




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 12 October 2017

MINISTERIAL STATEMENT

Government Owned Corporations

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (9.47 am): From the time the Palaszczuk Labor government was elected in early 2015 we have demonstrated our commitment to growing the Queensland economy, restoring confidence and targeted job creation for Queenslanders, particularly those people living in regional Queensland. As we all remember, one of the key issues for Queenslanders at the last election was the rejection of the extensive asset sales program by the former LNP government. In contrast, part of Queensland's economic revival has been the continued public ownership of our government owned corporations.

The proposed fire sale of our energy, ports and water assets would have delivered poor outcomes for the state and for Queensland taxpayers. These businesses and others, like Queensland Rail, are owned by the Queensland government. They were originally established on behalf of Queenslanders because they provide services which are critical to the economy. Our GOCs provide critical infrastructure to the state, and over time they have had to step in when the private sector was not fulfilling the service provision requirements of a growing Queensland.

The benefits of ongoing public ownership of our assets have been clear to see in the 2017-18 budget. The government has undertaken key investments in infrastructure to underpin the future of our state, including \$150 million for Powerlink's Clean Energy Hub, \$136 million for the Burdekin Falls Dam upgrade, \$75 million for the Townsville Channel Capacity Upgrade and \$120 million for the Cairns Shipping Development Project to expand Cairns cruise-shipping capacity. These are strategic investments which have been specifically designed to drive more economic growth and job creation and to attract further investment from the private sector.

If our key energy assets had been sold off to the private sector, we would not have been in a position to step in where the Turnbull government and other state governments could not. In Queensland we have acted to place downward pressure on power prices and are attracting significant investment in renewable generation capacity. Those opposite still want to sell off our assets. It is very concerning. We on this side of the House are committed to ensuring that the returns to government—

Opposition members interjected.

Mr SPEAKER: Order, members. Member for Hinchinbrook, you have had a pretty good go.

Mr PITT: We on this side of the House are committed to ensuring that the returns to government from our publicly owned assets are passed on to Queenslanders in terms of better service delivery and to help with the cost of living. We have used dividends to directly contribute to the funding of initiatives to stabilise prices.

Our \$1.16 billion Powering Queensland Plan announced in June is a comprehensive strategy to deliver affordable, secure and sustainable energy supply now and into the future. The Palaszczuk government acted immediately to alleviate the failures of the National Energy Market and invested

\$770 million to more than halve the Queensland Competition Authority's recommended price rises. That means a 3.3 per cent rise for regional households, not 7.1 per cent and certainly not 43 per cent like we saw under the previous government. We are ensuring that Queenslanders are not faced with the increases of up to 20 per cent seen in other states. The annual electricity bill for a typical household in Queensland is \$1,575, lower than New South Wales at \$1,746, Victoria at \$1,664 and South Australia at \$2,078.

Another benefit of our continued ownership of our energy infrastructure is our ability to put downward pressure on wholesale electricity prices and ensure that we continue to put enough energy into storage to meet the needs of Queenslanders during peak demand periods. In June we directed Stanwell to alter its bidding strategies in the National Electricity Market, a positive move which the Turnbull government has even tried to claim credit for. These directions meant that forward wholesale prices dropped by 13 per cent immediately after the government announced this action. For the 2018 calendar year, the wholesale price had reduced 19 per cent in July. This follows our direction to Energy Queensland to not appeal the regulator's decision, potentially saving Queenslanders billions. We also directed Stanwell to return its Swanbank E 385-megawatt gas-fired generator to service.

All of these initiatives have been to help reduce future price volatility and reinforce the state's energy security. Retaining our assets has meant something, and we have been able to show that very clearly through the 2017-18 budget. That is because we have a clear plan to retain these assets in order to continue benefiting Queenslanders.