




Speech By
Hon. Mark Bailey

MEMBER FOR YEERONGPILLY

Record of Proceedings, 15 June 2017

**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; REVENUE
LEGISLATION AMENDMENT BILL**

 **Hon. MC BAILEY** (Yeerongpilly—ALP) (Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply) (3.30 pm): This is a very strong budget for this state. It is a budget that understands the needs of this state in the short term and it is a budget that understands the needs of this state in the medium and long term as well. It is a budget that from our point of view is delivering on infrastructure in this state right across Queensland, not just in the south-east as the opposition would allege. You obviously do not travel the state too much if you think that. You obviously do not see, for instance, the Riverway Drive project going on in Townsville. You do not see the Bill Fulton Bridge happening in Cairns. You do not see the Urraween intersection—long promised by the previous government but never delivered—actually funded and delivered by Labor because of the member for Maryborough. You do not see the Rocky beef roads being upgraded because of the member for Rockhampton. This year we have the two M1 upgrades starting after three years of inaction by the previous government. Despite them having every Gold Coast MP, they delivered nothing for the Gold Coast—absolutely zero. No wonder they de-preselected one of their Gold Coast members, because they are absolutely hopeless.

We funded the upgrade to the Ipswich Motorway and early works are underway. The Mackay ring-road will start this year. That is a mammoth project—half a billion dollars worth of road. Then we will put a bolt on the Walkerston bypass—another project long promised by many but delivered in the region by this government on top of the Peak Downs Highway upgrades and the timber bridge replacements. There is the Tinana interchange, near Maryborough. There is the restoration of the TIDS funding and it is locked in. We delivered it a year early—a year earlier than what our election commitment was to restore the funding ripped out of roads by the Newman government under the member for Clayfield as treasurer. I had a line-up of mayors, blocks long, at local government events complaining about road funding being ripped out by the previous government. We restored that funding. We brought it in a year earlier than our election commitment and we have locked it in for a number of years ahead to give local governments certainty. We have seen a record QTRIP program under this government—the second in a row for this government. We have a very proud record of delivering on roads across Queensland.

This budget is about providing work and jobs and incomes for Queenslanders. We saw a record unemployment level—an 11-year high—under the member for Clayfield when he was the treasurer under the previous government. It was a 7.1 per cent—that is a seven in front of it!—unemployment record delivered by the LNP under the previous government. No wonder they try to talk about jobs because they are covering up their tracks on their appalling record of letting Queenslanders down, not just sacking 14,000 of them but also absolutely destroying the economy by ripping so many incomes out of the Queensland economy in one go. You do not have to be Einstein to work that one out. It seemed to be beyond the member for Clayfield and the then member for Ashgrove to understand basic

economics. In fact, one of the great failures of the previous Newman government was that they had a record majority in Australian history and they lost after one term. What does that tell you about their competency of managing the economy? It tells us a lot.

Their record is appalling on jobs. Under this government we have seen the unemployment rate come down. In fact, I have heard the LNP talk about infrastructure a lot in the last six to nine months in this place, trying to find something to talk about. Here we are with Cross River Rail—something that governments have failed for years and years to deliver, a second inner-city rail crossing. You have to have more than one inner-city rail crossing for 2½ million people. It is basic policy and economics. When we actually deliver it, they squirm around and slide out, trying to find any excuse saying, 'Oh, well—no, well—we can't do this.' Joh would have been proud of them. The Cross River Rail will be a transformational project right across South-East Queensland. People on the Gold Coast and the Sunshine Coast will benefit from much faster travel times. Even people on the other lines will see marked improvements in their travel times. We will see modal shifts for some people where it is marginal, and that will free up road space right across the road network in South-East Queensland.

I say to the LNP in their opposition to the Cross River Rail project: good luck on that one. There are seven stations in the seat of Clayfield. I am sure they are going to be really impressed to hear that the member for Clayfield is opposing Cross River Rail when they and every commuter right across South-East Queensland will be a major beneficiary of it. Whether you are at Ipswich or the Redlands or on the Gold Coast or the Sunshine Coast, everyone will benefit from it.

Let me address the budget's investments in the energy space and how important they are. We saw a week of shock-and-awe energy announcements from this government leading into the COAG agreement—and something that was very well received in the energy market, I can assure members. It started off with us slashing by more than half the proposed electricity price increase from the QCA from 7.1 per cent to 3.3 per cent, with a \$770 million investment. I am sure that some of those LNP members who lost their seats at the last election would have looked on that one with envy and thought, 'I wish we had done that. That might have saved my seat. I might still have been in parliament if only I had a competent treasurer who acted on electricity prices when he had the chance.' No, they lost. One of the key reasons they lost is that they mismanaged electricity, they mismanaged electricity prices and they did not deliver. I know because I had thousands of conversations on doorsteps and in phone calls, and it came up time and time again about how the Newman government and the then treasurer, the member for Clayfield, did not deliver for them. It was a key reason.

We are investing in a range of things. We are investing in the North Queensland clean energy hub. We have clean energy projects coming out of our ears in North Queensland. They want to bolt into the grid. Do you know why they want to bolt into the grid? It is because that is the cheapest form of energy production that exists now—something the LNP has not caught up with and has no idea about. We have a range of solar power stations under construction at the moment at Kidston and Sun Metals, with others about to start at Clare and Ross River. There are three in Collinsville. They are using the old Collinsville power station equipment to plug into the grid. That was the one that was closed down under the Newman government, I might add, on their watch.

We are absolutely committed to Burdekin hydro to get more hydro into our grid. We are bringing back Swanbank E to make sure that we have greater capacity in the market. We are delivering supply to make sure that we are ready for any heatwave or any extreme weather event, to make sure that we have maximum capacity generation not just for the extreme events but to get the wholesale price down. We had a three-pronged attack on the wholesale price. Let us be clear about the reasons for that. There are three key reasons why that happened. Firstly, the federal policy uncertainty by Tony Abbott is flowing through the system now. Refusing to set the renewable energy target for 18 months saw investment drop off 88 per cent. That lag in the system is coming through at exactly the same time as Hazelwood shuts down—a huge generator at 1,600 megawatts. At the same time we had a big spike because of two massive heatwaves on the eastern coast. At a critical time there was a spike in the price.

We have attacked and knocked that wholesale price right down with a three-pronged approach: putting Swanbank E back on; turning our two government owned generators into three, with a 'CleanCo' to concentrate on renewables and increase competition in the marketplace; and directing Stanwell to be profitable but to pump out more volume. What did the market do? I was informed that the wholesale forward prices move around roughly only about one per cent maximum per day. It dropped 10 per cent—that is 10 per cent—because we acted, we showed leadership and we understand the energy market.

In this budget we also invest heavily in key parts of our supply chain such as our ports. In Townsville the channel widening has been very well received up there. We are setting up that port for bigger ships to come into North Queensland instead of bypassing North Queensland. We will be ready

for them because we are investing in our ports and we are keeping them in public hands. We have a realistic plan for the Cairns port. We are already seeing more cruise ships coming in. We do not see the crazy plan that was there under the Newman government. We see realistic port expansion opportunities because of the leadership of the Treasurer, the member for Mulgrave, and this government. We also see investment in Townsville Water of \$225 million. I know that the members for Townsville, Thuringowa and Mundingburra have all played a key part in delivering for the Townsville community, and that is very important.

This budget is about a consistent government that is steady, stable, does what it says it is going to do, has a real leader whom people trust, whom people have faith in and who maintains that faith every day. She does not flip-flop around like the member for Clayfield. She keeps her election promises and she is adamant about it. That is what people respect in this state. That is what they are not getting under the LNP who have learnt nothing from the defeat they received.

Let me make this very key observation. If you want to be Premier of this state, you have to understand the economy. If you want to understand the economy, you have to understand the energy sector. What was very clear from the interview with Steve Austin the other morning is that the lazy member for Clayfield has no understanding of the energy market whatsoever. He showed his true colours. He has been a member of this place for 12 years, he was the treasurer and shareholding minister for three, and his description of hydro in this state was 'there was a little hydro in North Queensland'—one; a little hydro. He did not understand basic energy infrastructure information that anybody who has been in the ministry should know. Any minister should know that.

He also showed a total misunderstanding of electricity prices. He said that electricity prices were locked in when he was in government. That is not how it works. How it works is that there is a determination by the regulator, the QCA recommends a price and it is up to the government to accept the price or not. He accepted prices and did not do anything about electricity prices in the three years he was in government. Double-digit price increases were the norm and that is why they lost.

We have directed twice in just over two years our government owned corporation to back in electricity consumers in this state. The first time it was about the first determination to make sure they did not legal up like privatised companies in other states to get more money out of consumers. We told them to cop it sweet and pass it on to electricity consumers, and people benefited from that. That is leadership. That is something the member for Clayfield never did in the three years he was in government. That is why the LNP lost. That is why so many members on the other side lost their seats, and they still will not apologise or even acknowledge the problem. I say to them, 'Good luck on that front.'

The member for Clayfield is living in the past when it comes to energy. Dr Finkel, the Chief Scientist of this country, just finished a review of the national electricity market. He said to the Senate Estimates committee less than two weeks ago that it is now not just a bit but a lot more expensive to build new coal-fired generation than it is to build large-scale renewables. The member for Clayfield seems to think he knows more than the Chief Scientist and the reviewer of our national electricity market. It is a nonsense. If you do not understand the energy market, you cannot run the economy. That is the key point.

The lazy member for Clayfield has shown his true colours. He does not do his research. He does not understand the energy market. He does not understand that the cheapest form of generation is large-scale renewable energy. That is why we have 17 projects happening in Queensland right now. We have 11 renewable power stations coming into North Queensland and we never hear the Leader of the Opposition refer to it. As far as he is concerned, it is not happening; it is invisible. He has no comment on it. It is an emerging factor. It is a pivotal time in our economy and our energy sector, and the member for Clayfield ignores it. He is no better than the member for Whitsunday, and that is saying something.

What we are seeing from the opposition is fearmongering about renewable energy when we have a 50 per cent target. Dr Finkel's report recommends a 42 per cent renewable energy mix by 2030—appointed by the Turnbull government; very much in the ballpark of 50 per cent. They are ignoring the clean energy boom—\$2 billion worth of investment coming into Queensland and 2,000 jobs. They never refer to it. They are not interested. They do not understand. They do not want to know about it. Nostalgia is not enough. I might add that being derivative, imitative and mimicking other people is not leadership. If you listen to the member for Clayfield's speech, that is exactly what he did. He mimicked Tony Abbott when he said 'dead, buried and cremated'. He cannot even come up with original metaphors. He has to mimic failed prime minister Tony Abbott, who is also living in another era when it comes to energy.

It is not enough to imitate; you have to innovate. It is not enough to be petulant; you have to be consistent. That is what we are getting from this government and what we are not getting from the member for Clayfield. He says that there will be no asset sales, there will be no TIDS cuts, there will be

no road cuts and they will not sack public servants, but have we not heard all of that before? We have. Do you remember the phrase 'no asset sales without a mandate'? What happened? They did it anyway. They said 'no asset sales without a mandate' and yet they did it anyway. They ignored people. They thought, 'We have 78 seats; we can do whatever we want.' They are arrogant and cannot be trusted, and they are trying it again. The great cutters are accusing others of cutting. It is the oldest trick in the book.

We also saw an entire speech with not a single plan for the Great Barrier Reef. There was one reference to the past. There was not one positive policy about the Great Barrier Reef other than to lock in high carbon emissions for a generation and a half and cook the Great Barrier Reef. That is the only policy the LNP have. They are the great pretenders. In fact, some of The Pretenders songs come to me in relation to the LNP. *Stop Your Sobbing* comes to mind. *I Hurt You* is another classic Pretenders song that great pretenders probably like, as is *Mystery Achievement*. It is pretty hard to work out what they have actually achieved.

I want to address the opposition's allegation that there has been a cut to roads funding. There have been no cuts to road funding in this budget. They are not telling the truth whatsoever. What we are seeing is the normal budgetary process where there are timing adjustments in any budget. This year we have seen considerable savings in the construction market. We have seen a lot of federal inaction on roads. We have had to fight with the federal LNP to get a fair deal for the M1 and a fair deal for Northern Australia roads and beef roads in this state. We have also seen the impact of Cyclone Debbie, a category 4 cyclone, which played havoc with a range of our road projects. What we are seeing is the LNP once again trying to cover up their appalling roads record in a desperate attempt to reboost their credibility.

The member for Clayfield in his speech said that they will grant priority project status to a new economically viable, low-emission, ultra-supercritical coal-fired power station. Firstly, they are not economically viable compared to large-scale renewables and they are not low emission. Carbon capture is hideously expensive. It has been trialled in this state and the cost is in the billions. There is a reason why 17 large-scale renewable projects are being put up and not carbon capture. It is because it does not make any economic sense. He does not understand energy. He does not understand the economy. If people want a real dose of 43 per cent price increases for electricity, 7½ per cent on public transport and a flatlining economy and growing unemployment, then voting for the member for Clayfield will be a classic way of doing it.

Let me finish with a couple of things. The first is One Nation. This government will never deal with One Nation. We will never be a weak government that grovels to a minor party with extreme policies. What we saw from the Leader of the Opposition were weasel words and slippery words about dealing with One Nation. They will do the deal, they will do the preferences, they will grovel for their support. It is weak leadership. One Nation has got economic policies that will cost jobs all over this state. The opposition seem to be on a unity ticket on renewable energy with One Nation, that is for sure. Their policy positions are almost identical, but that will not be any good for the 2,000 clean energy jobs coming to this state.

This is a very strong budget. It is a strong budget for jobs, for fairness, for the economy and for our energy sector. It is time that the LNP caught up with the fact that it is 2017, not 1917, and came up with a modern, contemporary platform.