




Speech By
Christopher Whiting

MEMBER FOR MURRUMBA

Record of Proceedings, 7 September 2017

**PUBLIC WORKS AND UTILITIES COMMITTEE: REPORT, MOTION TO TAKE
NOTE**

 **Mr WHITING** (Murrumba—ALP) (11.51 am): I did find it very revealing to read this report. One thing that really stuck out to me on page 4 of report No. 38 concerned the statement that 45 per cent of the revenue across the sector is not regulated by the AER. I do not know if members remember, but when we talk about electricity prices LNP members always say, 'You set those prices when you were last in; it was Bligh and Fraser. They set us on that path. We were locked in. We could not do a thing about it.' The report states that 45 per cent of revenue across the sector is not regulated. When members opposite were in government they had the opportunity to do something yet did nothing. They just sat on their hands and decided once again to blame Labor. It is a very inefficient way to work and it does not help anyone. They could have taken a variety of actions, such as those we subsequently took. I shall refer to some of those actions outlined previously by the committee chair.

We directed Energy Queensland to remove the cost of the Solar Bonus Scheme from electricity bills over the next three years, which would reduce projected household bill increases by half. We directed Stanwell Corporation to modify its bidding practices to put as much downward pressure as possible on power prices. As a result, we saw an immediate decrease by 10 per cent in forward contract prices. We also directed Stanwell Corporation to restart Swanbank E Power Station. These are all actions that we took. These are actions that the LNP could have undertaken, but in this place we constantly hear about the 43 per cent power rise under their regime and those opposite saying there is nothing that they could have done. Those opposite say, 'Ex-premier Bligh and treasurer Fraser put us on this path. We could not do a thing about it.' Let me state again that 45 per cent of this revenue is not regulated by the AER.

Our actions show what an active government can do to put downward pressure on electricity prices. All it takes is the ownership of generation and distribution mechanisms in the state—and we have done that, because we will not sell our electricity assets, as those opposite proposed. Those opposite spent between \$70 million and \$100 million—no-one is really sure—in preparing the state for the Strong Choices campaign.

It is very clear from this report that we have a set of healthy figures. The report states—

... we do not have any going concern about the issues within these sectors.

The report states that (1) these entities are earning enough revenue in the context of debt and (2) the debt and equity proportions are not outside industry practice. They have no concerns about debt and equity proportions or about revenue in the context of debt. Despite what those opposite say, it is very clear that the report outlines a very healthy government sector. It did refer to the reduction in revenue, the increase in interest costs and the imposed debt increases in the future but, once again, the report says that we are in a healthy position. It directly addresses those concerns that were raised. For example, it says that the energy government owned corporations, GOCs, are financially sustainable and that the entities will have a profitable business in the medium term. It is quite useful to examine

these reports in detail and not just cherry-pick the odd sentences and phrases but look at it in its entirety in terms of the healthy state of these GOCs. It does emphasise why it is so important to keep these GOCs in the hands of the people, so that they can work harder for the people of Queensland.