




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 30 November 2016

MINISTERIAL STATEMENT

Productivity Commission, Electricity Pricing Inquiry

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (2.32 pm): Today I tabled the Queensland government's response to the Queensland Productivity Commission electricity pricing inquiry. Following the soaring electricity pricing increases of the former government, we established the independent Queensland Productivity Commission and directed it to undertake an electricity pricing inquiry. Issues that we asked the QPC to consider included: the competitive electricity market; productivity growth; efficiency and reliability; environmental outcomes; and vulnerable customers—all of this in the framework of the responsible management of the state's finances. The QPC delivered its final report to the government on 31 May 2016, and the government had a six-month period in which to respond. I thank the staff of the Productivity Commission for their hard work in consulting all across Queensland to provide us with this report.

Tabled paper: Document, dated November 2016, titled 'Queensland Government response to the Queensland Productivity Commission Electricity Pricing Inquiry' [\[2179\]](#).

The QPC inquiry has not delayed this government's efforts to stabilise electricity prices. Since the government issued the terms of reference for the inquiry, we have taken strong steps to stabilise prices and promote a more efficient and modern electricity sector which delivers real benefits to Queensland electricity consumers. We directed government owned Energex and Ergon Energy not to challenge a decision of the Australian Energy Regulator aimed at reducing network prices. This action was possible only because those bodies have remained in government ownership. That could not have occurred if we had sold these businesses. We have merged Energex and Ergon Energy to form Energy Queensland, delivering savings and reshaping the industry to provide more modern, customer focused services with projected savings of \$680 million over five years. Our actions have helped keep annual electricity price increases for households to just 1.2 per cent over the past two years—which is below inflation—compared to 43 per cent over the full term of the previous government.

Although electricity price rises have stabilised under this government, we are committed to identifying further opportunities to support an efficient and innovative electricity sector that delivers benefits for Queenslanders and supports the state's most vulnerable electricity customers. The Premier has already informed the House of the move to extend the electricity rebate to healthcare cardholders so that an additional 157,000 low-income Queensland families are better supported.

This government knows the importance of supporting regional businesses, especially those most vulnerable to price increases. That is why a cornerstone of our response to the Productivity Commission is the Regional Business Customer Support package to assist customers on transitional and obsolete tariffs as they transition to more modern tariffs. The transition path for these customers was set in 2013 under the former government. This government, however, will provide \$10 million over two years to regional businesses most at risk of price increases. The package includes: an innovative tariff trial for small agricultural customers to better understand price signals; promoting energy audits and case studies to increase understanding of how energy use can be changed to lower bills; deploying digital

meters to large customers for real-time energy use feedback; and a \$6 million large customer adjustment trial which offers government co-contributions to help customers invest in operation and equipment changes to manage bill impacts. This assistance package is a real opportunity for businesses to work with government to drive their costs down—businesses like the Northern Iron & Brass Foundry in Wangan near Innisfail, which we have been working with to identify opportunities to manage price pressures.

I would like to thank the hardworking officers from Treasury and the Department of Energy and Water Supply for their work in organising a government funded independent energy audit for the business. The government's response to the QPC inquiry shows that we are providing innovative responses which contribute to the continuation of price stability we have already delivered to business, industry and Queensland households.