




Speech By
Michael Hart

MEMBER FOR BURLEIGH

Record of Proceedings, 15 October 2019

MATTER OF PUBLIC INTEREST

Electricity Prices

 **Mr HART** (Burleigh—LNP) (2.46 pm): I seek to raise a matter of great importance to Queensland householders and businesses. I refer, of course, to the high cost of energy, which is an essential service and a critical element in the cost-of-living pressures experienced by many right across the state. The LNP has been calling out the Labor government for its approach to electricity prices, which is really a secret tax whereby hundreds of millions of dollars is gouged from consumers each year to help prop up its fragile budget. There is already overwhelming evidence to support the contention that Labor has been extracting this tax through record dividends from government owned energy companies; however, last week we saw yet another example of it wanting to unreasonably ramp up electricity charges.

Thankfully for consumers, not only is the LNP alert to its tactics but the independent umpire for wholesale electricity and gas markets, the Australian Energy Regulator, has also called out the Queensland government for its approach to energy prices. Operating under the Competition and Consumer Act 2010, the Australian Energy Regulator has rejected submissions by Ergon and Energex with regard to how much they intend to charge customers over the next regulatory period 2020 to 2025. Without the scrutiny of the AER, which is endeavouring to protect consumers from these extra charges, Queenslanders would have been gouged—wait for it—a staggering \$1.4 billion over the next regulatory period. This amounts to an extra \$102 a year over and above what the national regulator has determined acceptable. Small businesses would face even higher charges.

If Labor seeks to challenge this decision it will reinforce just how out of touch this government is. Accordingly, the LNP calls on the Premier and her dodgy Treasurer to accept the independent umpire's decision to back consumers over profits and not appeal the decision of the AER. The AER has said that Ergon should claim \$727.9 million less than its proposal, which is \$5,787 million, and Energex should claim \$701 million less than its proposal. That is a staggering \$1,429 million.

I thought I would have a look at what the minister said about this because he had been very quiet before the LNP raised this issue. I table the minister's press release.

Tabled paper: Media release, dated 10 October 2019, by the Minister for Natural Resources, Mines and Energy, Hon. Dr Anthony Lynham, titled 'Energy Minister calls out LNP power bill porkies' [1832](#).

The minister's press release in part says—

Ergon and Energex proposed cuts to their network charges in January, and the national regulator proposes that those cuts could be a little more.

That is \$1,429 million—a little bit more. I wonder how many members in this House think that \$1.4 billion is just a little bit more. I do not think so, and I do not think the people of Queensland would accept that either.

What Ergon and Energex proposed was a 5.46 per cent rate of return on their money. This is a risk-free business; it is a regulated business. It has fixed debt level interest rates. They equate currently to a rate of return of \$4.87 billion, and the AER has said that is all those two companies should in fact claim. I want to quote one of the things that the AER raised. It said—

Our substitute estimate for ICT capex reflects our concerns that some elements of Energex's non-recurrent ICT programs cannot be delivered within the 2020-25 regulatory control period—

I understand that there are a couple of projects inside Energy Queensland. I understand that the geographic information system has in fact been scrapped at a cost of \$20 million or \$30 million. The ERP, the enterprise resource planning project, has been under testing since 2017 and it just does not work so that has been put on hold. I understand also that Treasury has possibly put out an edict to all its GOCs that there will be no more ICT implementations before the next election because they want to hide from their ICT failures. Only the LNP is capable of running this state.

(Time expired)