




Speech By  
**Hon. Curtis Pitt**

**MEMBER FOR MULGRAVE**

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### **APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL: PUBLIC WORKS AND UTILITIES COMMITTEE**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (11.31 pm): Queensland Labor always backs consumers when it comes to cost-of-living expenses, and this is the case now as it was under the previous Bligh government. I am responding in particular to the member for Beaudesert's claims that the 2011-12 midyear fiscal and economic review total of \$1.145 billion was identified as reduced capital requirements over the forward estimates period as a result of the Electricity Network Capital Program Review, or ENCap. The Bligh government issued Energex and Ergon Energy with a direction in February 2012 to pass these savings on to consumers by reducing the annual regulated revenue allocated by the AER. This was something that the Newman-Nicholls government could have done but did not, instead keeping the profits to fatten up the energy businesses for sale as part of Strong Choices. Our direction to Ergon and Energex in 2015 meant that network prices decreased. Members can see a pattern here in terms of what Labor governments do versus what LNP governments do.

I want to take this opportunity to thank the committee for its efforts, thank it for adopting me as an acting minister through the process and congratulate the member for Kallangur for his work as chair and acknowledge all members of the committee and staff involved. I also want to address issues raised by members of the opposition in their statement of reservation which unfortunately once again raises a number of broad and inaccurate allegations which betray their lack of understanding of the national electricity market. The suggestion that the government has hidden behind commercial-in-confidence to avoid scrutiny of government owned generators like Stanwell is based on a very poor understanding of the commercial nature of those businesses. Both Stanwell and CS Energy are run in accordance with the requirements under the Government Owned Corporations Act. These corporations operate commercially in a highly competitive market and hold commercial-in-confidence information that cannot be released without compromising the commercial position and degrading the value of this public asset.

Members opposite also took the opportunity again to suggest that power prices are somehow an issue unique to Queensland or are caused by our government owned corporations. Their reasons seem to change every time. Somehow they never seem to land on the underlying cause of volatile power prices, and that is the complete failure of the Turnbull government to deliver coherent and integrated climate and energy policy. The inconvenient fact of the volatile power prices are a NEM-wide issue and that by keeping our government owned generators in public hands we have been able to shield Queensland households and businesses from the much higher price rises we have recently seen across other NEM states. Both the AEMO and AER analysis of Queensland's high-price events last summer were due to a combination of high electricity demand and heat related network and generation constraints. The selective statistics quoted in the statement of reservation make the misleading suggestion that Queenslanders are paying the highest electricity prices in the NEM when the truth is in fact the opposite. The fact is Queensland had the lowest increase in wholesale prices of any mainland

NEM state over the term of this government—77 per cent as compared to between 103 per cent and 177 per cent in other mainland NEM states—compared to increases of 81 per cent under the previous government compared to between 11 per cent and 30 per cent in other states.

Keeping electricity generators in government hands also allows us to maintain downward pressure on prices and create jobs and delivered an electricity price increase of only 1.9 per cent per annum over this term of government in contrast to the 43 per cent increases households experienced under the previous Newman government. The misleading suggestion that the success of our direction to Stanwell was in some way an admission of guilt is once again an attempt to direct attention away from the fact that maintaining our generator assets in public ownership has been a key factor in our ability to place downward pressure on electricity prices. The ability to take steps to counteract higher wholesale prices and volatility during peak demand is a direct result of the Palaszczuk government's decision to retain generation assets in state ownership.

We have already seen the benefits of our direction to Stanwell to alter its bidding strategies, with forward wholesale prices in Queensland on the futures market dropping by more than 15 per cent below prices prior to the announcement. Bringing Swanbank E back into service this summer will also help reduce future price volatility and reinforce the state's energy security. These actions add to the success of our decision to invest \$770 million to remove the cost of the Solar Bonus Scheme from power bills and it is expected that this decision will save a typical household \$56 a year. We have also expanded rebates to healthcare card holders, providing support to an additional 157,000 Queenslanders, the most vulnerable in our community—another reform the Newman government could have done but choose not to. I note that those opposite did not seek to ask any questions about water supply during the estimates hearing. This is indicative of their addiction to sensationalism and hysteria over sound public policy. That is an approach which shaped opposition questions to the committee which were solely about electricity prices.

In closing, I am very proud to represent a government that has taken sound and decisive action in relation to electricity prices. Electricity prices for consumers today are lower than they would have been under an LNP government because of the positive actions of our government which have underpinned more stability in energy prices. I was very happy—

*(Time expired)*