



Speech by

Andrew Cripps

MEMBER FOR HINCHINBROOK

Hansard Wednesday, 3 December 2008

MOTION: ELECTRICITY PRICES

Mr CRIPPS (Hinchinbrook—LNP) (5.57 pm): I am pleased to support the motion moved by the Leader of the Opposition and seconded by the shadow minister for mines and energy. The Beattie-Bligh Labor government's promise that no-one would be worse off after the deregulation of Queensland's electricity industry today lies in tatters after yesterday's announcement by the Queensland Competition Authority that tariffs will increase by 13.6 per cent from July 2009. This 13.6 per cent increase comes on the back of a 5.4 per cent increase announced in late June this year, representing an almost 19 per cent increase in less than six months. Such a dramatic increase will create serious difficulties for families and small businesses already struggling with higher rents, food prices and the effects of the global financial crisis.

Every Queenslander has the right to feel angry with the Bligh Labor government. The state Labor government said that Queenslanders would not be worse off following the deregulation of the electricity industry. The last time there was a substantial increase in the electricity tariff—a 5.4 per cent increase in late June this year—the mines and energy minister tried to spin the announcement to make it look as though a 5.4 per cent tariff increase should be welcomed simply because it could have been as high as seven per cent. The Minister for Mines and Energy, after the 13.6 per cent increase yesterday, threw up his hands and claimed that he could do nothing about it. As the member for Callide has pointed out already, the Minister for Mines and Energy is misrepresenting his capacity in this regard. What a lame duck!

The affordable supply of electricity stands next to the secure supply of electricity as one of the most important services the state government is responsible for. In this regard, the Bligh Labor government is failing dismally. Honourable members know that I am a proud north Queenslander, where hot tropical summers make air conditioning a must for hospitals, aged-care facilities and school classrooms while demand for air conditioning is increasing in family homes, office buildings and other business premises.

The impact on north Queenslanders of this significant increase in the tariff is compounded in that area by the desperate need for a baseload power station. North Queenslanders already pay higher prices for electricity in comparison to customers in central and southern Queensland due to the addition of transmission charges. North Queensland electricity consumers do not need this 13.6 per cent increase in the electricity tariff—just like we did not need the previous 5.4 per cent increase in the tariff—to exacerbate this disadvantage. North Queenslanders will again pay more for electricity because the state Labor government has failed to deliver additional baseload power capacity and it is hurting north Queensland families and businesses. North Queensland industry and stakeholder groups have been going blue in the face crying out for a much-needed baseload power station in north Queensland for years.

During an estimates committee hearing earlier this year, the opposition asked the Deputy Premier if he would commit to provide funds for, or announce a rock-solid date for the commencement and completion of, a north Queensland baseload power station. The Deputy Premier refused to make such a commitment, suggesting instead that the state government would leave market forces to determine when energy generators construct a baseload power station in Queensland. I heard a lot of bluster and bravado from the Deputy Premier this morning about the need for the state government to lead Queensland

through these tough and difficult economic times by building infrastructure that would generate jobs, but what a cop-out.

The Deputy Premier and the government confirmed in that estimates committee hearing that it will not provide any leadership to secure the delivery of a much-needed baseload power station in north Queensland to meet increasing commercial, industrial and residential demand. The Deputy Premier thinks he can come into the parliament and talk the talk but he cannot or he will not walk the walk in the interests of north Queensland.

The Bligh government is saying that business can build it when the demand is there, but business has been consistently saying, in no uncertain terms, that they want the government to provide leadership and facilitate the much-need infrastructure to give them the confidence to invest in the region and provide jobs. The Deputy Premier should listen to his own advice in this regard.

Given that the significant increases in the electricity tariff that are being implemented under the current Minister for Mines and Energy are compounded for north Queensland electricity customers by high transmission costs, north Queensland electricity customers need the protection of the ministerial veto on electricity tariff increases that this motion calls for because the government is sitting on its hands in relation to a north Queensland baseload power generator. I have heard all the hollow rhetoric from the Minister for Mines and Energy about standing up for the battlers. There are plenty of battlers in north Queensland who are suffering from these huge tariff increases and from high additional transmission charges, and the Bligh Labor government and the Minister for Mines and Energy are not lifting a finger to do anything about it.