



Speech by

Michael Choi

MEMBER FOR CAPALABA

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FUTURE GROWTH FUND BILL

Mr CHOI (Capalaba—ALP) (3.32 pm): I rise to render my support to the Future Growth Fund Bill 2006. I think the title of this bill speaks volumes for the prospects of Queensland's economy, which is growing at twice the national average at over 2½ per cent. Although Queensland has less than 20 per cent of the country's population, it has generated more than 35 per cent of all the full-time jobs that were created in the past three months. Queensland's unemployment rate is now below five per cent. In fact, I am very proud to report to this House that the unemployment rate in Capalaba is less than three per cent. As the chairman of the Queensland Small Business Advisory Council, I congratulate all the small-business operators in the state for helping this state to become the engine room of this nation's economy.

But with growth comes challenges. This bill provides for the establishment of the Queensland Future Growth Fund to provide funding to deal with some of the challenges faced by a rapidly growing state. This fund will be made possible by the proceeds of the sale of Sun Retail and the contestable elements of Ergon Retail as well as Energex's Allgas network.

The Beattie Labor government's decision in October 2005 to introduce full retail competition for electricity from 1 July 2007 will provide Queenslanders with a choice of their electricity retailers and, in many cases, far cheaper electricity than they receive currently, particularly for those Queenslanders who live in south-east Queensland. As a Labor government, we believe in fair and healthy competition. This is a clear initiative to open up the retail marketplace so that consumers receive far better prices in the long run.

Clearly, under full retail competition, Sun Retail as the incumbent monopoly retailer in south-east Queensland will lose market share and value. That is unavoidable. When there is competition, you have to look at your retail market and your pricing structures in order to keep your market share. If Sun Retail remains in government ownership, under full retail competition it will suffer a loss in value, which will be borne by the Queensland taxpayer in the form of lower dividends. Similarly, Ergon's existing contestable business also faces a similar risk from new competitors.

The government's view—and it is one that I support fully—is that the responsible course of action is to refocus Energex and Ergon on providing their essential, core services rather than on remaining in the retail business. Energex will focus on the management of the network and the implementation of the Somerville report. Ergon also has a very large network to manage—in fact, one of the largest in the world. It needs to concentrate on that task to do it well. Ergon will also continue to provide electricity to its rural and regional domestic customers and its small-business customers. These customers will continue to receive government subsidised electricity prices, because the cost of supplying their power is usually higher than it is to supply power in south-east Queensland. Overall, the proposed changes will enable Energex, Ergon Energy and Powerlink to focus on their core business and to deliver their core business in the most efficient manner. My view is that the government should be providing essential services all the time and utilising its investment dollars to set the platform for continued economic prosperity of this state rather than focusing on risky activities.

This government wants to sell part of these businesses to give the taxpayers of Queensland greater security of supply. I would like to go on record as saying that, although there are other areas of the power generation business that we can consider in the future, we should not sell Powerlink. I think that it is important that the government maintains ownership of Powerlink.

I was puzzled by the reaction of the opposition to this bill. I know for a fact that the Leader of the National Party in this House has gone on record as saying that he wants to socialise some of our infrastructure back into government ownership, whereas I know that it is a long-held philosophy of the Liberal Party to privatise everything. So I am wondering how they are going to deal with this issue. I have to say that, after listening to the contribution of the Leader of the Liberal Party to this bill, I give him 100 per cent for creativity but zero per cent for courage. I used to believe that the Liberal Party stood for the privatisation of government assets. I do not agree with that, but at least the Liberal Party stood for something. But the Liberal Party now wants to please its coalition partner. To do that, it has to be inventive and create a reason for opposing this bill. In the case of this bill, the Leader of the Liberal Party said that we were hiding expenditure away from scrutiny. What a load of rubbish. The responsible minister still has to answer questions when the annual report is tabled in this House.

Mr Caltabiano: That's not what happened this morning.

Mr CHOI: I take the interjection from the honourable member for Chatsworth. We do not come into this place every day and ask ministers questions about their departments. But on an annual basis there is an opportunity for every member in this House to ask the responsible minister any question that they want to ask on how money is being expended.

I have respect for those in the Liberal Party standing up for what they believe in. I have to say that that has been watered down today. In the past at least we have known what they believe in and what they stand for. I have to say that today I am totally disappointed. I am sure some of their supporters, particularly those in the business sector, will have to question what kind of coalition this is.

One day they want to socialise everything and the next day they want to privatise everything. They clearly have no vision. They clearly have no objectives. They clearly do not know where they are going. I say to those in the business sector: is this the type of government you would want? If it is not, it is probably better to think twice before they render them any support in the future. I fully support the bill before the House.