




Speech By
Hon. Mark Bailey

MEMBER FOR YEERONGPILLY

Record of Proceedings, 17 June 2016

**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; DUTIES AND
OTHER LEGISLATION AMENDMENT BILL**

 **Hon. MC BAILEY** (Yeerongpilly—ALP) (Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply) (6.21 pm): I rise to speak in support of the Palaszczuk government's budget for 2016-17, its second budget. Queensland voters sent a clear message that they do not want their assets sold, that they want a steady, consultative government with progressive reform and a government that keeps its promises. This government is honouring that commitment through this budget. This government is delivering a budget that charts a course to surplus without asset sales.

The Department of Energy and Water Supply plays a crucial role in supporting the delivery of energy and water to homes and businesses across Queensland. Labor understands the importance of keeping the cost of living down, with spiralling energy and water bills during the term of the previous Nicholls-Newman government putting enormous pressure on Queenslanders, with 43 per cent increases over three years.

The reliable and cost-efficient delivery of energy and water gives businesses a foundation on which to grow and leads to the creation of new jobs right across Queensland. This year's state budget invests \$655 million across the Energy and Water Supply portfolio. In particular, the 2016-17 budget delivers for regional Queenslanders.

The government has committed \$561.2 million to fund the community service obligation, which ensures that regional Queenslanders pay the same for their electricity as those living in the south-east corner. Despite the additional cost of maintaining electricity poles and wires and moving energy across vast areas of rural and regional Queensland, the community service obligation ensures that a family in Townsville, Cairns or Mount Isa pays no more for their electricity than does a family in Brisbane.

Building our regional communities and growing our agricultural sector is vitally important for the Queensland economy and job creation. The government's investment in regional Queensland will support drought affected farmers and deliver cost-effective solutions for the delivery of water and electricity services. This budget includes \$4 million to support Queensland farmers battling drought conditions by providing relief from fixed charges for electricity accounts that are used to pump water for farm and irrigation purposes. As an aside, it is good to see that there is a steady amount of rain heading across large areas of this state over the next few days. This funding is part of the Palaszczuk government's \$41.9 million drought assistance package.

Queensland biofuels can power our vehicles, diversify our fuel mix and reduce carbon emissions. By supporting the use of biofuels, we have an opportunity to drive growth in our regional areas and add value to the state's abundant agricultural resources. Therefore, the government has committed \$8.2 million to support the implementation of the biofuels mandate, including educating consumers about the benefits of biofuels.

To support the ongoing collaboration between regional water providers, my department has committed \$1.2 million over the next two years to the Queensland Water Regional Alliance Program, known as QWRAP. This funding fulfils an election commitment to provide ongoing financial support and certainty for the QWRAP initiative, which encourages regional councils to work together in the provision of urban water services and promotes leadership in striving towards best practice service delivery to their communities. By investigating collaborative approaches to providing water services, this program, led by the Local Government Association of Queensland, identifies cost-efficient measures to save councils money, supports knowledge sharing and identifies ways to collectively improve and deliver the best possible water services to communities across regional Queensland.

This budget also includes a further \$6.9 million to provide total funding of \$8.9 million for Local Management Arrangements projects. This project involves agreeing on final terms for transitioning ownership and control of the Theodore, St George, Eton and Emerald schemes to local management as well as providing additional funding for the Bundaberg, Burdekin-Haughton, Mareeba-Dimbulah and Lower Mary schemes to carry out further investigations and prepare revised business proposals on how those schemes could operate under local management.

To limit price increases for Queensland irrigators, my department will invest almost \$6 million this financial year into ensuring that prices for SunWater and Seqwater's rural irrigation schemes move gradually towards recovering the true cost of supply. This important measure provides relief for irrigators and farmers who would otherwise be faced with significant increases in water prices if they were required to pay the full cost of supply immediately.

In addition to the departmental budget, there is \$2.2 billion in capital purchases for energy and water statutory bodies and government owned corporations that report to me as the minister. Some significant new initiatives include Ergon investing \$787 million to ensure continuing safe, efficient, reliable electricity supply in regional Queensland. Ergon is also preparing for the integration of new technology into its network by investing \$8.2 million for the battery storage network development, otherwise known as the GUSS—the grid utility support systems, which are big industrial sized batteries going into our regional electricity network. I see the member for Maryborough smiling and waving, because he knows how much his community benefits from the latest battery storage technology that is helping our network right now under this government.

Energex has a capital program of \$705.3 million that is aimed at improving and reinforcing electricity supplies across South-East Queensland, especially to meet peak electricity demand periods and to support the increased use of residential solar power storage batteries and electric vehicles and appliances such as air-conditioners.

CS Energy will invest \$48.2 million for improvements to the Callide Power Station, including overhaul work. Stanwell Corporation will invest \$50.5 million for Stanwell Power Station projects, including a major overhaul of unit 2 and \$63.4 million in Meandu Mine projects, including coal handling preparation plant replacements and upgrades.

SunWater will invest \$18.6 million to improve works at Paradise Dam and Seqwater will invest \$12.6 million to continue refurbishment and upgrade works at several water treatment plants, such as Lowood, Mount Crosby and North Pine.

I also acknowledge the investments that we are making in renewable energy, with the hydros at Wivenhoe, Kareeya and Barron Gorge as well as geothermal power at Birdsville. When it comes to renewables, we are keen on whatever form they take.

An opposition member: What about the power of the unions?

Mr BAILEY: The member would know all about that. That is why he is on that side. This budget highlights how Energex and Ergon—the electricity distribution businesses—support the whole of Queensland through their capital works program and ongoing services. These are exciting times for the energy sector. The changes associated with the merger are combined with the market transformations driven by significant new renewable generation capacity and the introduction of new technologies, as I outlined in a speech earlier this week.

The Palaszczuk government has a key leadership role in supporting the development of emerging technologies and industries such as those in the renewable sector. As the minister, it is my focus to ensure that key industries are adapting to their rapidly changing environments. We are passionate about progressing our election commitments in support of this important industry. For example, we have tripled our election commitment to provide long-term financial support for up to 120 megawatts of installed large-scale solar generation. I seek leave to have the remainder of my speech incorporated in *Hansard*. I have had that approved by the Deputy Speaker.

Leave granted.

Ports

Queensland is serviced by 15 trading ports, two community ports and three smaller ports from Brisbane to Burketown.

Palaszczuk Government is keeping these ports in State hands.

Our ports are our gateways to international markets—they contribute significantly to our state's economy, handling approximately \$47 billion in exports last financial year.

They have a central role in the facilitation of trade which provides income and jobs for many Queenslanders.

They boost local economies, driving jobs in the local community and providing significant flow-on effects to other local industries.

Government owned port corporations alone employ approximately one thousand full time staff.

The Palaszczuk Government is committed to fostering the economic activity of our ports, creating more jobs for Queenslanders while protecting the environment.

We will continue to invest in port infrastructure and the roads that service them, boosting productivity and growing our economy.

TMR

Mr Speaker, the 2016-17 Budget continues the Palaszczuk Government's significant commitment to delivering road infrastructure right across the State.

The Queensland Transport and Roads Investment Program (QTRIP) outlines our key priorities over the next four years, with over \$20 billion in investment for both road and transport infrastructure across Queensland.

It also continues the Palaszczuk Government's focus on jobs and the economy, supporting an estimated 15,900 direct jobs over the life of the program.

This budget delivers on our commitments made through the State Infrastructure Fund (SIF).

It delivers \$200 million towards the Ipswich Motorway (Rocklea to Darra) Stage 1 project, and I can advise the House that early works have begun on that project this week.

It provides our 20% commitment towards the Pacific Motorway-Gateway Motorway merge upgrade—despite the fact the Australian Government continues to ignore its responsibilities and refuses to commit to the project.

Other projects funded under the State Infrastructure Fund include:

- the \$40 million timber bridge replacement package on the Dawson Highway from Gladstone to Biloela
- the \$30 million duplication of Riverway Drive in Townsville, from Gollogly Lane to Allambie Lane
- the \$22 million Sunshine Coast University Hospital intersection upgrades package at Kawana Way and Nicklin Way
- the \$10 million Rockhampton Road Train Access Stage 1 project.

More than \$144 million worth of infrastructure projects state-wide have been fast-tracked under the Accelerated Works Program.

These projects will help to drive the economy and sustain and create more than 400 jobs in regional Queensland.

The first one of these, Mr Speaker, the Heavy Vehicle Breakdown pad in Townsville has already been delivered and I was delighted to open it with the Member for Thuringowa earlier this month.

Building on the 2015 Palaszczuk Government's Building Our Regions election commitment—which we accelerated by a year—this Budget delivers an additional \$30 million per annum through the Transport Infrastructure Development Scheme (TIDS) from 2017-18.

This program is vitally important to local governments across Queensland and this additional \$90 million will extend the ongoing base investment in TIDS to \$70 million per annum across all QTRIP years.

This will provide much needed planning certainty to many local Councils, sustaining local jobs and improving local infrastructure.

This is in addition to the \$40 million Western Roads Upgrade Package the Palaszczuk Government announced last year to stimulate and secure jobs in the western part of our State.

Mr Speaker, the Palaszczuk Government is a government for all Queenslanders, no matter where they live, and this Budget proves that again.

In north Queensland, \$42.3 million has been provided for a pavement widening package on the Gregory Developmental Road between Charters Towers and The Lynd to deliver around 30.9km of wider and safer two-lane highway to accommodate future increases of heavy vehicles.

It's not just a road safety project, Mr Speaker, it's also a productivity multiplier and an example of our commitment improving freight efficiency.

Also in North Queensland, \$34.6 million has been provided to construct a new high-level bridge on Gregory Developmental Road at Cape River, 116km south of Charters Towers.

I inspected this site earlier this year with the Member for Dalrymple. I know this will be welcomed by the local community, and will greatly improve future flood resilience in this part of the State.

In north west Queensland, \$19.6 million has been provided as the state's contribution for improvements to the Kennedy Developmental Road (The Lynd—Hughenden), known locally as the Hann Highway, to improve productivity, resilience and safety.

The Australian Government commitment to complement Queensland's funding is now going to allow progressive sealing of sections of the highway over the next five years.

Not only will this provide and secure much needed local jobs, Mr Speaker, it will also provide an alternative to the Bruce Highway during adverse weather events.

Meanwhile, on the Gold Coast we will continue to deliver our Commonwealth Games Roads Package—a more than \$160 million investment that is improving the local road network before the Games in 2018.

Mr Speaker as well as being Minister for Main Roads, I'm honoured to have the responsibility for Road Safety.

Road safety has been a strong focus of the Palaszczuk Government since its beginning and this Budget continues that commitment.

We're investing an additional \$82 million over two years for road safety programs, road accident injury rehabilitation and safety upgrades—funded by speed camera revenue.

Reducing the road toll is one of our top priorities and that's why we invest this money back into targeted projects that will save Queenslanders lives.

Mr Speaker, I'd like to touch on some of the contributions to the debate we've seen from members opposite.

The Leader of the Opposition set the tone early. No mention of road safety, and only one mention of roads and it was incorrect!

He claimed that funding was delayed to improvement programs along the length of the Bruce Highway.

That's not correct. Where there are funding reductions in 2016-17, they are predominantly due to savings that will be reallocated to the next agreed priority.

In fact in many instances, the 2016-17 funding is increased!

The Leader of the Opposition might be interested to know that those savings and reallocations are all done in conjunction with the Federal Government—and we are continuing to work with them to accelerate projects.

Unfortunately, many Members of the Opposition seem to have taken their lead from their Leaders flawed premise.

In particular the Member for Glass House got it wrong when discussing the upgrade of the Bruce between Caloundra Road and the Sunshine Motorway.

Let me assure the Member—and his colleague the Member for Maroochydore—this more than \$1 billion upgrade remains on track—as agreed with the Federal Government—for construction to begin in late-2016.

The allocation in the 2015/16 QTRIP was an estimate, based on historical forecasting and preliminary designs, whereas the 2016/17 QTRIP funding is based on actual design and construction forecasts by the proponents.

What Members opposite also failed to acknowledge was that the previous LNP Government had a timeframe of ten years for this project, which would not have included widening the highway from four to six lanes.

In stark contrast, the Palaszczuk Government secured a deal with the Federal Government last year to widen the highway from four to six lanes, upgrade the interchanges and to accelerate the project so it finishes four years ahead of schedule in mid-2020.

The Member for Burleigh has suggested that my department's service delivery statement is blank. It is anything but.

While PowerQ provided a valuable perspective of the strategic challenges facing the electricity sector and set out a number of actions it lacked a sufficient focus on driving job opportunities and protecting the environment.

We are reviewing the strategy to ensure these important issues are appropriately prioritised and that we deliver on our election commitments including the Queensland Productivity Commission review into electricity pricing and the Independent renewable expert panel.

Those elements of PowerQ which deliver value for Queenslanders will of course continue in line with our priorities for the energy work program.

Mr Speaker, our government has established the independent Queensland Productivity Commission (QPC), delivering an important election commitment.

Two of its critical work programs have been to investigate electricity prices as well as a fair price for solar.

The Commission has run a public consultative process, and we will closely consider the final reports and recommendations.

The Member for Burleigh has suggested that I am keeping QPC's final report on electricity prices a secret.

We will always do our best to look after the interests of pensioners and low income earners.

The report is significant and requires whole of government consideration.

Under legislation I have 6 months to respond in writing to the report, but will be responding before then.

The Member for Burleigh also appears to have referred to a reference in the QPC's draft report on electricity prices about preliminary modelling of a 50 per cent target. This was based on some high level assumptions.

The Renewable Energy Expert Panel I announced on 27 January will undertake a much more detailed analysis and advise on credible pathways towards 50% renewables by 2030.

Importantly, the Expert Panel will consider the benefits as well as the costs and look at scenarios where the Federal Government and other states also do their fair share.

The Panel currently has released its issues paper and undertaken public consultation—it will finish its work by the end of 2016.

There is a departmental budget allocation of \$1.2 million, which includes panel engagement and internal costs.

By way of comparison, the Independent Review Panel (IRP) on Network Costs (undertaken during the previous Government) was allocated a budget of \$1.5 million to undertake their review over a similar timeframe as the Renewable Energy Expert Panel.

Mr Speaker, unlike those opposite, the Palaszczuk Government will develop a renewable energy economy for Queensland. We'll turn the Sunshine State into the Solar State.

Yeerongpilly Budget Initiatives:

As the Member for Yeerongpilly, I'm pleased to advise the House that this Budget has delivered for my local community.

The Palaszczuk Government is continuing our investment in Queensland Netball, with \$15 million allocated to continue constructing the new State Netball Facility at the Queensland Sport and Athletics Centre in Nathan—part of the \$30 million total cost of the project.

We're also supporting the local Olympic FC, Football Club by upgrading their lighting to provide better grounds—\$27,253 of the total \$54,505.

There is grant funding of \$60,000—part of a 3 year, \$180,000 commitment—to Dr Wayne Water from Griffith University to conduct research into "Making Solar Better: Advanced Electronics for Distributed Energy Storage".

Dr Fernanda Adame from Griffith will also receive \$60,000—again, part of a \$180,000 3 year commitment—to conduct research into: "Cost Effective Restoration of Wetlands that Protect the Great Barrier Reef".

There is also grant funding of \$100,000 as part of a \$1 million commitment over four years provided to Griffith University towards: Peak Demand Energy Management.

Other initiatives include:

- \$1.225 million to ensure children in need of protection have a safe place to stay in Yeerongpilly including funding for local service providers:
 - UnitingCare Community in Annerley; and
 - Mercy Community Services in Moorooka
- \$100,000 to assist persons under 65 or an Aboriginal or Torres Strait Islander person aged under 50, with a disability or condition that restricts their day-to-day living, to stay living at home in Yeerongpilly, including funding for local providers like:
 - The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane in Annerley and Rocklea
 - Yeronga Meals on Wheels Incorporated in Yeronga
- \$18.087 million to assist people with a disability and their families to access the support and services they need in Yeerongpilly including funding for local service providers like:
 - AEIOU Foundation in Nathan
 - Cerebral Palsy League of Queensland in Moorooka
 - Deaf Services Queensland in Moorooka
 - FSG Australia in Salisbury
 - Homes West Association Inc in Yeronga
 - Life Without Barriers in Annerley
 - Montrose Therapy & Respite Services in Yeerongpilly
 - Multiple Sclerosis Society of Queensland in Annerley
 - The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane in Salisbury and Yeronga
 - The Richmond Fellowship of Queensland in Annerley
 - UnitingCare Community in Annerley, Salisbury, Tarragindi and Yeerongpilly.