

~~government has released a strategy that outlines key actions that we will take to implement a best practice framework for the recommencement of uranium mining in Queensland. Although we are working to remove the barriers that the former Labor government imposed for decades, the reality is that uranium mining will not commence until there is a global commercial demand for it.~~

~~Just for the record, let me confirm that there are no plans for uranium to be exported through any Queensland ports. We are establishing strict guidelines for the transportation of uranium and commercial and regulatory realities mean that existing ports in Darwin and Adelaide will be used. However, I must say that I very pleased to note that the youth act supports the Newman government's agenda and is looking to the future. Unlike our predecessors, we are providing industry with the right environment to grow and take advantage of commercial opportunities when they present themselves. We are working to reduce red tape and regulation, which has stifled our agricultural and resource industries for far too long. We are also working to boost our agricultural industries by pursuing long overdue reform in vegetation management, land management and water management in Queensland. This will help create opportunities for farming businesses to expand cropping operations in order to meet our target of doubling food production by 2040.~~


~~Meanwhile, we are developing a 30-year vision and action plan through the Resources Q initiative to help us make Queensland a world-leading mining jurisdiction. I would certainly like to congratulate the youth parliament members of 2013 for their efforts in this program and look forward to supporting the members of the 2014 program in their endeavours. I table a copy of the 2013 Youth Parliament Agricultural and Mining Co-Existence Youth Act and commend it to the House as interesting reading—an insight into the open minded, progressive and interesting views of our youth parliamentarians in Queensland—and congratulate the YMCA on this enduring initiative.>~~

~~Tabled paper: Youth Parliament Agricultural and Mining Co-Existence Youth Act 2013.~~

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<ELECTRICITY COMPETITION AND PROTECTION LEGISLATION AMENDMENT BILL

Introduction

 **Hon. MF McARDLE** (Caloundra—LNP) (Minister for Energy and Water Supply) (12.00 pm): I present a bill for an act to make consequential and other amendments of the Electrical Safety Act 2002, the Electricity Act 1994, the Energy and Water Ombudsman Act 2006, the Gas Supply Act 2003, the Queensland Competition Authority Act 1997 and the Retail Shop Leases Act 1994 for the National Energy Retail Law (Queensland) Act 2014, and for other purposes. I table the bill and explanatory notes. I nominate the State Development, Infrastructure and Industry Committee to consider the bill.

Tabled paper: Electricity Competition and Protection Legislation Amendment Bill 2014.

Tabled paper: Electricity Competition and Protection Legislation Amendment Bill 2014, explanatory notes.

The bill before the House removes retail price regulation for small domestic and business customers in South-East Queensland, establishes a more effective market monitoring regime and makes amendments to existing laws to support the application of the National Energy Customer Framework in Queensland to be enabled by the National Energy Retail Law (Queensland) Bill. For the sake of clarity, for the purposes of this bill alone, when I refer to 'South-East Queensland' I mean the area in which electricity is supplied by Energex.

This bill represents a major reform to Queensland's electricity sector. When this government came to office we inherited a system that has seen prices rise by 73 per cent in five years. We inherited a system that was bloated and rife with the effects of government intervention. We inherited a system that was seeing demand falling yet network costs increasing. We inherited the Solar Bonus Scheme which has been one of the biggest drivers of the recent price increases. In short, we have a system that is broken and if it is not fixed we will see electricity prices continue to rise.

In 2012 the Newman government set up the Independent Review Panel on Network Costs. Its report fed into the Interdepartmental Committee on Electricity Sector Reform which laid out the framework to reform the sector into the future. The Newman government for the past two years has set about putting in place the recommendations of the Interdepartmental Committee on Electricity Sector Reform to correct the system. This includes reducing billions of dollars in capital spend on poles and wires, reforming network reliability standards and dealing with the Solar Bonus Scheme.

This bill I am introducing today represents the next step in the Newman government's reform agenda and implements recommendations 4.6.1, 4.6.2 and 4.6.3 of the IDC report.

The removal of retail price regulation for small customers in South-East Queensland and the introduction of market monitoring is designed to increase competition. Competition will drive better outcomes than regulation for customers in terms of choice, efficiency, customer service and price discounts. The reform is a central element of the Queensland government's substantial energy reform package driving a more efficient and responsive sector. The introduction of the bill today will enable consumers in South-East Queensland to exercise greater choice in the way they use and pay for electricity. We know competition is already in existence because the market already offers prices lower than those set by the regulator. The QCA, in its 2014-15 draft determination on regulated prices, states that as at December 2013 there were 69 market offers available to domestic customers of which 38 offer prices lower than the tariff 11 notified price. These market prices provide customers with a range of contractual terms and conditions combined with other incentives like pay-on-time discounts, cash rebates for joining a retailer, retailer funded feed-in tariffs and points for loyalty schemes. The maximum discount available to domestic customers is 12.6 per cent at present. But we can do more to challenge retailers to offer better prices and a greater range of products and services. To achieve these results we must remove the barriers to retail competition in South-East Queensland such as price regulation to open up the retail market to greater competition and innovation. In particular, the move to market monitoring will reduce red tape, allow retailers to offer innovative products, including pricing to better match the needs of their customers. Over time this will drive a better market which places downward pressure on costs. This is good news for small customers in South-East Queensland, although it will take time to see these benefits flow through.

There is still more work to be done before we introduce competition in regional areas and therefore consumers in these areas will continue to have access to regulated prices set by the QCA. We are now working to develop a longer-term reform strategy for regional Queensland, including arrangements that will allow competition to thrive in regional Queensland. To be sure that customers in South-East Queensland can benefit from the move to market monitoring my department has identified and consulted on five key preconditions that must be met before price regulation can be removed. The first is confirming that there is sufficient competition in South-East Queensland. There are already strong indications that this is the case. We are confident that this will be confirmed in September 2014 when the Australian Energy Market Commission reports on the state of retail market competition across all jurisdictions in the national electricity market. The second is to ensure that consumer protections are in place. Consumer protections will be strengthened through the National Energy Retail Law (Queensland) Bill to implement the National Energy Customer Framework in Queensland. The third is to improve customer engagement in the market. Customers need to be able to understand and engage in the market to ensure they can gain from this reform. In my opinion, customers and their protection is central to this legislation. Work is already underway on a strategy to communicate the benefits of the reforms to customers and encourage them to engage in the retail market and make effective decisions. The fourth is to establish a strong framework to oversee the market. We need to ensure retailers act fairly and the price paid is also fair. The QCA will play a key role in overseeing the operation of the market, including price changes and the packages put together by retailers. This will help customers to better understand and take advantage of the choices on offer and will keep the government fully informed about the market. The role will complement the existing market functions of the Australian Energy Regulator and the Australian Energy Market Commission.

The bill includes a reserve power to allow me as minister to re-introduce price regulation if it is determined independently that competition is not functioning. To ensure certainty for industry, this power is subject to a number of clear criteria being met. As regulated prices will no longer apply in South-East Queensland and these generally form the basis for small customer tariffs outside South-East Queensland, the fifth precondition is to establish a suitable price setting method for regional Queensland in 2015-16. Access to regulated prices will be maintained for customers outside South-East Queensland and the government will continue to provide support for these customers. In 2014-15, customers in regional Queensland will receive more than \$600 million in support through the community service obligation. I have sought advice from the QCA on potential price setting options to assist the government in developing a suitable approach to setting prices for regional customers. Work is now underway on a longer-term reform strategy to bring the benefits of competition to regional Queensland. My department has consulted widely on these reforms and preconditions, including through the 30-year electricity strategy process. The approach and preconditions have been well supported by consumer groups and industry.

It is clear that Queensland's electricity system is under stress. A big part of the problem we are facing is that the former government gold plated the network. Many people are also using less electricity as a result of new technology, but the poles, wires and other equipment still need to be paid for. The cost of environmental schemes such as the solar bonus scheme, carbon tax and renewable energy schemes are compounding the problem. Greater competition is only one part of the answer. The reforms the Newman government is delivering will build a solid foundation for the electricity industry to support Queensland's people and economy. All Queenslanders have a role in creating our future and, unless we all take charge of the way we buy and use electricity, prices will continue to rise. The bill I am introducing today will encourage retailers to offer more flexible products at the best price and enable Queenslanders to benefit from the exciting changes ahead for the electricity sector. I commend the bill to the House. >

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First Reading

Hon. MF McARDLE (Caloundra—LNP) (Minister for Energy and Water Supply) (12.09 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.


Bill read a first time.

Referral to the State Development, Infrastructure and Industry Committee

Mr DEPUTY SPEAKER (Dr Robinson): Order! In accordance with standing order 131, the bill is now referred to the State Development, Infrastructure and Industry Committee.

~~<NATIONAL ENERGY RETAIL LAW (QUEENSLAND) BILL~~

Introduction

 **Hon. MF McARDLE** (Caloundra—LNP) (Minister for Energy and Water Supply) (12.10 pm): I present a bill for an act to establish a national energy customer framework for the regulation of the retail supply of energy to customers, to make provision for the relationship between the distributors of energy and the consumers of energy, to amend this act, the Electricity National Scheme (Queensland) Act 1997 and the National Gas (Queensland) Act 2008 for particular purposes, and for other purposes. I table the bill and the explanatory notes. I nominate the State Development, Infrastructure and Industry Committee to consider the bill.

Tabled paper: National Energy Retail Law (Queensland) Bill 2014.

Tabled paper: National Energy Retail Law (Queensland) Bill 2014, explanatory notes.

The bill establishes the national energy customer framework for the regulation of the sale and supply of electricity and gas to consumers. The bill also amends the framework to ensure the arrangements are the best for Queensland. It amends the Electricity National Scheme (Queensland) Act 1997 and the National Gas (Queensland) Act 2008 for particular and other purposes. This bill, together with the Electricity Competition and Protection Legislation Amendment Bill, represents further reform to Queensland's electricity sector. The government agreed to implement the national energy customer framework in Queensland as part of its response to the Interdepartmental Committee on Electricity Sector Reform. For the past two years, the Newman government has set about implementing the recommendations of the Interdepartmental Committee on Electricity Sector Reform to correct our electricity system. This bill will support the reform strategy to maximise the benefits of competition, while protecting consumers. The bill will also enhance the outcomes of other reforms, including the move to market monitoring in the south-east, contained in the Electricity Competition and Protection Legislation Amendment Bill.

As I mentioned, the bill contains clauses to give effect to the national energy customer framework. NECF is the consumer protection framework for consumers of electricity and gas. The government agreed to implement NECF as a key means for better protecting customers and driving retail market competition. The framework does this in three key ways. Firstly, it enhances protections and support, certainly for those struggling with their bills. For example, it will compel retailers to comply with hardship policies designed to help customers to manage their bills on an ongoing basis.