




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 22 August 2017

MOTION

Palaszczuk Labor Government, Electricity Prices

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (6.14 pm): I move the following amendment—

That all words after 'condemns' be deleted and the following words inserted: 'the Commonwealth government's failure to deliver the policy certainty which the electricity industry needs to invest in new generation and place downwards pressure on power prices.'

Mr SEENEY: I rise to a point of order. The amendment that has been suggested by the member for Mulgrave fundamentally changes the motion. The motion was about the state government. The amendment that he has suggested makes the motion about the federal government. The motion was about the state government and its taxation regime. I suggest that the amendment is out of order.

Mr PITT: I rise to a point of order. I have undertaken consultation on this particular amendment and we have been given advice that it does meet the requirements. I seek your ruling on the point of order raised by the member for Callide.

Mr SPEAKER: I will hear the member for Yeerongpilly.

Mr BAILEY: I rise to a point of order. It is also a national electricity market, so you cannot talk about electricity prices without talking about the national market. The point of order is ignorant and frivolous.

Mr SPEAKER: I have taken advice and my ruling is that the amendment is consistent with the rulings I have made in the past.

An opposition member interjected.

Mr SPEAKER: No! It is consistent with the rulings I have made in the past.

Mr PITT: The LNP have dreamed up suggestions that dividends earned from government owned electricity businesses involve some sort of secret tax on Queenslanders. That could not be further from the truth. They also think that there were changes to our generators' debt levels when that is not the case. How those unchanged debt levels can have any effect on power prices is explainable only by the LNP.

The simple proposition here is that they whinge and complain about revenues to our energy GOCs, which they wanted to sell off. The proceeds that they are worried about right now would have been going to private shareholders, including shareholders overseas. We have kept the assets in public hands. We have kept those dividends and revenues and we have reinvested them back into the system. Therefore, I have no idea why they continue to push that argument, when it is absolutely flawed. The regulator knows this and the market participants know it. It is only the member for Burleigh, the member for Indooroopilly and all of those opposite who do not get it.

The gearing levels do not set market prices. We know that Queenslanders are hurting from electricity prices. We are absolutely and acutely aware of it. Of course, it was the 43 per cent increases inflicted by those opposite that set the new benchmark for what is hurting Queenslanders. Using the LNP's logic, when he was treasurer the member for Clayfield inflicted a 43 per cent tax on Queenslanders, which cost the average Queensland household \$436 extra, during their time in office.

We have used the levers available with government ownership to shield Queenslanders from price increases experienced in other states. This year, southern states with privatised power have staggered under the weight of 19 per cent rises in the Australian Capital Territory and South Australia, 11 per cent across the border in New South Wales and nearly 10 per cent in Victoria. However, because we have kept our assets in public hands, Queensland has the lowest average price rise of 3.3 per cent. If the LNP had had their way and sold off the assets, the profits would have gone overseas. Instead, we have been able to reinvest \$771 million to slash the proposed price increases by more than half. That is a real saving of \$56 for the average household. When it comes to small businesses, that was halved and we were able to save \$99 for small businesses. The member for Indooroopilly is quick to point the finger at previous Labor governments, but he has failed to mention that our Palaszczuk government has acted. In 2015, we directed Ergon and Energex not to appeal the regulator's revenue determination, which has resulted in a \$184 savings for household bills over three years.

It is undeniable that the NEM is broken, which comes to the point about the federal government and its lack of policy and leadership. The NEM is not delivering for households, businesses, industry or government. The lack of policy certainty under both the Abbott and Turnbull governments has undermined industry investment and new infrastructure, which is needed to make up for the closure of privately owned Hazelwood Power Station in Victoria and Northern Power Station in South Australia.

Even federal Treasurer Scott Morrison was reported last week as saying that the ultimate solution to price stability is long-term policy certainty for investors. Still the federal LNP government has failed to act on the recommendations of its own Chief Scientist, Dr Finkel, to implement a clean energy target. A clean energy target is critical to alleviating price pressures across the country. Households would be about \$90 per year better off over the next decade under a clean energy target. Industry and consumers are all united in their calls for federal policy action, yet all they do is twiddle their thumbs. If it were left to the Turnbull government we would have nothing happening.

It is only because of our government and actions that we are taking under our Powering Queensland Plan that we are able to see real action happening in this state. We have returned the Swanbank E gas-fired power station to service after it was mothballed by those opposite. We have directed Stanwell Corporation to place downward pressure on wholesale prices. We have unlocked over 450 square kilometres of gas for the domestic market. We have reinvested \$386 million of dividends to help establish a clean energy hub in North Queensland. We have undertaken a 400-megawatt reverse auction to unlock future renewable energy.

Our policies are the envy of the nation. What we need to happen is stop having one hand tied behind our back. That is exactly what is happening under the current federal government's lack of policy direction. The Energy Users Association of Australia has said that our plan is 'providing real benefit and a ray of hope for all energy users'. Forward wholesale prices for 2018 have dropped 15 per cent since their release. This is worth \$75 to the average customer.

The LNP have not learnt from their mistakes. They continue to spruik their energy policies as having been based on affordability. They think a 43 per cent price rise is affordable. They promised Queenslanders they would save \$120 a year. They put their prices up by \$436. This is a failure of the LNP at a federal and state level and we are going to deal with it.

(Time expired)