




Speech By
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MEMBER FOR MIRANI

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MATTERS OF PUBLIC INTEREST

Electricity Prices

 **Mr ANDREW** (Mirani—PHON) (2.37 pm): Queenslanders have now endured two straight years of huge electricity price hikes, with prices set to rise again this year. According to Foodbank Queensland, many people have started reaching out for support for the first time in their lives. In January the charity reported—

We're finding people in secure rental accommodation, dual income families, mortgage holders, are also being impacted and experiencing food insecurity—sometimes going hungry, so missing a meal or going whole days without eating.

This rise in the number of households experiencing food insecurity comes as inflation and the cost of living surge. Driving all of it is the steep rise in electricity prices, not to mention insurance and rates.

To demonstrate the scale of the problem, the Australian Energy Regulator, AER, has reported that the number of households in energy debt is soaring, with 170,547 energy customers taking part in hardship programs at the end of 2021-22. That is 23,286 more than in 2018-19. Today, energy costs have significantly reduced the real incomes of Queensland households, particularly lower income working households, small businesses and those living and working in the regions. Such outcomes are unsustainable and will lead to wasteful and inefficient allocation of resources over time.

Today, Queenslanders are paying some of the world's highest electricity, gas and fuel prices. Electricity bills alone have increased more than 20 per cent over the last two years. Since 2009 in Queensland the average price of electricity has risen from \$35 per megawatt hour to \$160 per megawatt hour in 2023. That is a 357 per cent over little more than a decade. That is what happens when you implement policies that limit production and the use of energy, the lifeblood of a modern, industrialised society.

The current crisis is just a tiny taste of how painful this energy transition is going to be for Queenslanders. As well as reining in energy production and switching to less reliable methods, the government is intent on limiting and managing energy demand. The AEMO's draft 2024 Integrated System Plan emphasises the central role to be played by Australian households in this energy transition through the use of distributed energy resources. These distributed energy resources, or DERs, are a key part of the government's energy transition road map. They enable operators to strategically shift demand from peak to off-peak hours and shed demand on the grid during supply shortages by reducing consumption—in other words, rationing.

Restricting or eliminating the use of fossil fuels is only going to lead to higher inflation and food prices. Every step of large-scale food production relies on fossil fuels and their by-products. Fertilisers and pesticides are a by-product of natural gas production while plastics and other materials are by-products of both oil and gas. Large tractors run on diesel fuel. The steel necessary for farm equipment is made using coal. Transportation fuels move the food from farm to table and the list goes

on and on, and that is just for the agricultural industry. As a case in point, in the last two decades Germany has managed to boost its shares of wind and solar in electricity generation to about 40 per cent but could barely make a dent in the fossil fuel share of primary energy use which went from 84 per cent to 78 per cent. This fact alone should tell us the impossibility of what Labor is trying to do, and that is because the physical world is a lot harder to nudge than people.

The real reason green energy has utterly failed to reduce costs either at the pump or on the grid is because green energy is merely adding to fossil fuels and it is not substituting them. We are duplicating the grid with a costly, inferior system. Surely it is obvious to anyone that renewables plus backup is always going to be a lot more expensive than just backup alone. The reality is that we simply cannot run Queensland's modern industrialised economy on intermittent energy. It is impossible. We are not going to. Moreover, all of these new systems and technologies being added are creating so much complexity that it is going to be impossible to fix, yet what are we doing? We have more and more complexity, more and more inflation, more and more energy poverty and it is going to be more and more painful for ordinary workers and families. We urgently need a comprehensive review of the current whole market to compare with other models to see which is the best in terms of providing a reliable and economic supply. Continuing with the present flawed model, distorted by subsidies and price caps, makes absolutely no sense. I have one question: is your standard of living better or worse under nine years of this government and is it going to get worse again?