




Speech By
Andrew Powell

MEMBER FOR GLASS HOUSE

Record of Proceedings, 14 October 2015

MOTION

Electricity Industry

 **Mr POWELL** (Glass House—LNP) (6.01 pm): I move—

That this House condemns the state government for their raid on the dividends of electricity companies and for increasing their debt levels that will lead to higher power prices for electricity consumers in Queensland.

The actions of the Minister for Energy and Water Supply, fully supported by the Premier and the Treasurer, sees us returning to the bad old days of Labor managing our electricity companies. Despite his best attempts to try to spin the story around, the Minister for Energy and Water Supply has been caught out with his hand in the back pockets of Queenslanders, ripping out over \$3 billion worth of dividends this year, at the same time that both Energex and Ergon are going to the Australian Energy Regulator begging for more money. The last time that something like this happened in Queensland was under the former Beattie and Bligh governments.

The minister at some stage in this debate will trot out the statistic that electricity prices rose 43 per cent under the LNP government. He is right. They did. But he will not tell members why and nor will he tell members the scale of the increase over the full five years of the price path. Despite his best attempts to rewrite history, the minister would know, and Queenslanders must know, that the Australian Energy Regulator sets the price path in five-year increments and that the last price was set in 2010 and who was the Premier then? Anna Bligh! After active intervention by the then Treasurer, Andrew Fraser, we saw the Australian Energy Regulator hand down determinations that led to price increases in the order of 180 per cent over the next five years in Energex, 220 per cent if you are in the Ergon area and 164 per cent in Powerlink. That, ladies and gentlemen, is Labor's record when it comes to electricity prices and they are at it again.

Labor has loaded up the electricity companies with government debt. They have used the mortgage to pay off the car loan. Labor has delayed market deregulation in South-East Queensland, a move that would have seen electricity bills some \$600 to \$900 less per year based on what we see in southern states. Labor either overinvests, as it did in the lead-up to 2010, or underinvests in the network, leaving it to the companies to borrow more. Labor implements poorly thought through renewable energy policies. Just before the minister jumps in, let me say that everyone supports renewable energy, but Labor botches every policy attempt it makes in this arena. Last time it was the solar feed-in tariff, a scheme that is still to cost non-solar users more than \$3.5 billion through the life of the program. This time it is a solar program that crowds about generation costing between \$80 and \$100 per megawatt hour when generation in Queensland is, at its worst, some \$58 per megawatt hour. The difference again having to be picked up by Queensland electricity consumers. Under Labor electricity generation is costing between \$50 and \$60 per megawatt hour. In New South Wales it is \$40 to \$50 and in Victoria it is \$30 to \$40.

Now we know under Labor 100 per cent dividends, some \$3.5 billion, is being stripped out of the electricity companies to balance Labor's mismanaged budget and all while Labor tacitly endorses Ergon's legal challenge of the energy regulator. The only possible outcome of these government endorsed activities will be an AER price determination that will see prices rise again. Queenslanders will pay more for electricity because this Labor government and previous Labor governments do not know how to run our electricity companies. Compare that with the LNP government's record.

The draft determination we look at at the moment is based on the good work we did over the previous three years. The flatlining of prices is a direct result of us stripping out some \$7 billion worth of overinvestment in those electricity companies. Those opposite cannot go around telling Queenslanders that they have done the right thing and kept the ownership of these government owned corporations in government hands and at the same time say that they cannot do anything about electricity prices. If one owns them, one can influence the outcomes in the interests of Queensland electricity consumers. Unfortunately, the minister is only interested in protecting the ETU and the union bosses.