




Speech by

Jann Stuckey

MEMBER FOR CURRUMBIN

Hansard Tuesday, 6 September 2011

ELECTRICITY PRICE REFORM AMENDMENT BILL

 **Mrs STUCKEY** (Currumbin—LNP) (7.40 pm): I rise to join the debate on the Electricity Price Reform Amendment Bill 2011, introduced by the Minister for Energy and Water Utilities, the honourable member for Stretton, on 15 June 2011. This bill seeks to amend the Electricity Act 1994 and the Electricity Regulation 2006 to allow for the replacement of the current benchmark retail cost index methodology for determining notified electricity prices. In addition, it provides a legislative framework to allow the Queensland Competition Authority to develop a new electricity pricing methodology and retail tariff structures to commence from 1 July 2012. Amendments are also proposed to the Electricity Act 1994 to make changes to the conditions of eligibility for connection to the Queensland Solar Bonus Scheme to commence retrospectively from 8 June 2011. As honourable members have already heard from the shadow minister, the honourable member for Buderim, we on this side of the House support abolishing the current electricity price structure and will give our support in principle to this bill but place on record that we are very cautious of changes to electricity prices without knowing how they will be determined. Given former Labor Premier Peter Beattie's irresponsible promise that no Queenslanders would pay more for electricity under his reforms, we know this Labor government cannot be trusted.

This bill has been introduced as a result of the Queensland Competition Authority review into electricity prices and tariff structures instigated in 2009 by the Premier and the Treasurer. The Bligh government is proposing significant changes to the way electricity prices are determined in Queensland, which begs the question as to why this legislation could not pass through the new parliamentary committee system. There it would be subject to bipartisan scrutiny—a fair call considering the magnitude of the changes proposed and their widespread effect, reaching every household across the state; a fair call considering the lack of detail around electricity pricing at a time when Queenslanders are struggling to meet basic cost-of-living items, items that have soared in cost under this Labor government. The honourable member for Buderim moved to have this bill referred to the Environment, Agriculture, Resources and Energy Committee, but once again Labor used its numbers to sidestep the newly implemented process for accountability and consultation. It did not take Labor long to short-circuit its own rules for personal gains.

To facilitate these changes, this bill purportedly seeks to remove reference to the current BRCI methodology in the Electricity Act 1994 and install a more enabling legislative framework with enough flexibility to deal with any identified policy changes or market upheavals. As stated in the explanatory notes, this includes any future carbon costs or additional costs associated with environmental obligations to be captured and passed on to the end user—that is, Queensland households. It is these comments pertaining to carbon costs that are of most concern to the LNP. The good folk of Queensland have copped a flogging from this state Labor government over the past decade, with soaring utility costs slugging everyday families, pensioners, charities and businesses. Now the imposition of the federal government's looming carbon tax—one of the stated reasons for the upheaval of electricity pricing legislation—will add further burdens to already struggling Queenslanders right across the state. This is a tax on our weekly grocery bills, a tax on our family homes, a tax on small businesses and a tax on our tourism,

manufacturing, aviation and transport industries, not to mention electricity. Clearly, this debate is about accommodating the impacts of the federal carbon tax on electricity pricing here in Queensland.

As the shadow minister highlighted, the QCA review and this subsequent bill are paving the way to pass carbon costs on to the end user—the consumer. This arrogant, debt-laden government likes taxing Queenslanders. Each time its incompetence is revealed, it brings in another tax. This time it is supporting its federal Labor mates while Queensland's Minister for Tourism, Manufacturing and Small Business—also known as the 'Minister for Hide and Seek'—told operators trying hard to keep their heads above water to 'just wait and see'. Comments from CS Energy CEO David Brown during the estimates committee hearing confirmed that the carbon tax is going to hit electricity generators hard. Queensland Treasury modelling revealed that the average Queensland home will be slugged with a \$190 price hike on their annual power bill next year due to the carbon tax. The impact on our state's economy is looking bleak, to say the least.

Treasury modelling says that the carbon tax will cost the state budget between \$251 million and \$360 million each year, totalling \$1.2 billion between now and 2015-16 due mainly to lost revenue from our state owned electricity generators. But the Prime Minister brushed aside this significant financial impact and instead tried to sell us on the increased value of our state's green energy assets, which will be a pittance compared to the loss suffered. And it is no secret that our manufacturing industry has been ground to a pulp by successive Labor governments and that many green energy products, like solar, are sourced from overseas. There are no jobs for Queenslanders there. On top of this, energy retailer AGL has warned that the impending LNG export boom will actually mean that the cost to power Queensland's generators, which are becoming increasingly dependant on gas, could soar as the generators face gas costs at export market prices.

Further provisions in this bill will tighten eligibility for the Queensland government's Solar Bonus Scheme—another sign of a government failing to keep its head above the rising tide of debt, a government unable to afford its own policies. A cap will be introduced of five kilowatts and a limit of one photovoltaic generator system per premises will be eligible for the feed-in tariff of 44c per kilowatt paid back to the household for any excess power generated by their system. According to the minister's second reading speech, the average household simply wishing to generate power for everyday use should still be covered. However, the restrictions are aimed at those installing large systems, up to 30 kilowatts, for investment purposes. We heard this evening from the shadow minister, the member for Buderim, of a case of a gentleman in Mudgeeraba who simply wanted to purchase a 10-kilowatt system and who had that request rejected. The new provision will apply retrospectively to systems installed after 8 June 2011, but systems put in before this date will not supposedly be affected.

I want to commend residents in the suburb of Elanora in my electorate for their eagerness to embrace solar power. Elanora rated third highest in terms of solar panel installations for homes on the Gold Coast in the last financial year, with 554 connections made in that time. However, in the last five years electricity bills have increased by 63 per cent under Labor. In real terms, that equates to a rise of \$700 on the average household bill since 2006. Cost of living, including high electricity, water and car registration fees, rated overwhelmingly as the No. 1 concern for some 3,000 respondents to my electorate-wide survey last November. Sadly, I am sure the number of those affected would have increased substantially this year as further cost increases hit households in the new financial year. I was wondering what residents in Labor members' electorates are telling them, but then I realised that they probably do not ask because if they did they would hear how angry people are not just about electricity prices but about every other thing they use on a daily basis.

All Labor members are in complete denial, refusing to believe that their government could possibly do any wrong, pouncing on LNP members who dare to carry the concerns of their constituents into this parliament, accusing them of talking down Queensland. What a lot of rot! I challenge those members to survey their constituents and listen to what they are saying.

According to figures released by the QCA in the September 2010 quarter alone, 5,873 households, including 1,137 pensioners, had their power cut because they could not pay their bill. In that same period, 6,246 were participating in a hardship program as they struggled to pay off their bills. In May the QCA announced a 6.6 per cent rise in 2011-12 electricity prices—higher than the expected 5.83 per cent proposed in December. The real shock came, though, with the revelation that the greater than expected price rise was actually due to thrifty Queenslanders not using as much electricity as predicted over the recent cooler summer. As such, the cost to maintain and repair Queensland's extensive electricity network was not fully recovered from consumers' electricity bills. This paved the way for the government owned distributors, Ergon and Energex, to recoup their losses through a greater price increase.

Regardless of need, proposals for upgrades to electricity infrastructure through established communities are not often well received by residents. However, after enduring enormous stress and countless hours of lobbying and public protests, the shock announcement by the minister during estimates to suspend and review the Energex Mudgeeraba-Tugun network upgrade has resulted in mixed feelings amongst the local community. Members of Stop The Overhead Powerlines, while pleased at the

decision not to proceed, have approached the announcement with caution as they do not trust this government and view it as a stay of execution, so to speak.

Mr Robertson: You just have no joy in you, do you? Nothing makes you happy.

Mrs STUCKEY: The thought of facing another exhausting, emotional campaign in 12 months time is too much for some of these devoted residents to contemplate.

Mr Robertson: You've got to be a 'glass half full' girl at times, you really do.

Mrs STUCKEY: I would like to place on record that the minister has absolutely no compassion for the people in my electorate because he is interjecting as I talk about the difficult times.

Mr ROBERTSON: I rise to a point of order. I find that comment untrue and offensive and I ask her to withdraw.

Mr DEPUTY SPEAKER (Mr Wendt): Order! Member for Currumbin, the minister finds those comments offensive and he asks you to withdraw.

Mr Robertson: The decision I took was all about compassion for the people in your electorate.

Mr DEPUTY SPEAKER: Minister, order! Member for Currumbin, he has asked for a withdrawal. He finds the comments offensive. I would ask you to do so.

Mrs STUCKEY: I withdraw. Just like the water debacle and copious pieces of legislation all designed to—

Mr Robertson: The Sophie Mirabella of the Queensland parliament.

Mrs STUCKEY: Now the minister is muttering as he walks around the chamber, not even in his seat. I want to tell the people of Currumbin that this is very offensive to a speaker who is on their feet trying to defend them. Just like the water debacle and copious pieces of legislation all designed to slug the poor old consumer, this latest electricity bill is almost certain to do the same. Beattie's promise that electricity prices would not go up as a result of Labor's electricity reforms still rings loudly in many Queenslanders' ears, and Campbell Newman and the LNP will not let them forget.