



Speech by

**Dr DAVID WATSON**

**MEMBER FOR MOGGILL**

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Hansard 30 May 2000

### **ELECTRICITY INDUSTRY**

**Dr WATSON** (Moggill—LP) (Leader of the Liberal Party) (6.08 p.m.): I rise to second the motion moved by the member for Callide. This Government makes a practice of deception and deceit. It runs on dodgy backroom deals hammered out behind closed doors. I ask members to remember Bob Gibbs and Lang Park, Bill D'arcy and his special tax break, and Craig Brown and his close encounter with a crushed beer can. That is how this Government does business—cut a deal, dress it up and put it out for public consumption. That is what this Government was planning to do with Queensland's electricity prices until the coalition blew the whistle.

**Government members** interjected.

**Dr WATSON:** Members may interject, but it has been sitting on the Minister's desk since March of this year and we did not hear a peep about it until we indicated what was going to happen. We told people precisely what the Government was going to use as an excuse: it was going to blame the GST, it was going to try to say that it was really a 6% increase and that they were saving Queensland consumers money. We knew what was going on. The Minister knew what was going on, but he was not going to say anything.

The Government has been sitting on the price hike for months, because it wanted to blame the GST. The Treasurer and the Minister did not have enough guts to take responsibility for their disastrous actions and policies, and they thought they would blame the Feds. Why should we be surprised? This is the Treasurer who thinks it is okay to approve a multimillion-dollar gaming licence for his dodgy Labor mates. This is a Treasurer who thinks that an alleged paedophile is a fit and proper person to run a casino. This is an Energy Minister who thinks it is okay to lobby a presiding judge. This is a Minister who thinks that the doctrine of the separation of powers is old hat now that Labor is back in office. These are the moral giants and the political geniuses charged with managing the Queensland power industry. It is no wonder it is going down the gurgler.

The plan was simple: keep the price hike under wraps for a couple of months and slip it through with the GST. In that way they could indulge in a bit of good old-fashioned Canberra bashing and cover their own incompetent tracks at the same time. Similar to most plans hatched by this Treasurer and Minister, the whole thing came unstuck. The industry would not wear it. Politics is one thing but deception is something else. People started talking, and it was not very complimentary. In the end they asked us to break the news. The Treasurer and the Minister would not do it so we did. We flushed them out. They could not blame the GST any more so they blamed the cost of living. I know it is a pathetic excuse, but that is their story and they are sticking to it. That is what the Minister said this morning. He stated that "electricity prices in this State have not been increased since about 1995" and "had they gone up by the same amount as the increase in the CPI, we would have had an increase of about 16%". That is what he said this morning. That is the best he could do with two weeks to think about it. It is rubbish.

In recent times, the wholesale price of electricity has dropped dramatically. In the 10 months of this financial year, it has fallen by about 36%. The costs are not going up. In fact, they are going down. In 1998-99 the price of power was more than \$60 a megawatt hour. The Minister confirmed that in a speech in the House. Now it is down to \$38 a megawatt hour. That is what it has been averaging for the first 10 months to the end of April in this financial year. That is a drop of \$22, or 36%. The

Government should be slashing power prices, not putting them up. The Treasurer and the Minister keep dodging the issue. They want to hide behind the GST. The real problem is that this Government is bleeding the electricity industry dry. It ripped off 95% of the after-tax profits last year. It is doing the same this year and it will do the same next year. The price rise is simply no more than a blatant tax grab. The cost of power has fallen so sharply that the industry could absorb every last cent of the GST if the Government stopped raiding the till. We would not need a 3% or a 10% increase; we would not need any increase at all. The fact of the matter is this: the Beattie Government is ripping off the industry and, through it, the consumers. Those are the cold hard facts. There is simply no justification whatsoever for this price rise. With the changes in technology and international competition, prices should be falling, not rising. I commend the motion to the House.

Time expired.

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