




Speech By
Andrew Powell

MEMBER FOR GLASS HOUSE

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MOTION OF CONFIDENCE

 **Mr POWELL** (Glass House—LNP) (7.49 pm): I stand in this chamber today to oppose the motion moved by the Premier. Whilst I am honoured to again represent the great electorate of Glass House, I cannot—I will not—give my support to the Palaszczuk Labor government. A number of my colleagues have already explained that in the 55th Parliament no party has a majority—none; not Labor, not the LNP. The power to choose between a Labor government and an LNP government rests not with the people of Queensland but with the crossbenches. There is no question that the LNP made mistakes. I acknowledge that. It is why so many of my friends and former colleagues no longer sit in this chamber. But I am proud of the reforms that our experienced and competent LNP team delivered over the past three years and those policies we took to the 2015 election. We have set Queensland on a path to a better future. The question is whether I have confidence that the Palaszczuk Labor government will keep us on that path, and the answer is a resounding no.

Labor coasted through the 2015 election. It curled itself up in a ball and hoped no-one would ask it for policies or to explain the few that it actually had. Was the strategy successful? Well, perhaps. I guess it is best summed up by the introduction that Andrew Denton gave as emcee on Saturday night at the Dance for Daniel when he suggested that Premier Palaszczuk walked into the biggest surprise party of the last 100 years on Saturday, 31 January. There is no denying that Labor won 44 seats, but even my four-year-old can tell you that 44 does not equal 45 and my 10-year-old could tell you that 44 is not a majority out of 89. Did that strategy instil Queenslanders with confidence that Labor could govern this state? Again the answer is no. Why? Quite simply because of Labor's track record in government.

If I start by looking at the portfolio of energy and water supply, the people of Queensland can have no confidence in a government whose legacy of overinvestment has driven increases in power and water bills across the state. We already know the Labor Party has no plan to build the infrastructure the state needs. Let us also remember the infrastructure it built in the past. This is the party that spent \$715 million to build a dam that does not even exist. This is the party that spent \$2.6 billion on the Western Corridor Recycled Water Scheme which is too expensive to operate but costs Queensland families about \$130 million a year in interest. This is the party that spent \$1.2 billion on the Tugun desalination plant which, again, is too expensive to operate but costs \$38 million a year in interest. This is the party that spent \$373 million on the Wyaralong Dam but then forgot to connect it to the water supply network. Labor is a party whose gold plating of the electricity network meant Queensland had the biggest increase in network costs over the last decade of any state. This is the party that introduced the Solar Bonus Scheme which presently makes up about six per cent of the typical household bill, even for those who do not have solar panels! This is the party that championed the carbon tax despite the Premier's own father saying that such a tax would cost Queensland jobs. This is the party that is elected without any significant plans for taking the state forward or for paying down debt.

Now that the few policies Labor did release during the campaign have come under greater scrutiny, we see just how ill informed it actually is. Its plan to merge electricity companies has been openly questioned not just by the ACCC but by many energy market experts. But what did ACCC Chair Rod Sims have to say about the proposed merger of the generators? I refer to the *Financial Review* of Friday, 20 March which quotes Rod Sims as saying—

'You've already got too much concentration in Queensland generation. To further generation concentration is a great worry. I would be deeply concerned by anything that had the potential to reduce competition between Stanwell and CS Energy ...

The article continues—

'They [the Labor government with the previous merger] turned Queensland from one of the most competitive generation sectors to the least. Queensland has the most concentrated electricity generation market of the four main electricity generation states.

Any increase in that form of concentration will obviously give greater market power and push up electricity prices. The electricity market more than others depends on competition.

But it is not just the ACCC raising these concerns. Here is what former Queensland Competition Authority regulator Joe Branigan had to say—

But reducing competition in electricity generation would increase household electricity bills by at least \$100 to \$200 a year.

He continues—

There is, of course, the risk that the merger will be blocked by the ACCC as anticompetitive.

To deal with that, Labor proposes the generators operate as separate subsidiaries under a single holding company.

But if the subsidiaries are really independent, where do efficiencies come from?

On top of that, here is what the Grattan Institute's Energy Program director Tony Wood had to say—

It is pretty concentrated as it is in Queensland and that would create a pretty significant gorilla ...

He continues—

You've actually significantly reduced competition and that would seem to be a serious backward step for the national electricity market.

And what does UBS energy analyst David Leitch say about the proposal? He says—

That's just building a bigger bureaucracy ... It's going backwards in my opinion.

How can Queenslanders have confidence in a government that has ignored the advice when it is so glaringly obvious? It is quite clear that the government does not know what it is doing and is making it up as it goes along. This much is obvious from the comments the Treasurer made when asked about this topic Friday week ago on radio. The Treasurer said—

You can't draw a proposal up for a complex merger from opposition, that's what you do when you come into government.

Steve Austin nailed it on the head with his next question—

How did you arise at the decision to come to the election with that proposal if you hadn't done the ground work to see whether it was a good idea or not or whether it would work?

And that is precisely the point: Labor has not done its homework. It has refused to listen to the teacher and now it is trying to argue the toss when it has been given a bad mark by the teacher.

There are serious questions to be raised about whether the savings identified through the merger proposal actually exist. Labor has never really released the modelling behind its \$150 million savings number. There is one simple reason for this: the numbers simply do not stack up. If Labor is so confident the figures stack up, then show us how. Release the Orion modelling that it says verifies the savings. It talks about being open and transparent. Well, put it out there. What have you got to hide? Is it that they actually show you do not achieve up-front savings, certainly not in the order of \$150 million; that savings from mergers only come from the out years? Let us look at the boards. The boards of each of the five power companies currently get paid about \$1.566 million each and every year. Let us say you bring five boards down to two boards and, best guess, you save about \$1 million a year. Well done! Only \$149 million a year to go, so where are the rest of those savings going to come from? Does the modelling actually show that if there are savings in that order the Australian Energy Regulator, the AER, will actually take those savings and return them to the people of Queensland—the electricity consumers—through lower network or supply charges? If those opposite think they can run our power generators more cheaply, then the AER will recognise that and adjust the charges those generators can pass on to consumers. What assurances are there that the Labor government can actually keep those savings, even if they are real, in the first place?

The future is not looking bright for the Treasurer. The analysts and the experts all say that he is heading towards a \$150 million budget black hole, or is he? Is he instead going to take a leaf out of his Labor predecessor Andrew Fraser's book and seek an increase in electricity prices to recoup the

savings he botched in his election policy? Labor has form. On 5 February 2009 the then Treasurer wrote to his federal counterpart troubled that the AER was not going to give him enough money and demanding more. Is the member for Mulgrave going to repeat that? If he does, the *Courier-Mail* is on the money. What has the *Courier-Mail* been saying lately? It has had headlines such as 'That's a shocker', 'Labor in power fail' and 'Palaszczuk's key policy would lead to electricity bill increase'.

Mrs MILLER: I rise to a point of order. My point of order is that the member is using a prop.

Mr POWELL: I am happy to table it if the member missed the paper on 20 March. You do not want that? No, I did not think you would want that. On the same day, Friday 20 March, the editorial states—

We'll all pay price if Labor doesn't pull plug on power plan.

Again, I refer to the wonderful front page of the *Courier-Mail* during the election campaign headed 'It's the economy, stupid'. In today's *Courier-Mail* there is an article titled 'Power switch a budget blow'. That article states—

Labor's language shift casts dark shadow over household energy bills.

It goes on in pretty much the same vein as what we have been hearing recently from the member for Clayfield and others. What was, 'We won't sell assets' before the election became, 'We won't sell major assets,' or, 'We won't sell strategic assets.' Now, the Premier has changed her language from, 'We will not do anything that could cause any'—and I stress 'any'—'negative impact on any Queensland in relation to their power prices.' It is now, 'The merging of the two power generators will not lead to massive increases.' Batten down the hatches, Queensland! Here it comes again. Labor is in charge of the electricity companies. I can assure members that we will see more of the double-digit increases in electricity costs for each family. Where Labor seems to be wedded to proposals that will lead to those higher electricity prices for Queenslanders, the LNP, in government, took actions to protect consumers. We removed Labor's unnecessary electricity network reliability standards. We saved approximately \$2 billion of capital expenditure between 2015 and 2030 in preventing these infrastructure costs being reflected in higher electricity prices, saving a typical household up to \$40 per annum.

In the water side of the portfolio, the LNP introduced bulk water reforms, including the closure of the Queensland Water Commission. That produced savings of about \$80 million per year. We reduced the bulk water price path for South-East Queensland from \$83 to \$49. We commenced unprecedented electricity reform to stabilise electricity prices, including introducing legislation to introduce more electricity retail competition into South-East Queensland from 1 July. Unlike those opposite, we lobbied the federal government for the removal of the carbon tax, saving a typical household about \$170 per year—the biggest cut in electricity costs on record.

We delivered a one-off \$80 water rebate for all South-East Queensland households and continued the water rebate of up to \$120 per year for eligible pensioners and seniors. We boosted electricity concessions for pensioners and Seniors Card holders to \$321 per year. Contrary to what the member for Yeerongpilly mentioned before, we covered the shortfall in Commonwealth funding for concessions to the tune of \$50 million per year. We more than doubled funding—something that the other side would never have done, would never have had the stomach for—for the Home Energy Emergency Assistance Scheme to provide struggling householders up to \$720 if they are facing an emergency and cannot pay their electricity bills. When it comes to electricity and water charges, we were tireless in our efforts to drive down the cost of living. The proof of that will be revealed in the AER's announcement in the coming months. On the other hand, Labor appears to be doing everything in its power to drive up electricity prices for the mums and dads and families of Queensland.

I will pause for a moment and reflect on a few other things that the member for Yeerongpilly and the member for Mount Coot-tha raised in their speeches. The member for Yeerongpilly mentioned those double-digit price rises in the cost of electricity. Guess where they came from? They came from years of the Labor Party gold plating the electricity network only to see those costs, as per Andrew Fraser's letter to his federal counterpart, passed on to each and every consumer in the form of network supply charge cost increases.

Mr Bailey interjected.

Mr POWELL: I take that interjection from the member for Yeerongpilly. I have just listed everything that we did. The proof of that will be shown in the next price path that comes down from the AER in just over a month's time. Labor will try to take credit for that, but the smart people of Queensland will know that that came about only because of the hard work of the LNP government.

The member for Yeerongpilly mentioned schools closing. That is the ultimate in hypocrisy. In the years of the Goss, the Beattie and the Bligh governments, across the state 139 schools were closed. That is an average of seven a year. How many were closed under the three years of the LNP government? Seven—less than the equivalent number of schools closed in one year of those Labor governments. I might add that Labor closed two schools in the Premier's own seat of Inala.

The member for Yeerongpilly mentioned concessions. I mentioned that those concessions were removed by the federal government and we replaced them out of state revenue. The member for Yeerongpilly spoke about public transport. I found it rather ironic that he also mentioned that he worked for the Premier when she was the minister for transport. That means that he had oversight of fare increases of 15 per cent year on year, that he had oversight of the decline in reliability, in the decline—

Mr Costigan interjected.

Mr POWELL: I thank the member for Whitsunday. He was probably the one who ordered the carriages without seats. What did we do? We provided 3,000 additional services. We halved and then actually reversed the fare increases of the former Labor government. We took to the election a commitment around duplicating the north coast rail corridor from Beerburrum to Landsborough.

I turn to the contribution of the member for Mount Coot-tha. I apologise to the member for Mount Coot-tha, but the electorate of Mount Coot-tha did not vote for Labor. Thirty-two per cent of the people of the electorate of Mount Coot-tha voted for Labor. That is less than a third and nearly 3,000 fewer primary votes than there were for the LNP's Saxon Rice. The member for Mount Coot-tha can thank Greenpeace and WWF for their biased, well-funded guerrilla campaign. It was political warfare not only for his seat but also for the government. He can also thank them for the joy that he is going to have dealing with UNESCO over the listing of the reef in danger. The member for Mount Coot-tha mentioned detailed commitments on the reef—'We are going to put \$100 million towards it over five years, but we are not exactly sure what it is going to go on.' If that is detailed, heaven help Queensland. Queensland voted for a party with WWF and Greenpeace in its back pocket. It was interesting to see who their guests were at the official afternoon tea, too. I also heard that the member for Mount Coot-tha does not want high density. I assume that he is going to accept urban sprawl. It has to be one or the other, because you cannot say no to both.

The member for Mount Coot-tha talked about the reef in his speech. My question is: what about the other parts of the Environment portfolio? Should the people of Queensland have confidence in this government? Should the people of Cairns have confidence that this government will take seriously crocodile management in Far North Queensland? What is this government going to say to Col Sparks and his Surf Life Saving nippers? Nothing! That is confidence building! What about assurances from the Palaszczuk Labor government to the people of Gladstone Harbour? Did Labor learn from its poor management of the harbour in its previous term in government? Is the Palaszczuk Labor government going to take on board the open and transparent approach that the Newman LNP government took in setting up the Gladstone Healthy Harbour Partnership? Nothing! What commitment will the government give the painters, the cabinet-makers, the mechanics and the farmers who no longer have to fill in useless paperwork and can instead get on with creating jobs whilst still protecting the environment? Nothing! What about the people of Queensland and the staff of EHP who take environmental harm and damage seriously? Will the government retain EHP's focus on compliance and monitoring and the increased penalties and sentences, including for damage to the Great Barrier Reef, which we brought into this House and which those opposite opposed?

The member for Inala is the Premier and the Labor members sit on the government benches, but I have no confidence in them. They have no clear mandate. They have no plans. The policies they have are unclear at best or disastrous at worse. There are too many questions that I and the people of Queensland have that remain unanswered. I cannot and I will not support this motion.