



Speech by
**Mr DENVER
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MEMBER FOR INDOOROOPILLY

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ELECTRICITY INDUSTRY

Mr BEANLAND (Indooroopilly—LP) (6.43 p.m.): This power price rise is all about typical Labor Party mismanagement and all about typical Labor greed. What has brought the power industry in this State almost to its knees inside three Labor Budgets is that the Government has robbed this industry blind in just two big bites. Its greed is destroying the power industry in this State. But that does not worry the Labor Government.

What worries this Labor Government is that it is reducing the industry to such a state that it will not be able to bleed it further, so the taxpayer is going to fund a blood transfusion. That is what this price increase is about. It is a tax on electricity. It is a tax on consumers. It is a tax for the Beattie Government re-election Budget—another Labor tax to prop up this can't do Government. The taxpayers will put the money in via higher power prices from July so that members opposite can take it out again in dividends and income tax equivalents in time for the Premier's re-election Budget. That is what is behind this price rise.

It has been said by those on this side of the Chamber that the average wholesale price to date this financial year has fallen by some 37%. That figure is contained in the motion. The retail price of electricity, therefore, should be falling. But this greedy Government wants to continue to milk the consumers. This is Labor's hidden tax.

We know all about Labor's hidden taxes. We have seen a number of them in the past. This price rise has nothing to do with the CPI, as the Minister continually parrots. He did so again today in this Chamber. It has nothing at all to do with that. If the price were following movements in the wholesale price, then the price of power would be going down. If the wholesale price has gone down by 37%, then the retail price ought to be falling in line with that. But that is not the case. What we have here is just another blatant Labor tax grab—ripping off electricity consumers to prop up this Beattie Labor Government, which is now in financial difficulties because it is short of cash.

I will outline to the House very succinctly the way in which this Government has brought the generating sector of the power industry in this State virtually to its knees inside of three Budgets. In 1998-99 the members opposite took \$430m out of the three generating corporations in the State, based not only on their 1997-98 results but also on prepayments based on their 1998-99 results. Over a quarter of the income stripped from the generating sector in 1998-99—\$120m of that \$420m—was in prepayments of dividends on the 1998-99 result.

Ordinarily that amount would have been payable this financial year, but Labor was so desperate for the money that on 30 June 1999 it made Stanwell pay \$43m, Tarong pay \$36m and CS Energy pay \$41.25m. The Government was so desperate that it could not even wait for the end of the financial year to get its hands on the money. The fact is that it had to fill a black hole in the current Budget.

The Government is now in an even deeper pickle this financial year in relation to this Budget. That is what this is about. It is because the income actually paid to the Government this year from 1998-99 went from the \$420m it plundered last year to only \$330m. So it is short by \$100m already. That is aside from the fact that it is additionally short of cash because of its greedy, extravagant expenditure behaviours. In 1998-99 the generators had the best year they are ever likely to have, with

power averaging over \$60 a megawatt hour—up almost 40% on the year before. The profits went through the roof. That is not happening now—far from it.

All we hear from the Minister is excuses. All we get is more hot air and more blustering in this Chamber to prop up the Government. The Minister talks about what Labor did in Government. In over six years, Labor did not build a power station in this State. That is the real problem. In over six years it did not build a power station. This Minister was a member of the Goss Government. That Government did not build a single power station. That is what happened and that is what caused the real problem—the problem the Beattie Government is now confronted with.

When we came to office we built power stations, including in north Queensland. I say to the members from north Queensland who have been speaking in this debate that we got to immediately and started building power stations, including in north Queensland. The Minister has recognised that in this place and outside in the past. It is no wonder the shadow Minister has said nothing previously. He wanted to give the Minister enough rope to hang himself, and the Minister did just that—beautifully, too, I might say.

Let us look at the situation we have here. The Labor Government has sucked the generating sector almost dry. The retailers are not much better off. The Government can keep the corpse alive with a quick transfusion of taxpayers' blood. That is what this is all about. Then it is going to suck it out.

Time expired.
