



Speech by

Dr Bruce Flegg

MEMBER FOR MOGGILL

Hansard Thursday, 6 September 2007

REVENUE AND OTHER LEGISLATION AMENDMENT BILL (NO. 2)

Dr FLEGG (Moggill—Lib) (7.29 pm): The debate on this bill has been shortened. However, this is a revenue bill and there are some fairly important issues in this bill that I intend to speak about. Within this bill are a number of provisions to sell off or facilitate the selling off of some significant state government assets. What we have seen in this state is a dramatic deterioration in the government's budgetary position, with an incredible escalation in its debt to a projected \$52 billion. This government is now scrambling for new sources of revenue, to raid every hollow log and sell every asset that it can possibly manage to sell.

Among the assets to be sold is Enertrade, whose annual report makes quite interesting reading. I did have some questions to ask the minister but it does not look like we are going to get too many answers out of her tonight. Enertrade has managed to lose money, and substantial licks of money, over recent years. It has on its balance sheet several hundred million dollars worth of liabilities relating to poor contract decisions, in particular contracts in relation to buying energy.

Given the extent of the balance sheet and the losses being made in Enertrade, one wonders exactly what it would be worth given that it is losing tens of millions of dollars a year and carries with it the poison pill of over \$300 million worth of liabilities. During a proper debate, which we should be having, on this bill, I would have been asking the minister some questions in relation to that.

The other areas that we are selling off are wind farms held by Stanwell Power and Tarong Power located predominantly in other states of Australia. Wind power is one of the greenest forms of power, and presumably our coal-fired power stations at Tarong and Stanwell entered into wind farms in order to offset some of their carbon footprint. I also note that they have cost the Queensland taxpayer a motza to build. The Queensland taxpayer has been shelling out one way or another through Stanwell and Tarong an absolute motza to build green wind-powered power stations in the southern states of Australia.

In fact, Stanwell has spent \$148 million on wind generation and Tarong has spent \$195 million on wind generation. That is a total of some \$350 million-odd of Queensland taxpayers' money. I would have asked the minister had she not been so reluctant to be answerable to this parliament and get asked questions on a revenue bill to explain to us what Queensland taxpayers got for their \$350 million. The first question is that now that the government has decided to sell them I am not sure exactly why it made the investment if it was going to sell them at a loss anyway. Why make the investment and then flog it off—and they are predominantly in the southern states anyway—at a loss? There is only one explanation, and that explanation is the one I gave earlier—that is, that this is a government that is cash strapped and desperate for money. I would have been asking the Deputy Premier what she expects to get from them. I have seen the figure of \$300 million, and I think that probably includes Enertrade as well. Possibly we are making a profit on the wind farms and have to pay someone to take Enertrade off our hands. But they are questions I suspect we will not get much of an answer to tonight.

Queenslanders should make no mistake when they look at these transactions, and these are big transactions. It is an embarrassment to this parliament that they are not being properly explored here today, but \$350 million worth of investment in wind farms has gone with the wind, pardon the pun, and there has been no explanation as to whether these have operated at a profit or a loss. There is no

explanation as to why we would be selling them at a loss. There is no explanation of why the state is so cash strapped that we have to sell off the greenest form of energy there is that was in place to offset some of the carbon footprint of coal-fired power stations in the manner in which we are doing.

There are a significant number of aspects related to this bill that I would have liked to have raised, but I am mindful that other members wish to speak on this bill. I record on the public record my concern about these matters. The questions I have raised are there for the Deputy Premier to answer. If she is not willing to answer them tonight, perhaps she will answer them in some other manner or perhaps I shall have to ask them in a different forum. But I would like to know the economics of what went on with these wind farms.

One thing that I am pretty pleased about is that the government is not running my share portfolio for me, because I would be broke! Here we are selling wind farms of all things at a loss while it is flogging off trading enterprises because it has done that badly. It has been losing money hand over fist and it has contract liabilities of \$300 million. We recently saw it flog off Allgas which it bought off the private sector on the stock market and then flogged it off after a very ordinary performance with it. After the government flogged it off, it changed all of the laws about who has to install gas-fired hot water systems to make the business more profitable for the people it sold it to instead of making it more profitable in the first place for Queensland taxpayers. We have here a government whose management of its business enterprise—

Ms Bligh: I thought you thought the private sector should do these things.

Dr FLEGG: No. They are matters that are not core businesses of government. However, the government went into wind farms in the first place. Now it is selling them off. They were presumably to offset some carbon footprint and now the government does not want to answer why it needs to sell them. If it has a good reason, let us hear that good reason. The issue over which assets should be privately and publicly funded is a totally different argument and certainly one that we on this side would love to have. The issue here is that these assets are already government run. We have seen what was done with Allgas, with Enertrade—and it is a cot case—and this illogical decision of building green energy stations for the southern states investing \$350 million of Queensland taxpayers' money and then flogging them off at a loss because this state is now so poor that we cannot afford to hang on to our investment until it turns a profit. There is nothing that I can see that explains what sort of revenue we are forgoing with the sale of these wind farms. Queenslanders deserve at least those sorts of minimal answers.