




Speech By
Joan Pease

MEMBER FOR LYTTON

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

 **Ms PEASE** (Lytton—ALP) (12.47 pm): I rise to speak to report No. 38 of the Public Works and Utilities Committee on the Auditor-General report to parliament No. 5 of 2016-17, titled *Energy: 2015-16 results of financial audits*. I do not think the member for Redlands was speaking to that report because he got very different information from it than I did.

I would like to begin by thanking the secretariat, the chair of the committee, the member for Kallangur, and my fellow committee members.

Ms Donaldson interjected.

Ms PEASE: Perhaps. I will take that interjection. The Auditor-General provides parliament with an independent assurance of public sector accountability and performance. This is achieved through reporting to the parliament on the results of its financial performance audits. A financial audit assesses whether the information contained in the financial statements of public sector entities is presented fairly and in accordance with Australian accounting standards and also determines whether relevant financial legislation and other requirements are complied with.

In previous years the energy, rail and ports, and water sectors were grouped together in one report to parliament, such as the report on public non-financial corporations for 2014-15. However, the Queensland Audit Office advised that the move to disaggregate this report into three sector based reports was a deliberate one to provide more targeted information to help promote accountability and improve public sector performance.

The Auditor-General's report was tabled on 30 November and was referred to the Public Works and Utilities Committee. We considered the Auditor-General's findings in relation to the financial audits of the four main energy companies—Stanwell Corporation, CS Energy, Powerlink Queensland and Energy Queensland—including audits of all entities controlled by those companies and regulatory submissions to the Australian Energy Regulator for Energex and Ergon.

The Queensland government owns the four main companies and 31 subsidiaries in Queensland which make up the east coast national electricity grid and are part of a supply chain which comprises generation, transmission, distribution and retail. In June 2016 a new parent entity, Energy Queensland Ltd, took control of Energex Ltd and Ergon Energy groups to merge distribution operations across the state. Energy Queensland Ltd was incorporated and registered on 20 May and Ergon began trading on 30 June 2016. It reported the consolidated transactions and balances of EQL, Energex and Ergon Energy for two years as if the subsidiaries had always been controlled by EQL.

The QAO reported that the entities used good financial practices to produce, in a timely manner, high-quality financials for 2015-16. It was stated—and I point out that the member for Southport did not mention this in his speech earlier—that the merger of Energex and Ergon Energy into a single entity is expected by its shareholders to result in cost efficiencies.

Our government owned corporations provide essential services for the people of Queensland—services that we Queenslanders rely on every day. They generate and deliver power. They make sure that households, businesses and irrigators have a safe and reliable supply of water and energy and they provide port facilities which are essential to our businesses and communities. Again, the member for Southport's suggestion that we 'rein it in' is simply an example of their cut, sack, sell policy.

Mr Molhoek interjected.

Madam DEPUTY SPEAKER (Ms Farmer): Order! Member for Southport, the member for Lytton is not taking your interjections, so please allow her to speak.

Ms PEASE: The dividends that our generator GOCs pay to the government, as their owner, are the result of them operating commercially in what is a broken NEM which is no longer serving households, businesses or industry.

Mr Molhoek interjected.

Madam DEPUTY SPEAKER: Order! Member for Southport, I have asked you to cease interjecting. If you do so again, I will warn you.

Ms PEASE: The Palaszczuk government have reinvested these dividends into essential services for the people of Queensland—something which would not have been possible under the Newman-Nicholls government who would have flogged them off to the private sector.

Mr McEACHAN: Madam Deputy Speaker, I rise to a point of order. There was a ruling made earlier today about the use of that term.

Madam DEPUTY SPEAKER: Sorry, but I did not hear what that term was.

Mr McEACHAN: It is akin to saying the 'Trad-Palaszczuk government'.

Madam DEPUTY SPEAKER: Thank you. That is noted.