




Speech By
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MEMBER FOR GLASS HOUSE

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MATTERS OF PUBLIC INTEREST

Electricity Prices

 **Mr POWELL** (Glass House—LNP) (12.10 pm): Earlier this month the Queensland Productivity Commission released its draft report into electricity pricing. It is a \$4 million report that once again highlights that this Palaszczuk Labor government has no idea when it comes to electricity policy and it has absolutely no idea how to lower power costs for Queenslanders. This government does not even know what policies it supports from one day to the next. That much was obvious, as I said earlier this morning when looking at the D-grade Treasurer's response to the report. One day he is threatening to take the electricity rebate away from Seniors Card holders, the next he is forced to put out a statement saying existing concessions are safe. Of course, he was silent on what might happen to those people who will become eligible for the Seniors Card in the future.

Here is how the *Courier-Mail's* Steven Wardill saw Mr Pitt's obvious backflip—

Announcing the Queensland Productivity Commission's draft report into power pricing, Pitt indicated the Government would consider a recommendation to recalibrate electricity rebate eligibility.

Just 24 hours later, he released a contorted statement in which he claimed he'd never indicated that the Government would consider the most contentious element of the reform.

This \$4 million report told us what we already knew, which is that Labor has no idea how to manage electricity. The Queensland Productivity Commission found significant major flaws in Labor government policies, both past and present. Those opposite do not need to take my word for it. I will quote from the commission itself on the Bligh government's poorly conceived Solar Bonus Scheme—

Low income and disadvantaged households are disproportionately impacted by the SBS.

The report states—

The costs associated with the SBS are recovered from all electricity customers through electricity prices. In 2015-16, the cost of the SBS is forecast to be around \$312 million. This cost will contribute around \$89 to a typical Queensland residential electricity bill in 2015-16.

A government member interjected.

Mr POWELL: I take that interjection from the minister. I will get to that in a moment. The Productivity Commission further stated—

The total cost of the SBS over the life of the scheme is expected to be around \$4.4 billion, with more than \$3 billion to be incurred between 2016-17 and 2027-28. Our modelling suggests that the majority of scheme participants will have recovered their capital costs by July 2020.

...

Taking all these factors into account, we have recommended that the Queensland Government consider whether there is merit in an earlier end to the SBS than the planned 2028.

Again that is something the Treasurer has ruled out but it shows the stupidity of the scheme in the first place. I take that interjection from the member opposite: the LNP recognised the cost of the Bligh Labor government's foolish scheme by indicating we would take \$3.5 billion from Strong Choices, paying out the existing Solar Bonus Scheme and removing it from every other electricity holder in the state.

On the government's harebrained election commitment to merge the electricity generators, which the Treasurer has also backflipped on, the report states—

Modelling shows that a full merger of Stanwell and CS Energy would potentially have increased wholesale electricity prices between 2015-16 and 2019-20 by around 20 per cent.

On the government's cynical decision to delay retail deregulation in South-East Queensland it states—

Continuing price regulation presents a barrier to increased competition and efficiency ...

And the commission also states—

Our investigations suggest price regulation is acting as a barrier to customers realising the benefits of innovation evident in other deregulated markets.

As for the excuse as to why they delayed it for 12 months, QPC has this to say—

We have reviewed the customer protection framework for retail electricity customers and consider it provides sufficient protection in a deregulated market. We therefore have not recommended changes.

Basically, get on with it. On the government's one million solar rooftops election target the commission says the feed-in tariff required to achieve a 2020 target is estimated to be around 45 cents per kilowatt. This has not been recommended. Again, stay out of it.

Clearly the independent QPC's draft report raised a lot of questions about this government's commitments and Queenslanders deserve answers. They deserve to know that their power bills will not increase just so that the Labor government can meet its election commitments. Older Queenslanders deserve to know that their concessions and rebates will not be taken away from them. What Queenslanders need most is a Treasurer who actually knows how to address these issues because the response so far has been amateurish and has only succeeded in scaring Queenslanders instead of making them feel confident about the future.