



Speech by

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Hansard Tuesday, 23 November 2004

ELECTRICITY AMENDMENT BILL; ELECTRICITY AMENDMENT BILL (NO. 2)

Mr LANGBROEK (Surfers Paradise—Lib) (6.23 p.m.): I am pleased to rise to speak on the Electricity Amendment Bill and offer the Liberal Party's support for this initiative. We certainly recognise the need to move away from fossil fuels as they are an environmentally damaging form of power generation and we need to move towards a more stable method of electricity generation. This is very welcome. As we have heard previously, electricity manufacturing makes up a higher proportion of Queensland's energy consumption than any other single factor.

If Queensland is going to keep in step with the ever-increasing awareness regarding the interplay between industry and the environment, moves must be made to diversify the production of electricity. One of the best ways to do this is to increase competition and let market forces secure a more efficient marketplace. This creates an interesting situation. If we are to get diversity in the electricity production market, we need to promote more sustainable methods of electricity production over those that have been used and made efficient over decades of production. That is to say, to create an efficient marketplace and secure environmental security through diversification, we actually need to sidestep market efficiency in the interim to move forward on a more sustainable path.

The gas industry is an infant when compared to the coal electricity industry and it will be some time before methods of production and efficient market schemes fall into place. As with any situation where governmental control tampers with market forces, the Liberal Party has a number of reservations. In this instance the first reservation I would put on record is the inevitable increase in the cost of electricity as a result of imposing burdens on electricity production. The increase in cost will, firstly, come from the fact that at present renewable energy and gas are far more expensive than coal production. The cost of electricity is a major concern for consumers, whether they are households or businesses, and an increase that is too burdensome may result in unforeseen consequences further down the electricity consumption line. While I recognise that it is very important to balance the environmental future with the needs of industry, one must be careful to do just that: balance and not overstep the mark and create an energy system that will impose costs on business disproportionate to the benefit to the environment.

This increase in cost will also come by way of the need for improved and extensive gas infrastructure. I find it very interesting that, while the government seems content to impose a production burden on manufacturers, it will not assist them with the setting up of the facilities to actually produce the new product. While it is all very noble for the department to go on the record and say that it is playing a strategic role in facilitating this new scheme, when it comes down to the business of setting it up industry must foot the entire cost with no compensation. Eventually, it will be the consumers of Queensland who have to pay. This goes back to my original concern about the burden on business being too cumbersome and the need to recognise that whenever an initiative is brought in to protect the environment it should not be overly cumbersome on industry.

Following that, the other concern that I would like to register relates to the exemption of three major projects in particular. It is not so much that the projects are exempt; it is a process that is indicative of the

way that this government treats medium to large sized operations. Unless one's production has a substantial strategic and economic benefit for the state, to use the words of the bill, then one is unable to be exempt under section 135GL. This is indicative of a government that has ridden roughshod over business and has bent over backwards to provide a competitive advantage to huge corporations.

For example, as I have mentioned in this place before, let us look at the way that this government has treated most Queensland businesses with regard to payroll tax exemptions and enforcements where huge corporations are exempted while other businesses have to fight against that comparative advantage. Exempting corporations in itself is not a bad thing. However, I ask those responsible for the decisions to query why two sets of rules are necessary for participants in the same game.

I also note the concerns previously raised about the unorthodox mixture and scope of dispute resolution mechanisms in section 135FQ. On the face of it, there does not seem to be a gross contravention of natural justice against a liable person, although I remind the minister that this process will be watched closely to ensure that regulators are not abusing the authority given by the act and to ensure that that authority is fully within the scope of what was intended by this legislation.

On the second bill, I am pleased to see that after a lengthy period the government is deciding to implement some of the Somerville report recommendations. These are needed to ensure that the Queensland electricity industry moves towards a more acceptable condition. This is paramount because, as mentioned above, the price of electricity is likely to rise soon and customers will be hoping to see a better service for their dollar.

Also, the \$3.5 billion in special dividends and other dividends that this government has taken from the GOCs is going to have to be restored to help the network spend the capital investment necessary to live up to the minimum service standards, the guaranteed service levels, the network management plan and the summer preparedness plan that were mentioned in this code. I also note that this is just a framework for the way that it will work. I remind the minister that this will be watched carefully.

One of the positives of not having stringent legislation, of not having the detail but only having a framework, is that it can be easily moulded to suit further situations. One of the negative aspects, from a consumer's point of view, is that there could be a lesser level of accountability. I remind the minister that the responsible opposition, as he likes to term us, will continue in that way and make sure that this new legislation is implemented in the fashion intended by the Somerville report. With those reservations, I commend the bill to the House on the grounds that it looks for a new cleaner, more efficient way of producing electricity in Queensland.