



Speech by


Hon. Mark McArdle

MEMBER FOR CALOUNDRA

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MINISTERIAL STATEMENT

Electricity Prices

 **Hon. MF McARDLE** (Caloundra—LNP) (Minister for Energy and Water Supply) (2.24 pm): Addressing cost-of-living pressures on Queensland families was a central election promise of the Newman government, with keeping electricity prices low being one of the key priorities. In line with this, one of the first orders of business of the government was to honour our commitment to freeze the standard domestic electricity tariff—tariff 11—for 2012-13. And that was just a start. The next stage is to drill down into the price drivers of electricity and identify sustainable long-term reforms to deliver ongoing savings to Queensland families.

Today I am pleased to announce a crucial part of this initiative: the appointment of a three-man independent review panel, IRP, to assist in reforms of the electricity sector to deliver benefits to Queensland consumers and businesses. This new IRP is a critical part of the overarching whole-of-government interdepartmental committee tasked with implementing the electricity sector reforms promised by this government to address spiralling electricity prices and the causes of those rises.

The Beattie-Bligh governments buried their heads in the sand over cost-of-living issues. On behalf of Queensland consumers, the Newman government is providing a new approach with a new standard of accountability. Everything from corporate structures and executive numbers down to the cost of wires and power poles and other matters that drive prices will come under the microscope of the interdepartmental committee as it sets about recommending how to make the system work better.

The new IRP will be focused on the network costs that have been one of the major components of price rises over recent years. Its scope will be broad in scrutinising all elements of the electricity networks in Queensland including the operation of Powerlink, Ergon and Energex, peak demand and innovative measures to address cost pressures.

The new Independent Review Panel on Electricity Networks brings a wealth of industry experience and credibility to its role. Chairman Tony Bellas has over 23 years in senior public and private sector management as former CEO of Ergon Energy from 2004 to 2010 and CS Energy Ltd from 2001 to 2004. Matt Rennie is Ernst & Young's Oceania Leader for Power and Utilities, coordinating strategy and business development across multiple financial service lines. Alec Faulkner has 30 years experience as an international adviser for mining, including BHP Steel, and electricity industries and board management relating to regulatory and technical aspects of the electricity networks.

One of its key tasks will be to make recommendations to government to tackle the lack of commitment by the prior government to monitor network costs relative to service provision and to get a fair deal for Queensland consumers. The IDC will report to government by January 2013, with the government to consider its recommendations as a priority. However, I expect ongoing reports as the committee investigates. I look forward to keeping the House updated on the progress of this very important reform.