



Speech By  
**Hon. Curtis Pitt**


**MEMBER FOR MULGRAVE**

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Record of Proceedings, 12 October 2016

**MINISTERIAL STATEMENT**

**Government Owned Corporations**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (2.15 pm): This government values the role of government owned corporations that play a great role in growing the Queensland economy. Together, our publicly owned assets in the energy, transport, water and finance sectors are key drivers of economic growth and prosperity in Queensland. They facilitate trade and business, create jobs and deliver valuable returns back to Queenslanders which are utilised to provide essential services across the state.

An overview of the key sectors the GOCs operate in include: transport and our strategic ports in regional centres such as Gladstone, Cairns, Mackay and Townsville; our energy generators and distributors, including Energy Queensland—Australia's largest energy distribution company with an asset base of \$24 billion; Seqwater, which manages \$10 billion of water supply assets and is one of Australia's largest water businesses; SunWater, which manages a regional network of bulk water supply infrastructure across Queensland, supporting 5,000 customers across the mining, power generation, industrial, local government and agriculture sectors; and the Queensland Investment Corporation, which has over 90 institutional investors in Australia and internationally and spans infrastructure, real estate and private equity with over \$78 billion under management.

Collectively, dividends from our GOCs totalled \$1.5 billion in 2015-16 and tax equivalent payments of \$718.3 million. That is our government owned businesses returning to the people of Queensland more than \$2.2 billion last year. The government made CSO payments of \$541.6 million to Ergon to support the uniform tariff policy for regional Queenslanders and \$10.2 million to SunWater for irrigation subsidies. While there is a call by some short-sighted commentators to undertake a fire sale of our assets for a short-term sugar hit, there is a reason we are keeping these assets in public hands. This means, instead of losing income-generating assets forever, we are optimising the way that these government businesses operate. We are ensuring our publicly owned income-generating assets run effectively and efficiently, are accountable to taxpayers and pass on savings to Queenslanders. The fact is that owning government businesses is good for the economy and good for growth.

In the energy sector, we expect to make savings of around \$680 million over five years due to efficiencies found by this government. Customers are also seeing direct savings, with our direction to Energex and Ergon to not appeal the regulator's pricing decision. This is in contrast to the private sector approach in other states, with energy businesses seeking billions in additional revenue from consumers.

We are driving employment and improving services with infrastructure upgrades at the Port of Hay Point and RG Tanna Coal Terminal; a Gladstone Ports traineeship program, providing employment opportunities for Aboriginal, Torres Strait Islander and Australian South Sea Islander people; SunWater and Seqwater, enhancing their response to flood emergencies, with a new Seqwater Emergency Operations Centre and SunWater developing an emergency management response program; Energy

Queensland agreeing to a 170-megawatt power purchase agreement with Mount Emerald Wind Farm; and P&O to make the Port of Cairns the home port for its cruise ship the *Pacific Eden*—this is the first time a major cruise line has based itself in a regional Queensland city. It is programs and initiatives like these that would be at risk of being scrapped if these businesses were sold to private buyers. The Palaszczuk government remains committed to not sell off these very important income-producing assets.