




Speech By
Trevor Watts

MEMBER FOR TOOWOOMBA NORTH

Record of Proceedings, 14 October 2021

TRANSPORT AND RESOURCES COMMITTEE : REPORT

Motion to Take Note

 **Mr WATTS** (Toowoomba North—LNP) (3.34 pm): I rise to make a contribution on the Auditor-General's report No. 11. It is interesting that the Auditor-General found that the energy entities recorded a combined profit of \$240 million. Profits have declined by 26 per cent. There was a lot of discussion about whether those assets should be sold. Some clever accounting was done and they were not sold but were mortgaged off to banks rather than private investors. Now they are not returning the same profits. We have a situation where the state owns the title of those things, but the profits are going down and the value is decreasing. In fact, Stanwell was written down by 19 per cent to \$720 million. You would not want to do that five years in a row because then it would be worth nothing. CS Energy was written down by 15 per cent to \$353 million. CleanCo was written down by eight per cent to \$35 million.

To the people of Queensland that means that, given the money that was borrowed a few years ago against those assets to fund current expenditure, potentially we start to enter a phase where they may be overmortgaged and we may need consolidated funds to pull us out of that. Whilst it might have been an interesting opportunity and a clever way to finance things to get out of a budget black hole, the difficulty is that those assets are now reducing in value but the debt is still against them and the people of Queensland will have to foot that bill eventually. A bit of intergenerational theft has gone on in the financing of those assets.

Interestingly enough, CleanCo reduced the value of its Swanbank E gas power station to zero. That asset will be difficult to sell even if someone had that inclination in the future. With a value of zero, not a lot of people would be interested in investing in that asset, including, I suggest, the government going forward.

I want to raise a couple of other issues. We have heard about the reduction in income of 88 per cent. That is significant because that income has been going into consolidated revenue. It is a bit of a strange thing because it goes into consolidated revenue but it comes out of Queensland taxpayers' pockets. Realistically, we want a really efficient energy network. We need an integrated plan to be able to come up with a way to manage this going forward. This is a critical resource for industry, for households and for everybody's life in Queensland. It has been a bit of a political hot potato. It has become the plaything of several people and cheap political shots are being made and taken. However, this is a critical resource that is fundamentally important to our manufacturing future and fundamentally important to our lifestyle. It should be an absolute priority for the minister to have a detailed transition plan for how we can achieve certain goals and outcomes without having to keep putting a hand into the taxpayers' pockets.

Another issue that I want to briefly talk about relates to my area. Toowoomba is on the Ergon Energy grid, even though Toowoomba itself has an urban footprint. There is a subsidy for the community service obligation to make sure that people who live in the far west can get power at a reasonable price,

and I agree with that. However, the people of Toowoomba are being unfairly charged for electricity in comparison to our cousins in the city because we do not have access to the same level of competition, even though most of the power that flows through the poles and wires in Brisbane has come straight through our footprint. I call on the minister to look seriously at that. It is disadvantaging industry and small businesses in Toowoomba from a competitive point of view because they have to pay more for electricity. If we really want to see the manufacturing hubs at Wellcamp and the Atlas project go ahead, we will need cheaper power. That situation with Ergon Energy should definitely be looked at.