submission

- 2.1 Powerlink is generally supportive of the establishment of an independent statutory body to ensure that a whole-of-government perspective is brought to major infrastructure planning and investment in Queensland, assisted by and in collaboration with line agencies.
- 2.2 When considering the purpose and mandate of the Building Queensland body as outlined within the Bill, Powerlink recommends the Committee take into consideration the existing extensive governance processes which already exist for GOCs, to minimise duplication of governance processes and unintentional creation of additional red tape and regulation.
- 2.3 By way of example, Powerlink is a registered public company under the *Corporations Act 2001* with its own independent board of directors, who are commercially focused and have directorial responsibility to effectively manage the corporation. This includes ensuring that major investments are well directed and governance processes are robust to support investment.
- 2.4 Additionally, there is already a requirement for Powerlink to obtain Shareholding Minister approval for major projects (over \$60 million for non-regulated projects and over \$125 million for regulated projects). Shareholding Minister approval occurs post-Board approval and preparation of a business case.
- 2.5 At a National level, Powerlink is also subject to market consultation and disclosure requirements for regulated investments via the Regulated Investment Test for Transmission (RIT-T). Powerlink's governance processes and proposed future investments are also reviewed by the AER through the five-year regulatory reset process.
- 2.6 **Given the extensive governance requirements which already exist, Powerlink is of the view that the focus of Building Queensland for GOCs should be as an assurance function, particularly for businesses cases for major projects to be considered as part of the Shareholding Minister approval process.**
- 2.7 Input from Building Queensland in this manner would be consistent with and complement the existing governance arrangements in place, without placing any undue new regulation or red tape requirements on Powerlink and other GOCs.

3 Further consultation

- 3.1 Powerlink appreciates the consultative approach taken by the State Government to date and looks forward to further opportunities to provide input in relation to the development of the subordinate legislation to facilitate the delivery of the proposed assurance function.
- 3.2 Please do not hesitate to contact Powerlink's Government Relations Manager, Matthew Myers (details provided below) for further clarification on any aspect of this submission.

Yours sincerely



Merryn York
CHIEF EXECUTIVE

