



Speech by

Liz Cunningham

MEMBER FOR GLADSTONE

Hansard Thursday, 12 October 2006

ENERGY ASSETS (RESTRUCTURING AND DISPOSAL) BILL

Mrs CUNNINGHAM (Gladstone—Ind) (12.53 pm): I rise to speak to the Energy Assets (Restructuring and Disposal) Bill 2006 and in doing so at the outset put on the record my general opposition to the sale of strategic infrastructure. This has been my position when I was elected and prior to being elected to this parliament, including when negotiations occurred for the sale of the power station in Gladstone, only because I firmly believe that strategic assets should be retained by government for the security of supply and availability for the people in the community. I thank the minister for the briefing we were given on the bill prior to the election, and of course the bill dropped off the list after the parliament was prorogued. However, there are a few issues of concern that I want to raise. There is a clause in this legislation that removes the ability of decisions made under this legislation to be reviewed, including judicial review. In our original briefing I was advised that that in part was to have regard to the caretaker convention should an election occur before this bill was fully enacted. Given that the election has been completed, I question why that condition has to be reinserted to the same extent as it was previously or whether there are other purposes for that non-reviewable clause to be included.

The second issue that I want to seek clarification on relates to clause 6 regarding the meaning of the project. It states—

... to facilitate the disposal of particular gas and electricity businesses of energy entities ...

It then goes on to qualify other projects. At the time of the briefing I questioned whether, given the scope of the legislation, the bill would empower the government to sell other arms of the energy business without recourse to parliament for further debate. I was advised that the elements of the electricity business and the gas entity which were to be disposed of or quantified by the bill were the commercial parts of Ergon but not the franchise entities and the gas distribution, that is, Allgas and Sun Retail, which would be divided into two groups—800,000 customers would be the first tranche and 400,000 customers would be the second tranche. I am just clarifying that that has not changed—not that the words have changed but that the intent or the implications of the legislation as it is written could allow the government to sell other parts of the electricity business, as I said, without recourse to parliament for debate. It is my understanding that parts of Ergon and Energex, such as the billing section, the human resources section and the technical services section, will stay with the government owned corporation. I seek those clarifications.

The last clarification I would seek is whether the sale of these assets will in any way diminish the ability of government to negotiate competitive power tariffs for large industrial players. As most members would know, there are a significant number of large industries in my electorate, a couple of which are significant power consumers. BSL and QAL were party to purchasing NRG, the power station in my electorate, because of that matter, although they do generate into the grid as well. While I am not advocating that domestic consumers should subsidise the price that industry pays for power, there are at the moment flexibilities for the government to negotiate power tariffs offset by other incomes from the major industries to government coffers. I would seek an assurance from the Deputy Premier that nothing in this bill will undermine the ability of the government to be able to negotiate what have been competitive power tariffs for industry in the past and that nothing in the full contestability will undermine that. I look forward to her clarification.