




Speech By
Brent Mickelberg

MEMBER FOR BUDERIM

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

 **Mr MICKELBERG** (Buderim—LNP) (3.30 pm): I rise to contribute to the debate on the State Development, Natural Resources and Agricultural Industry Development Committee's report on the Auditor-General's report into financial matters relating to energy. Labor has failed Queenslanders when it comes to electricity. Labor has loaded up more and more debt into state owned generators while at the same time using CS Energy and Stanwell as cash cows. It is clear that this Labor government's approach is to transfer the burden of its own poor decisions onto the people of Queensland.

In the last year Queensland state owned electricity assets generated profits of \$1.7 billion. That sounds okay apart from the fact that those profits came from the pockets of Queenslanders—Queenslanders who can ill afford the burden of more raids on their pockets. One-off \$50 sweeteners do not hide the fact that this government is using Queensland electricity bills to underwrite its poor financial management and reckless spending. Of great concern is the government strategy of piling as much debt as possible into government owned corporations. The committee heard that the debt-to-equity ratio of Queensland's public electricity sector was 76 per cent. Put simply, Queenslanders owe \$3 for every \$1 of public money in these entities. The higher the debt-to-equity ratio, the higher the risk.

The committee heard that one of the threats to the long-term viability of Queensland's energy generators is the rushed shift towards renewables. The fact is that public policy requiring a greater amount of renewables in generating capacity means that other power generation assets like coal-fired power plants may be worth less than they are now. Given that the government has decided to transfer existing renewable generation into a separate entity, this leaves the two entities that will only have coal generation assets in them in the form of CS Energy and Stanwell less financially stable over the long term. As the valuations of assets within CS Energy and Stanwell reduce in value, their respective debt-to-equity ratios will only increase.

It is pretty clear that a better course of action is to adopt the Productivity Commission recommendation of creating a diversified third generator. By maintaining a diversified generation base, as currently exists with CS Energy and Stanwell, we will maintain greater financial stability over the longer term. This is all the more important as Queensland's electricity generation capability transitions to a greater proportion of renewable technology, which the LNP supports. It is pretty clear that CleanCo is nothing but a Labor thought bubble. CleanCo's objective of 1,000 megawatt hours is already satisfied by the in excess of 1,100 megawatt hours of renewable generation that already exists within CS Energy and Stanwell, so CleanCo's mandate will see no additional renewable generation created.

The biggest single cost-of-living pressure on my constituents is their electricity bill. In my recent survey of Buderim residents, more than 50 per cent of residents expressed concerns about the cost of living and high electricity prices. High electricity prices were the biggest single cost-of-living pressure, with 33 per cent of residents in my electorate citing electricity as a significant burden.

Queensland's high cost of electricity means that elderly residents in Buderim retirement villages cannot afford to turn on their air conditioner on a hot summer day. It means that local sporting clubs like bowls clubs and hockey clubs increasingly have to scrimp and save just to keep the lights on. This is not some hollow political debate, and bickering between different levels of government is not going to fix the problem.

There is desperation across Queensland at the mere mention of electricity—desperation from cash strapped retirees, desperation from community groups just trying to get by and desperation from struggling businesses that are just trying to keep the doors open while the Queensland economy stagnates. We owe it to every single Queenslander to put aside ideological arguments and do something tangible to ease the burden of crippling electricity costs.