




Speech By
Christopher Whiting

MEMBER FOR MURRUMBA

Record of Proceedings, 14 October 2015

MOTION

Electricity Industry

 **Mr WHITING** (Murrumba—ALP) (6.26 pm): I rise to speak in favour of the amendment to the original motion moved by the minister and against the original motion. It is very clear that the original motion is the height of hypocrisy. Under the LNP electricity prices rose by 43 per cent. It was painful out there in the electorate.

Not stopping there, they took a very clear policy to the last election with regard to the dividends from our electricity assets. They were going to sell off our GOCs, including the dividends. There would have been no dividends for the government to help to pay for essential services such as schools, hospitals and roads. There would have been higher dividends for their mates in the private sector. These private owners would have increased prices and cut jobs in order to satisfy their demand for return on investment.

The Palaszczuk government took a different policy to the last election. We said from day one that we would demonstrate that there is a better way. We gave a commitment to Queenslanders that we would responsibly reduce debt without selling our income-generating assets.

The LNP scoffed and said it could not be done. The debt action plan released as part of the 2015-16 state budget has proved them wrong. In the budget the government was explicit about our determination to regear our energy GOCs to operate more commercially. With these businesses remaining in public ownership we have an obligation to ensure that they are run as efficiently and effectively as possible and operate with a comparable level of debt to their private sector peers.

That is why we made the decision at budget time to regear the energy network GOCs and increase their dividend payout ratios from 80 to 100 per cent, which will result in a reduction in general government sector debt of approximately \$4.1 billion. I will say that again. It will result in a reduction in general government sector debt of \$4.1 billion. This one-off change in dividends was well canvassed in the budget papers and publicly reported on.

Why are we able to utilise dividends from GOCs for debt reduction? The electricity network businesses are going through a period of structural change, where the network no longer needs to be expanded at the same rate as before. All of the network businesses are forecasting lower levels of capital investments which means that they will no longer need to reinvest their retained earnings from previous years to help pay for this capital expenditure. This means that we can ask the business to return 100 per cent of their profits back to the shareholder—and that is the people of Queensland. That will help get our budget back on track. Reduced debt benefits all Queenslanders.

Opposition members interjected.

Mr WHITING: My goodness me! They still cannot get over the fact that they are not in government. They think that they are going to wake up one day and suddenly be back in government. Let me tell

you a harsh truth: you have only won one general election since Joh Bjelke-Petersen was a premier—and that was in 2012. You are not very good at winning general elections—one in a generation. If I were a betting man, I would not put money on them. They have not got the form in winning general elections. They think that they are the government in exile like Napoleon on Elba ready to waft back into Paris on a wave of acclaim.

The budget papers show in the forward estimates that the dividend will decrease over the coming years, not increase, primarily as a result of AER determinations about allowable revenues. The LNP knows full well that the revenues electricity generators can raise are determined not by the debt levels but by the AER. The AER sets a limit on what companies can raise, and that rolls through to network prices.

I just want to rebut what the member for Burdekin said about rural Queenslanders. We subsidised power in regional Queensland last year to the tune of \$600 million. The outlook is positive when it comes to electricity price rises. We recognise that we can do more, and there is an issues paper out on that today. Only Labor has a viable plan to keep assets in public hands while putting downward pressure on electricity prices. I heard the member for Glass House talk about the bad old days. They took concessions off pensioners, \$100 million was spent on Strong Choices and there was a 43 per cent rise over their time in government.