




Speech By
Lachlan Millar

MEMBER FOR GREGORY

Record of Proceedings, 14 October 2021

TRANSPORT AND RESOURCES COMMITTEE

Report, Motion to Take Note

 **Mr MILLAR** (Gregory—LNP) (3.05 pm): I also want to thank the committee for all the work that they do, led by the chair Shane King who does a good job, and Deborah Jeffrey and Zac who do a wonderful job in the committee. I am glad that I get an opportunity to speak on this. This is not boring; this is important information. I suggest that every member of this parliament read this Auditor-General's report into energy. It shows what we have been talking about for a long time. I know that the shadow minister for natural resources and energy has been talking about and banging on about this—where is the plan for the transition to renewables? Where is the plan?

If we look at this and go through some of the issues highlighted by the Queensland Audit Office, it is sober reading and it is disturbing. I am glad that the minister is here. I was hoping that the other stakeholder minister, the Treasurer, would be here as well as he should be reading this plan. As highlighted by the Auditor-General, in 2019-20 the energy entities recorded a combined profit of \$204 million. This was a decrease of \$1.5 billion, or 88 per cent, from the previous year. This profit reduction was largely due to the generators—CleanCo, CS Energy and Stanwell—because of lower electricity prices.

The increase in solar generation during the middle of the day has meant that, on occasions, supply for electricity is so much greater than the demand that power generators have to pay the market to take the electricity they generate. This is referred to as a 'negative price event'. That is very concerning. The lower energy prices in the middle of the day will result in increased losses for the energy generators if they cannot adapt to changes in energy demand.

This report also states that the Australian Energy Regulator decided what the maximum allowed revenues for Energy Queensland's distribution businesses, Energex and Ergon, would be for the next five years. This will reduce the revenues for Energex and Ergon by 15.8 per cent and 13 per cent respectively. We are seeing these assets, their revenue capabilities, decrease remarkably. This will have an impact on the dividends that we get from these energy companies, on the life of these energy companies and, more importantly, on the jobs and employment supplied by these energy companies—Ergon, Energex and all those generators—in regional Queensland, especially in western Queensland that has depots which need to be maintained. Over the past 20 years when the old electricity boards became Ergon in terms of regional Queensland, we saw more and more staff leave these companies which has had an impact on these regional towns.

We need a very good look at what we are doing when it comes to renewables and we need that transition plan. If we look in this Auditor-General's report, it is quite remarkable that the Auditor-General's office says—

We also plan to issue a report to parliament on how the state government is managing the transition to renewable energy.

One would think that the minister would commission a report, a transition plan, in terms of how they are going about it, but now we rely on the Auditor-General to do it? The minister has departmental staff, a whole department. Why is the minister relying on the Auditor-General, who has so many other things to do, to do his job? Surely the minister should be doing the job of showing us where this transition plan is going.

I am calling for a transition plan to renewable energy. Let's look at that plan and how it works. This report highlights that there are some issues we are dealing with that are putting pressure on these energy generators. Let's see that plan and debate it. That is what we are looking for. The loss of that amount of income—an 88 per cent reduction in profits in 12 months—is having an impact on how these businesses are operating. I call on the minister to do the right thing and give us a transition plan to renewables.