



ELECTRICITY EXECUTIVE BONUS FREEZE

**Giving Families and
Businesses a Fair Go**

A Tim Nicholls-led Liberal National Government will freeze executive bonuses at Queensland's government energy businesses until electricity prices decrease to give families and businesses a fair go.

The Problem

Labor has been using electricity prices as a secret tax, hurting families and small businesses.

The LNP understands that families can't continue to face skyrocketing electricity prices. Enough is enough. It's time families were given a fair go.

In the past decade electricity prices have increased by 109 per cent. Under Labor, electricity prices have hit record highs. The Palaszczuk Government has overseen 70% increases in wholesale electricity prices. In 2017-18, households are paying \$50 more than the previous year and small business is paying \$100 more.

Meanwhile, the bonuses and remuneration of executives at the government-owned energy businesses have increased nearly as much as electricity prices. The total remuneration of some executives has doubled over the past 10 years.

Under Anastacia Palaszczuk's watch, some government energy company executives are earning over \$900,000 a year, and have received bonuses of more than \$100,000.

For too long Labor has used power prices as a secret tax.

Labor has propped up its ailing budget by ripping out increasing dividends from the government's electricity generators. Without these dividends, Labor's budget would be in deficit in 2017-18 and 2018-19.

**\$1400 power bill
leaves family
battling to keep
their home**

Source: Queensland Times 09/08/17

**Hikes in power prices
are crippling businesses
in North Queensland**

Source: Townsville Bulletin 09/06/17

**Guess who pays for
extraordinary profits
in electricity supply
game**

Source: Queensland Country Life 22/08/17

Our Real Plan

A Tim Nicholls-led LNP Government will freeze executive bonuses at Queensland's government energy businesses until electricity prices decrease to give families and businesses a fair go.

The Queensland Government sets performance metrics for every government business every year. Executives are paid bonuses based on their ability to meet these metrics.

In line with the LNP's energy policy to provide affordable and reliable electricity, we will set these performance targets to reduce electricity prices and maintain reliability.

Unless these price-lowering and reliability targets are met, executive bonuses will be frozen.

This action will provide long-term and sustainable downward pressure on electricity prices. The LNP is aligning the focus of government businesses with our energy policy – to reduce costs for Queensland families.

Source: The Courier Mail 14/03/17

**Brisbane electricity: Power
bills double in past decade**

To learn more about Our Plan visit
betterqueensland.org.au

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Frequently Asked Questions

How many executives will this impact?

The bonus freeze will apply to the top executives of the government energy businesses. These top executives have their remuneration disclosed in Annual Reports as “key management personnel”. This policy will apply to around 30 top executives at Powerlink, CS Energy, Stanwell, Energy Queensland, Energex and Ergon.

Will this policy apply to the electricity generators?

Yes. Wholesale electricity prices have increased by 70 per cent under Labor. This spike in wholesale electricity has led to record high electricity prices for Queenslanders. While the electricity generators operate in a competitive market, the executives of these government businesses will be set performance targets aimed at reducing the price of electricity.

Aren't network prices locked in?

Labor has locked in network prices in Queensland for Powerlink until 2022 and for Energex and Ergon until 2020, however there are opportunities to pass savings back to customers at the end of regulatory periods. We can't wait years before we start taking action to lower electricity prices.

Has this been done before?

An executive bonus freeze to lower prices has never been applied to Queensland's government energy businesses. In 2012, the LNP froze executive bonuses at Queensland Rail until reliability improved. This saw Queensland Rail go from the worst to the best on-time running in Australia, a record that has been destroyed under Labor.

How is Labor using electricity like a secret tax?

Annastacia Palaszczuk is using electricity like a secret tax by:

- ripping out 100 per cent dividends from the Government's energy businesses
- loading \$5 billion of debt onto the Government's energy businesses, and
- allowing government-owned generators Stanwell and CS Energy to price gouge and drive up electricity prices.

When Andrew Fraser was Labor's Treasurer, he wrote to the Federal Government arguing that government-owned network businesses should be able to charge families and small businesses more for electricity to plug a budget black hole. Labor also merged the government-owned generators from three to two – reducing competition and driving up electricity prices.

Annastacia Palaszczuk was forced to scrap Labor's election promise to merge the two remaining generators into a single “mega” generator. Had this occurred, wholesale electricity prices would have increased by 30 per cent.

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Together, Let's Build a Better Queensland