Question on Notice

No. 1526

Asked on 15 October 2019

MR S ANDREW ASKED DEPUTY PREMIER, TREASURER AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON J TRAD)—

QUESTION:

With reference to section 129(4) of the Government Owned Corporations Act 1993—

Will the Treasurer advise whether National Tax Equivalents Regime payments are remitted to Treasury and, if so, where are the windfalls spent by the Palaszczuk Government?

ANSWER:

Tax Equivalent Payments (TEPs) are paid by Government owned entities to reflect the value of benefits derived by not paying Commonwealth income tax that would otherwise be payable, in accordance with the principle of competitive neutrality. In 2019-20, total TEPs income is budgeted to be $764 million, with payments forecast to decrease to $600 million in 2020-21.

The Palaszczuk Government is committed to public ownership of these assets to provide ongoing benefits to Queenslanders. The Government uses returns from dividends and TEPs to help fund vital services for Queensland, such as public hospitals, schools and police, as well as investing in initiatives to reduce energy, water and transport costs for Queenslanders. If these businesses had been sold by the former LNP Government, the benefit of reinvesting dividends and TEPs would have been lost to Queenslanders.

Under the Palaszczuk Government's Affordable Energy Plan, dividends and TEPs from state-owned power companies are returned to customers through a range of initiatives including:

- A $50 per year rebate for household customers
- Rebates of $75 for regional households and $120 for regional businesses who pay their bills by direct debit
- The Solar for Rental trial in Bundaberg, Gladstone and Townsville
- Energy saver audits for agricultural customers and large industrial businesses to fund initiatives to reduce their power bills.

In 2018-19, energy dividends enabled the Palaszczuk Government to deliver $465 million in subsidies to ensure power prices in regional Queensland do not exceed prices in South East Queensland. In 2019-20, the Palaszczuk Government will provide $498 million to continue to subsidise electricity prices in regional Queensland.

For the most vulnerable electricity customers in our community, $267 million in dividends was reinvested for affordability programs and initiatives under the Affordable Energy Plan and in 2018-19, $100 million in dividends was paid straight back into Queenslanders' pockets with $50 wiped off 1.9 million household power bills.

Over the term of the Palaszczuk Government, electricity prices have, on average, not increased for a typical household. This compares to a 43 per cent increase for the average household when the LNP Government was in power.

Transport Services Contract (TSC) payments are made to Queensland Rail to provide rail passenger services at subsidised prices for commuter and long distance customers. The TSC is budgeted to cost $1.8 billion in 2019-20. In 2019-20, it is estimated that the Government will provide total Community Service Obligation and TSC payments of $2.3 billion.

In Mirani, the Queensland Government is investing in a number of key initiatives across areas including education, health and transport. In 2019-20, $13.4 million will be spent on important refurbishment and upgrade works for a number of schools in the area including Mirani State High School, Sarina State High, Koumala State School, St Lawrence State School and Alligator Creek State School. This includes $11 million allocated for a new multi-purpose performing arts and sports hall at Sarina State High, subject to detailed costing and scope confirmation. The $16.5 million redevelopment of the Sarina Hospital is also continuing, as part of the Government's Rural and Regional Infrastructure Package. In addition, the Queensland Government will contribute $17.5 million in 2019-20 out of a total $189.3 million on the Peak Downs Highway Eton Range realignment to reduce grade and improve safety for heavy vehicles (delivered in partnership with the Australian Government, subject to negotiations).