Speech By

# Shane King

## MEMBER FOR KALLANGUR

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## ELECTRICITY AND OTHER LEGISLATION AMENDMENT BILL

**Mr KING** (Kallangur—ALP) (4.22 pm): I rise today to make a relevant contribution to this debate on the Electricity and Other Legislation Amendment Bill 2016. This bill has two objectives and they are quite simple: firstly, to facilitate the merger of our state owned electricity distribution companies, Energex and Ergon, which honours an important election commitment—more on this soon—and, secondly, it will modernise provisions which apply to the Island Industries Board, trading as IBIS, remove the current geographic limitations on the operations of this statutory body, change the body's name to Community Enterprise Queensland to reflect this change and amend provisions relating to board governance, membership, operations and administration. I will start by discussing the IBIS amendments.

This part of the bill was fairly simple and only had a few issues which needed clarification. One of these was in the makeup of the board. We recommended that a minimum of at least one member must be a consumer representative and a minimum of one member must be a community representative. Having representatives from both groups was considered necessary to address the concerns of food security, range and quality as well as price and affordability. The LGAQ raised some concerns about the potential impact these changes would have on the six government owned stores operating in the Aboriginal communities of Doomadgee, Kowanyama, Lockhart River, Pormpuraaw, Palm Island and Woorabinda. In response, DATSIP advised that this bill is not intended to regulate the operations of the other retail stores. While there have been a range of proposals considered regarding these six stores, a further analysis of operating models is required.

We also requested clarification about what would be required of the board to satisfy its obligation to publish any ministerial direction in a publicly accessible way. DATSIP explained that the term 'publicly accessible' was used to allow the board to be given the flexibility to determine the most effective and appropriate medium to disseminate this information. That was the only part of the bill we were able to agree on because those opposite do not seem to understand the other part of the bill. For clarity I will explain it again.

This bill is designed to help facilitate the business-as-usual operations of Energex and Ergon during the merger of these two network business entities, which was a commitment that the Palaszczuk government took to the last election. On 15 December 2015, Treasury announced that Energex and Ergon would be merged under a new parent company by mid 2016. The parent company will be established as a GOC and incorporated under the Corporations Act. A regulation made under the GOC Act will declare the parent company to be a GOC and transfer the shares in Energex and Ergon to the parent company. Energex and Ergon will become subsidiaries of the parent company. Subsequent structural changes to the distribution business will proceed in a staged and orderly manner under the direction of the new board and CEO of the parent company in consultation with shareholders as appropriate.

In line with the government's announcement at the 2015 Mid Year Fiscal and Economic Review, the implementation of the new structure will create an opportunity to consolidate the corporate and administrative functions of Energex and Ergon. The operational functions of the business will continue to be undertaken by Energex and Ergon. While the bill is a preparatory step in facilitating the structural change announced by the government, the amendments could be described as technical or administrative and are largely about preserving the regulatory status quo. After all, we do need our power delivered in a safe, stable way during this process and in government hands—not sold. That is it. It is that simple; however, those opposite just do not appear to get it.

In January 2015 the people of Queensland made a decision. They had a clear choice: they could go with the LNP's fire sale of our assets, which the now Leader of the Opposition blew around $70 million in taxpayers' money promoting through his failed Strong Choices program—and I do not think he has given up on this yet either—or the better choice that the people of Queensland did make in electing the Palaszczuk government, keeping our electricity assets in public hands and merging our electricity distribution companies. This merger is happening, and using this bill to re-prosecute the last election is not representing the wishes of the people of Queensland.

As a former supply industry worker I can see the benefits of this merger for many reasons. One that comes to mind is during abnormal circumstances when natural disasters strike and the entities need to work together to get the power back on as soon as possible. At the moment, the entities have different disaster management plans, fatigue and drug and alcohol policies. Attempts over the years to get consistency across the entities on these policies have been frustrating, to say the least. The savings and efficiencies gained from this alone, when quick and safe restoration of supply is necessary, highlights just one small aspect of what can be achieved by this merger.

During our public hearing questions were asked about the concerns of the Electrical Trades Union—who were, by the way, the only group to provide a written submission on this part of the bill—that clause 39 allows for the power to make a regulation to add to the list of acts to be amended by the bill. The department explained that this power was very limited and would only be used to include acts which are necessary for the business to continue to operate as at present and to the entities within the parent company corporate group. During the public hearing the member for Southport noted that, when he sat in a ministerial office in the last term of government as an assistant minister, his view was that regulation was just code for giving the minister direct power without the scrutiny of parliament. I am confident that we are a very different government from the one the member for Southport was an assistant minister in, and this power would only be used for what it is intended.

Questions were also asked about any proposed redundancies, and we were reassured once again there will be no forced redundancies during this process. During the public hearing the opposition members of the committee constantly tried to bring their new scare campaign into the discussion, which we have heard about already today. The opposition continues to run a fear campaign about smaller electrical contractors having to compete with a yet-to-be-formed division of the merged entity, the energy services business. Instead of debating the bill, they used much of the public hearing to try to debate and push a fear campaign that has no substance or merit whatsoever.

I have put this argument into an analogy that those opposite may understand. Imagine this asset merger is a new car and the energy services business is a tow bar. At the last election the people of Queensland gave us a mandate to buy them a new car. The LNP could, and should, help us choose the brand, colour and capacity of this car; however, they want to talk about what type of tow bar we may fit down the track to tow a future trailer that has not been designed yet because trailer technology is still rapidly developing. It is their choice, of course, but that is not part of what we are debating today.

As chair of the public hearing I tried to keep us on topic and on the bill and was accused of showing bias for doing my job as chair. This is highly inappropriate but typical of the behaviour we see in this place from certain LNP members, who cannot let the fact they are no longer in government pass. As the scare campaign about energy services business will no doubt continue to be the main debate topic from the opposition, and as it is mentioned in the opposition's statement of reservation, even though it has not been 'quarantined', as stated by them, discussion on this issue was stopped because it has nothing to do with the bill before the House. I will make some more comment on it.

Realistically, there is no way an entity the size of this merged entity, with the overhead costs they will have, would be able to compete with small electrical contractors, even if they were to attempt to engage in the installation of domestic solar systems.

**An opposition member:** So you are going to talk about it anyway?

**Mr KING:** The member may learn something if they listen. Once again, for clarity, this will not be part of their business.

As the only electrician and the only person in this place at this time who has worked in the electricity supply industry, I can see how laughable this scare campaign is. The fact is that, amongst other roles, this division will address the uptake of emerging technologies as the network changes to embrace more renewables. The system has to be designed for the future, as our electricity supply needs change and as base load renewable generation becomes more and more a common part of not only our transmission network but also our distribution network. An example of this necessity is where rooftop solar has had a large uptake in older areas, where the local pole-top transformers were installed to export power and not to import from homes, which has created network issues. Prior design planning would have stopped this being an issue for our network, and this division will be vital for this type of work in the future.

In addressing the opposition's statement of reservation about their concerns that we did not travel to the north and regional Queensland to conduct public hearings, as I stated earlier, the whole of Queensland had a say on the electricity merger at the last election. The submissions were few: one submission on the regulatory framework for Energex and Ergon, which was in support, and two submissions on the IBIS amendment, one submission in support and another with queries—and that submitter attended the Brisbane public hearing. We cannot require people to make more submissions. With such a low uptake it would have been an extravagant waste of taxpayers' money to travel north when there was little interest from the north, judging from the submissions we received.

I reiterate: it was disappointing that members opposite—and they will continue—appeared to not want to debate the bill at the public hearing, and today no doubt, and largely wanted to argue issues not in the bill but attack the witnesses from the ETU. However, I finish by thanking the members of the Transportation and Utilities Committee for the good work we did do during our deliberations and, of course, I thank our incredible secretariat staff, Kate, Rachelle, Lisa and Julie. I proudly commend the bill to the House.