




Speech By
Stephen Bennett

MEMBER FOR BURNETT

Record of Proceedings, 28 October 2015

MOTION

Electricity Prices, Order for the Production of Documents

 **Mr BENNETT** (Burnett—LNP) (6.11 pm): I rise to support the motion to seek the answers that Queenslanders deserve to know on the impacts of aggregation of our power generation companies. Electricity prices are a primary source of cost-of-living pressure in Queensland, as we all know. Rapidly rising electricity prices are not only causing direct cost-of-living pressure but also indirect cost-of-living pressure through increased costs of local council rates, water and sewerage. These have all increased due to the ever-increasing price of electricity.

High electricity prices in Queensland are impacting the economy. While small business and industry are forced to pay high electricity prices, they are not reinvesting in their businesses or creating new employment opportunities. In the Wide Bay region, electricity prices are impacting the economy and the cost of living. Electricity prices are destroying the Wide Bay economy as businesses are being forced to close and people are desperately looking for work. Business growth is minus 4.5 per cent. More businesses are closing down than starting up. This is higher than the regional Queensland average of minus 2.5 per cent.

There are 9½ thousand unemployed people in the Wide Bay region. This equates to an unemployment rate of nearly nine per cent. The Wide Bay region is home to the largest population of age pensioners. Some 14 per cent of the population receive the age pension. That is nearly double the state average. A large number of families in the Wide Bay region, some 30,000 families, are receiving a family tax benefit.

Low average household electricity consumption shows that people simply cannot afford to continue down this path, let alone cope with any future increases. Average electricity consumption in the Wide Bay region is 23 per cent. There are many instances where consumers are looking to voluntarily restrict their electricity use. These include bypassing the network through solar PVs, onsite diesel generation or large scale batteries. In the case of businesses and irrigators in the region, they are simply scaling back or shutting down operations. If network prices are not substantially reduced, the electricity sector will be sent into a death spiral, where electricity consumption will continue its downward trend, resulting in higher prices and further destroying electricity consumption across Queensland.

I spoke about this issue many times in the last term of government. I acknowledged that it took time for us to pull back the basket case that was the electricity industry. Yes, power prices did go up 40-odd per cent under our government, but the important decisions that saw prices plateau this year need to be acknowledged. We also need to acknowledge that prices went up by 300 per cent under the previous Labor government. The Australian Energy Regulator's draft determination shows that we can flatten network prices, something that Queensland is experiencing at the moment.

Families will pay more for their power bills if the state owned electricity companies Ergon and Energex succeed in overturning a decision from the Australian Energy Regulator. Queenslanders are bitterly disappointed that the government has not intervened on behalf of Queenslanders to keep their power prices down.

The Palaszczuk government is relying on the profits of these businesses to pay for their election promises, with significant evidence of price gouging of those most vulnerable in our community. This is occurring with no remorse or even acknowledgment that things can be done and were starting to put downward pressure on electricity charges.

This government's budget strategy sees 100 per cent of profits stripped out of these businesses and going back into government coffers. It might be in the Labor government's best interests to see the revenue of these businesses go up, but it is not in the best interests of Queenslanders. Unfortunately, those opposite do not seem to acknowledge the serious issue confronting Queensland.

Network charges make up roughly half of the typical household bill, and these charges will continue to rise. These need to be reduced. If these government run businesses are successful in their challenge it will mean Queenslanders will end up paying significantly more.

I am also concerned about other Labor policies that could drive up power prices. Its plan to merge electricity generators has been criticised by the Australian Competition and Consumer Commission, while Queenslanders are already missing out on savings because of their decision to delay retail deregulation.

Minister Bailey has already presided over an unfair hike in car registration and now he wants families to pay more for their electricity. This proposal poses many questions for regional Queensland. Removing competition from the marketplace was hoped to drive efficiency. We will move to allowing the flawed practice of exaggerated forecasts on future price paths. We need to stop Labor's flawed solar schemes being tied to electricity accounts. We need to stop the expanded capex program and the recommencement of the gold plating that Labor is guilty of. We know that Energex alone want an additional half a billion dollars in additional expenditure, all while demand for services is in decline. The government will put in jeopardy our regional providers' capacity to respond to those important callouts, particularly during disasters.

When is the minister going to accept that he cannot keep treating consumers as cash cows and come up with a plan to tackle the cost of living? I highlight the treatment of primary producers, like irrigators. The fact is that they are responsible for cutting the agriculture energy committee that had real and tangible results for the primary producers of Queensland. Those men and women were relying on true engagement and true prosperity solutions to be provided through sensible energy reform. That is why I support the shadow minister's motion. Let us hope we can get the all-important information from the government.