



Speech by

## John-Paul Langbroek

MEMBER FOR SURFERS PARADISE

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### ELECTRICITY SUPPLY

**Mr LANGBROEK** (Surfers Paradise—Lib) (5.54 p.m.): As the Liberal shadow minister for natural resources, I am pleased to rise to speak on the motion before the House. First and foremost, I would like to say that the Minister for State Development has outlined what this debate should not become. In the space of two sentences, he said, 'This is not a time to dwell on the past,' and then he proceeded to sink the boot into the opposition over what it did when it was in government, referring to power stations at Oakey. He was proud of the fact that he has a long memory on the issue. Apparently, he did this to unearth the hypocrisy of the opposition. If we really are here to focus on the future then such pettiness must be avoided. We must truly look at ways of fixing Queensland's power problems. Any focus on events that occurred in January and any other power outages should be used only as a guide as to the possible direction for the energy sector in Queensland. Similarly, any talk of the credentials of any director should be discussed only in instances of negligence and corruption, not as a method of cheap political point scoring. That has been no positive benefit for the people of Queensland.

With regard to those directors and the boards they sit on, I find talk of cronyism in the Labor Party as irrelevant in the primary instance. We all know that Labor Party cronyism exists. However, the bottom line is not whether Labor cronies are on power boards. The question we must ask ourselves is: are those power boards keeping the power on in Queensland houses? The answer to this question was evident to many Queenslanders who spent great portions of their summer in darkness. Whoever is on these boards, they are presiding over an energy sector that is failing Queenslanders. That is the bottom line of this debate.

A friend of mine who worked on the election campaign in Brisbane was standing under an awning of a local shopping centre out of the pouring rain, outside a butchery, listening to the owner cursing about the \$50,000 worth of spoiled meat he was throwing out. That butcher does not care about the political affiliation of board members—just that, whatever their persuasion, they do the right thing by Queenslanders.

With this in mind, we realise that the central point of the debate is keeping the lights on in Queensland—what has gone wrong and how can we fix it. Here is a poignant quote from the Somerville report—

The difficulty (with) building a network with the spare assets and capacity to be outage proof in peak times is that it is extremely expensive.

This could not be clearer. This quote outlines that the basic premise for a quality and efficient energy system is money. We are not saying that the government should pump \$60 billion into putting all powerlines underground, nor are we saying that the government should, in the words of the report, 'gold plate' the electrical network. Rather, we are asking the government to provide the expected basic standard of performance. The report clearly illustrates the standard of performance that should be expected by Queenslanders; that is, to provide a service which will almost certainly not fail as a result of causes of power outages. This is generally achieved by having spare assets and a degree of spare capacity in the system. In the case of failure or overloading of a particular asset, this allows the employment of alternative

assets or the switching of load so that customers can be supplied via an alternative asset without noticeable interruption.

It would be reprehensible for anyone to suggest that this is easily achieved. However, it would be more reprehensible not to achieve this standard simply because it is too difficult. We realise that there is a generally accepted standard and we realise that it takes a great deal of work to achieve that standard. We can safely say, based on its performance in achieving this standard, that the government has failed. In fact, on 6 August Mr Beattie said, 'We,' the government, 'have failed.' Mr Beattie is right. The government has failed to deliver to Queenslanders by not providing enough money for electrical infrastructure. Moreover, it has failed because not only did it deny the energy corporations money but also it stripped money out of their profits in the form of ongoing annual dividends. As a result, Queensland has to cope with infrastructure, a significant portion of which was built in the 1970s. Queensland has had to cope with an understaffed electrical sector. Despite the best efforts of the wonderful Energex and Ergon Energy staff, they are working with too poor a level of equipment and too few workmates.

Poor infrastructure leads to a system more likely to falter under the strain of the elements and likely to falter in a more spectacular fashion under the strain of the elements we saw in January this year. Less staff means that when shoddy infrastructure goes down, despite the best efforts of staff, the outages are a great deal longer.

This stripping of funds at a rate of 95 per cent of after-tax profits is completely unacceptable. No business in the private sector could run with such a low rate of reinvesting. My esteemed colleague the member for Robina pointed out that this was due to the profit gaining mentality of the government. Unfortunately, this government's mentality does not include putting that money back into infrastructure.

Mr Beattie has claimed that the money that is being taken is the money of the people of Queensland and that there is nothing wrong with putting it into schools and hospitals. He is right in the fact that there is nothing wrong with putting money into hospitals and schools. There is something very wrong, however, with taking money out of the energy sector when the energy sector needs that money to expand.

The Smart State Premier has shown no business smarts on this issue. On one hand we have him saying that we need to move this industry forward and on the other we have him saying that everything to do with dividends is fine because they are leaving enough money for maintenance. To move something forward one needs to leave money over and above maintenance in the account to start to do that expansion. That money is not there.

It also baffles me that this has to be the way that the government operates. Here we have a government that is receiving more in GST revenue than any other state. In fact they are receiving more by a very long way over other states yet they still have to borrow money from one of the GOCs that is making money.

Here we have a government that is the only government in Australia to raise taxes since the GST was introduced. If one is confused one is not alone. The situation is that the government that receives the most in GST revenue is the only government to raise taxes after the GST. Less sense still is the fact that it then goes and has to strip money out of a GOC making a great deal of money in order to prop up other commitments it cannot meet. All of this means that Energex and Ergon go under-funded. The government has to act on this issue. It has to implement everything that is in the independent report. The Liberal Party endorses those recommendations.

We have had a star-studded list of speakers from the government. The first five speakers were the Premier, his deputy and a wide variety of former ministers and the current Energy Minister. They have graced us with their presence. If they are the major players on the government side and they are the ones most concerned with this debate I would like to make two points.

The Treasurer said that the report recommended that no-one stand down over this fiasco. He was proud of that. He was proud that no-one should have to stand down. I remind the Deputy Premier that if an employee has to say, 'They did not make me stand down,' it is a poor reflection on their performance that the sacking was even considered. The good employees are the ones who can say, 'I was commended for my work today.'

This is what Queenslanders deserve. They do not deserve an energy 'system and ministers who are worthy of condemnation for performing so badly that they need to say, 'I was not made to stand down.' Secondly, the Queensland Government Owned Corporations Act requires Energex to carry out the objectives set out in the statement of corporate identity. Though it is set out in legislation, the current minister, Mr Robertson, still sticks to the argument that there were no standards in Energex. This was the reason the information given to the ministers was apparently incorrect. This, however, is contrary to the assertions of the Treasurer, who understands that this statement of corporate identity exists.

Maybe the ministers should discuss this statement of corporate identity, outlining the objectives of Energex and Ergon, and implement it as a way of making these GOCs work more efficiently. Furthermore,

maybe if the ministers and board members had read the product of the statutory requirement first then this mess may not have eventuated.