



Speech By  
**Christopher Whiting**


**MEMBER FOR BANCROFT**

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Record of Proceedings, 6 September 2018

**STATE DEVELOPMENT, NATURAL RESOURCES AND AGRICULTURAL  
INDUSTRY DEVELOPMENT COMMITTEE REPORT**

**Report, Motion to Take Note**

 **Mr WHITING** (Bancroft—ALP) (3.41 pm): I move—

That the House take note of the State Development, Natural Resources and Agricultural Industry Development Committee report No. 9 titled *Consideration of the Auditor-General's report 9: 2017-18—Energy: 2016-17 results of financial audits* tabled on 18 June 2018.

This report deals with the Queensland Audit Office report on our energy assets. In a very similar vein to what I said on the last report, let us look at the context of what is a massive multibillion dollar industry in Queensland. These organisations have \$3.8 billion in generation assets; \$7.8 billion in transmission assets—that is over 15,000 kilometres of powerlines and 139 substations; a whopping \$22 billion in distribution assets—that is nearly 200,000 kilometres of powerlines and 46,000 transformers; \$1.6 billion in borrowing costs; and \$1.2 billion in fuel and raw material costs. Their assets increased by seven per cent last year. Their capital expenditure in the reporting period was \$2.07 billion. They service 3.94 million customers within Queensland—businesses and households—and those entities have nearly 9,000 employees.

What we have is a massive sector that operates in a very complicated market, the Australian energy market. One of the things I am sure we will hear today from the other side is, 'What about all the profits that are being made?' These are the people who in the last term of government gave us a 43 per cent increase in electricity prices. That is one thing that they will always—

**Opposition members** interjected.

**Mr DEPUTY SPEAKER:** Order! Those on my left will cease interjecting.

**Mr WHITING:** It is one thing that they cannot get away from. What was their solution? Their only solution in the last term was to look at selling them off. 'Let's get Peter Costello in and see what we can sell off.' That is not a solution. If we had gone down that path, all these profits would have been going to private businesses and most probably overseas instead of coming back into Queensland and working on behalf of Queenslanders.

I want to talk about some of the highlights of the report. We talk about the \$771 million Solar Bonus Scheme payment to these entities. I will not talk too much about that because that will be covered in the Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill. The only point I will make is that this payment by the state reduced the bill increase for regional customers from 7.1 per cent to 3.3 per cent and for small businesses from 8.2 per cent to 4.1 per cent.

I want to talk about the renewal of assets. I think it is very important to see that the money being generated is being reinvested into these entities. We need to constantly renew our electricity assets. They must be as close as possible to 100 per cent effective. One of the things we keep hearing about is the gold plating of these assets. In reflecting very closely on what the member for Capalaba said in

the last debate, it all depends on where you stand. It is gold plating if it is happening in a neighbouring area, but if it is being done on the assets in my area it is a necessary safety precaution. Talk of gold plating depends on where you stand. If it makes sure that your business has improvements, then I can see there is a very good case to make for the continual renewal of these assets.

**Opposition members** interjected.

**Mr DEPUTY SPEAKER:** Order! Those on my left! The member is not taking your interjections.

**Mr WHITING:** I want to talk briefly—and this was touched on in the report—about the importance of renewable energy in the electricity market. It is very clear that we are transitioning under this government to a renewable energy, low-emissions energy industry. We have a renewable energy sector that did not exist under the last LNP government.

We now have a nation-leading renewable energy industry with an estimated \$4.2 billion pipeline of projects underway or financially committed. At last count, 17 large scale renewable energy projects are underway. These will supply the energy needs for 520,000 Queensland homes annually. They will avoid the need to pump 2.8 million tonnes of carbon dioxide into the atmosphere. We have created CleanCo—Queensland’s new renewable energy publicly owned electricity generator. It will have a strategic portfolio of low- and no-emissions power generation assets as well. In closing, I want to say that it is very clear we are on the right track with our energy assets.