



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

PRIVATE MEMBERS' BUSINESS

Queensland: Energy

SPEECH

Monday, 3 December 2018

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

<p>Date Monday, 3 December 2018</p> <p>Page 35</p> <p>Questioner</p> <p>Speaker O'Brien, Ted, MP</p>	<p>Source House</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
--	---

Mr TED O'BRIEN (Fairfax) (11:27): I move:

That this House:

(1) recognises that:

(a) many Queensland families are struggling with cost of living pressures and many small businesses are being crippled by the cost doing business;

(b) the primary responsibility for lowering power prices for Queensland families and small businesses lies with the Queensland Government; and

(c) the Queensland Government is ripping off everyday Queenslanders through a sophisticated scam that funnels billions of dollars into government coffers;

(2) calls on the Queensland Government to:

(a) immediately pass on recent reductions in wholesale prices to customers in full;

(b) end the network 'gold plating', write down regulated assets and accept a lower return so that Queenslanders can be charged less;

(c) provide adequate subsidies to Queensland families and businesses in recognition of the interest they have been paying on unnecessary debt carried by state-owned electricity businesses;

(d) increase competition in the Queensland electricity market by splitting the two state owned generators into three viable businesses with 'fair dinkum' electricity generation; and

(e) be honest with Queenslanders by informing them of the real cost of increasing the supply of unreliable electricity to meet Labor's 50 per cent Renewable Energy Target; and

(3) acknowledges that if the Queensland Government was prepared to take serious action, electricity prices could be lowered immediately for millions of hard working Queensland families and hundreds of thousands of small businesses.

If you want a sneak preview into how the Labor Party would manage its national energy policy, look no further than its comrades in Queensland and the horror story which is the Queensland energy sector. Most times when you talk about Labor and management, you could call it out for those two words almost being an oxymoron. But there are times when, by virtue of having government, Labor are forced to manage, and in Queensland what they are showing is not just the typical habit of Labor unconscious incompetence but, in fact, wilful deceit—wilful deceit where they are effectively ripping off everyday Queenslanders to put more money into the coffers of the Queensland Labor government. This is nothing short of a sophisticated scam, involving a myriad of feedback loops, that converts money earned by hardworking Queenslanders into political power by the Labor Party in Queensland. They prey on people enjoying the opaque system that the energy market represents in Queensland. And they do so to the tune of a quarterly bill every single year for the average household—in other words, about \$468 is being effectively stolen out of the pockets of everyday Queenslanders because of the Queensland Labor government's management of the electricity system.

If you are wondering why these claims can be made about Queensland in particular, it's because the Queensland government controls 65 per cent to 70 per cent of the power generated in my state. It's because they operate in every single sector of the supply chain in Queensland. Nobody has more power, when it comes to energy, than the Queensland Labor government, and yet they rip Queenslanders off to the tune of a quarterly bill every single year.

To put it differently, 25 per cent of your next bill, as a Queenslander, could be removed if the government stopped its rip-offs. Imagine what that would do to the pensioner who right now is sweating and finding it difficult in the heat in Queensland. Imagine what it would do to the family that's trying to get enough money together to cook the Christmas ham in a few weeks time if 25 per cent of the bill could be wiped out.

So the rip-offs start, and there are three key areas where the rip-offs take place. First, the Queensland government has overinvested in poles and wires to the tune of \$7.3 billion. The overall asset value is \$28 billion, \$7.3 of which represents an overinvestment. Why do they do this? They do this because the more they invest, the more they can charge consumers, and when you own the companies that's what happens. That is why they need to partially write down those assets and they need to accept a lower return on investment on those assets.

Second, we have seen a drop in wholesale prices thanks to the pressure of the federal coalition government. From October to October, there was a 40 per cent drop in wholesale prices. Has the Queensland government passed on those wholesale prices, especially in regional Queensland where they themselves are, in fact, the retailer? No, they have not. This 40 per cent drop has been converted into 1.8 per cent, tops, which they've taken off their bill—a complete rip-off on the cost of energy. Meanwhile, of course, they've got a debt-to-dividend rip-off going on where they say to the utilities, 'You take on debt, state utility,' and then they call that money back as a special dividend, effectively laundering money, and then—wait for it!—they charge them an interest payment of 4.8 per cent on top. This is a complete rip-off by the Labor government in Queensland, which should separate its two generators into three. They should be split. It should stop paying a subsidy to only their regional retailer in regional areas and pay that subsidy to customers instead.

What we need to have in Queensland is what we are doing federally. We need to take a big stick to those who are price gouging. We need to ensure we have a price safety net. We need to ensure that we back reliable energy and get rid of the Queensland rip-offs from the Labor government. That's what's required. (*Time expired*)

The DEPUTY SPEAKER (Mr Goodenough): Is the motion seconded?

Mr Christensen: I second the motion.