



Speech By  
**Hon. Curtis Pitt**


**MEMBER FOR MULGRAVE**

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Record of Proceedings, 15 March 2016

## **ELECTRICITY AND OTHER LEGISLATION AMENDMENT BILL**

### **Introduction**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (12.32 pm): I present a bill for an act to amend the Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984, the Electricity Act 1994, the Government Owned Corporations Act 1993 and the Judicial Review Act 1991 for particular purposes. I table the bill and the explanatory notes. I nominate the Finance and Administration Committee to consider the bill.

*Tabled paper:* Electricity and Other Legislation Amendment Bill 2016 [\[329\]](#).

*Tabled paper:* Electricity and Other Legislation Amendment Bill 2016, explanatory notes [\[330\]](#).

I proudly introduce this bill to implement another Labor election commitment: to keep our income-generating assets in public hands. At the last state election the people of Queensland were clear in their rejection of the sale of more than \$38 billion worth of assets. This was not the first time that Queenslanders had made their views clear at the ballot box. Labor heard the will of the people in 2012 on this issue and responded accordingly. We developed a measured, modest and responsible plan to set a clear fiscal path for the future that does not involve selling the assets so important to Queenslanders. Our plan allows us to pay down debt while growing our economy. Electricity assets will be kept in public hands, with additional efficiencies introduced by the merger of Ergon and Energex into a single \$25 billion company, one of the biggest corporate restructures in recent history.

The mandate to keep public assets in public hands was clearly expressed by Queensland voters. At the last election, parties which rejected asset sales collectively won 52.9 per cent of the primary vote—a clear mandate for keeping public assets, including power companies, in public hands. The voice of the Queensland people was clearly heard in two of the most dramatic election results in the history of this state. Those who seek to doubt the message of the Queensland people on this issue can only be described as wilful in their ignorance.

Those opposite in their hearts want to sell these electricity assets. This view again betrays an unwillingness to listen to the Queensland people and to act on their behalf. Those who choose to listen to the people of Queensland quickly realise that by voting to keep public assets in public hands they were pragmatic. The value of dividends from public assets now and into the future was clearly valued by Queenslanders more than a sugar hit today. These dividends help fund essential services which Queenslanders need. This valuation comes from the noblest sentiments in our community: to act on behalf of future generations today instead of making future generations pay for whims of today. The introduction of this bill today shows once and for all that Labor has learned from the past and will not be selling our income-generating assets.

On 15 December last year I announced that the electricity distribution businesses of Energex Ltd and Ergon Energy Corporation Ltd are to be merged under a new government owned parent company. A new energy services business will be established as a subsidiary of the parent company. The parent

company is expected to be in place by mid-2016. Energex and Ergon are currently government owned corporations, GOCs. As a result of the merger they will no longer be GOCs and will instead be subsidiaries of the parent company, which will be a GOC.

The key objective of the bill is to facilitate the business-as-usual operations of Ergon and Energex following the implementation of this merger. A number of consequential amendments to various acts are made by this bill to ensure that Energex and Ergon can continue to operate under the same level of regulation, without business disruption, when they become subsidiaries of a GOC parent company.

The bill also includes minor clarifying and transitional provisions in relation to the Government Owned Corporations Act 1993 to facilitate the implementation of the merger. This bill supports the implementation of the merger but does not establish the new corporate structure. The framework under the GOC Act for the restructure of GOCs and their subsidiaries will be utilised to implement this merger.

Part 2 of this bill contains amendments to part 7A of the Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984, which address membership, governance, operational and administrative provisions currently applying to the Island Industries Board. The Island Industries Board, trading as IBIS, operates throughout the Torres Strait and the northern peninsula area, providing essential retail services through a network including two supermarkets, a service station and 16 retail convenience stores.

Many of these IBIS stores are located in the most remote island communities in Queensland and are vital in providing food security to these communities. IBIS is currently in a financially secure state. However, contemporary trends in the retail industry have resulted in increasing pressures upon smaller operators such as IBIS. This has resulted in declining terms of trade, escalating costs and pricing pressures, especially given the remoteness of the area IBIS services and the limited incomes of many of its customers.

The amendments included in the bill are intended to modernise the legislative provisions to strengthen governance; provide the opportunity for enhanced ministerial oversight; strengthen administrative arrangements; and enhance the ability of this organisation to respond to commercial opportunities which may emerge outside its current area of operations. The name change to Community Enterprise Queensland reflects the removal of the geographical limitation on its operations. It is important to note that the trading name of the entity, IBIS, which has a long history in the Torres Strait region, will not change.

These amendments are intended to place this organisation in the most favourable position to satisfactorily address current retail industry pressures and mitigate possible future risks and costs to government while maintaining essential services to the communities where it operates.

### **First Reading**

**Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (12.37 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

### **Referral to the Finance and Administration Committee**

**Madam DEPUTY SPEAKER** (Ms Farmer): Order! In accordance with standing order 131, the bill is now referred to the Finance and Administration Committee.