



Speech by
Lesley Clark

MEMBER FOR BARRON RIVER

Hansard Tuesday, 23 November 2004

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

Dr LESLEY CLARK (Barron River—ALP) (9.52 p.m.): It is with pleasure that I rise tonight to support the Electricity Amendment Bill and the Electricity Amendment Bill (No. 2) because they will result in both a reduction in greenhouse gases through gas-fired generation of electricity and an improvement of services to Energex and Ergon customers—equally important goals for Queenslanders.

When Minister Mickel was sworn in he made it clear that he wanted Ergon to focus on the people who mattered most—the customers. It was with pleasure that I launched Ergon Energy's mobile customer service unit on behalf of the minister, John Mickel, in Kuranda on Monday of this week, together with Virginia Bendall-Harris, the group manager of customer services strategy and integration from Townsville. This important new service is designed to make sure that people can contact Ergon and have the information they want in a face-to-face manner. There is no doubt that when people phone the national contact centre the service has a lot of information that can be provided, but we still understand that there are many people who like to have that personal, face-to-face contact. That includes the elderly, who really have not made that transition to telecommunications and having to press lots of buttons and wait for numbers to be told what to do next, and people with hearing impairments. There are a number of people who feel reluctant to access information in that way.

This mobile service will be moving throughout far-north Queensland from Cardwell up to Normanton. The person who is providing the service in this mobile unit will also be linked up by computer so they will have access to information. If they do not have it right at their fingertips they will be able to get it for people. We will be letting people know about the service ahead of time so they can take advantage of it. The kind of things they can ask about are, obviously, their bill, electricity energy efficiency, vegetation management and new connections—just about any kind of service and information at all. It is great to see that kind of service. I hope that people in far-north Queensland will take advantage of that. This is a pilot program. It is going to be evaluated. If it proves to be successful and people take advantage of the service offered in that way, then it will be rolled out to further parts of Queensland.

This particular initiative builds on other steps that Ergon Energy is taking to improve its service delivery across regional Queensland and in far-north Queensland. One of those particular initiatives is the decision to increase its investment in vegetation management to a record \$55 million this financial year. Some \$39 million of that has already been spent, and I have no doubt that a great deal of it has been spent in far-north Queensland because, as members would be aware, vegetation management is a very important issue if we are going to maintain reliability of supply in the tropics.

I am very pleased with the service that is provided by Ergon. I get regular bulletins coming to my electorate office letting me know where regular maintenance is occurring and where there are going to be planned outages. I know that the crews in far-north Queensland are out there every day of the week doing things such as vegetation management control and ensuring that poles are being replaced in readiness for the cyclone season. I get excellent service from Ergon staff in far-north Queensland. I would like to commend Geoff Bowes, general operations manager, for the work that he does in leading the team up

there. They do some great work. I am sure the minister is very proud of the work that they do and recognises how hard they work.

Ergon Energy is investing over \$211 million in capital works and maintenance across the far north. That is, in fact, almost double what it was spending some five years ago. This investment obviously is needed in the far north because of our economic growth and our growing population. In fact, peak demand in the Cairns region grew by almost 12 per cent in the last financial year. I am sure that growth is going to be sustained and may well increase with the rate of development that is occurring. Many of the units that are being built these days in far-north Queensland, of course, require airconditioning. We have seen how that particular aspect has been responsible for the surge in demand in Energex's services in south-east Queensland, and that is certainly what is happening in far-north Queensland.

I have to put on the record my concern about the kind of buildings that are being built across the state which rely on having airconditioning as opposed to architectural designs that might take advantage of more natural passive means of cooling homes, because it really does worry me just how sustainable that is and the pressure that it puts on electricity services.

We do know that we are going to have to provide more power in far-north Queensland, in the Cairns area. I would like to put on the record again some of the major projects that are happening just to give members an indication of the kind of work that is happening in the far north and in the Cairns area in particular where such growth is occurring. There is going to be a north Cairns substation to accommodate rising demand for power in the Cairns CBD, north Cairns and the inner suburbs. Ergon Energy is planning a new substation in the north Cairns area. There is currently high-level consultation, route and site acquisition going on. Work will begin on the project within two years. The new substation will provide increased capacity for the city by reducing the load on the Cairns city substation and it will also provide for the increase in demand from the growing apartment complexes, as I have indicated, being built in the Cairns inner suburbs. The projected cost of that particular project alone is \$20 million.

Further south is the Edmonton switching station. The capacity and reliability of the electricity supply in the southern suburbs of Cairns will be enhanced by the upgrading of the Edmonton switching station to a substation due for completion by the end of this year. There has been enormous growth in that region, and that is going to offer greater reliability and capacity in the Gordonvale-Edmonton areas and reduce the load currently placed on Ergon Energy's Hartley Street substation, where there have been some problems. Once complete the Gordonvale-Edmonton areas will be powered by the Edmonton substation. That particular project is valued at some \$700,000. Moving back to Cairns, the McLeod Street feeder will improve the capacity, reliability and flexibility of the electrical network in the Cairns-north Cairns area. A major upgrade has been performed on the McLeod Street feeder.

In my electorate, there are two really important projects happening. First of all, there is the northern beaches augmentation. I have actually spoken before about this in the House. This is a \$6.5 million upgrade on the Marlin Coast to ensure increased reliability of supply to ensure we cope with the growth that is occurring. Stage 1 will see a new feeder line built between the Kamerunga zone substation and Smithfield, where a new switching station will be built. This additional feeder will power the Smithfield area, thereby reducing the load on the other feeders servicing the northern beaches. It is expected to be energised in 2005-06. The cost of stage 1 is around \$800,000. I certainly look forward to that continuing.

In Kuranda there will be a new feeder. Funding has been allocated for the installation of a new feeder to service the Kuranda area. This project aims to improve capacity and reliability and offer an alternative source of power, with a new line to be fed from Mareeba rather than relying on the feeder that comes up from Kamerunga. Design and planning have begun, with construction expected to take place in the 2005-06 financial year. The total cost will be around \$500,000.

Something that will benefit the whole area of Cairns is the rolling out of fibre-optic cabling. That cabling will run between key pieces of our electricity network, allowing better control of the substations and other assets. Importantly, this cable will be used to provide high-speed data, Internet and video conferencing services to the local community.

All of these initiatives will help to ensure that Ergon will meet the guaranteed minimum service level regime provided for in the Electricity Amendment Bill (No 2). Ergon already has a voluntary guaranteed service level scheme in place. I had a look at that on the Internet tonight, just to get a feel for it. I do not think many people realise what Ergon currently offers. Its service promise covers new connections, planned interruptions, streetlights, hot water, trees and overhead powerlines. Just dealing with connections, once all the paperwork is done and Ergon has said yes, it will connect you on such and such a date, if it lets the customer down, it pays \$25 for every day that it is late beyond that date. Ergon guarantees to carry out streetlight repairs in a customer's street by the date agreed to. If it lets the customer down, then it pays \$10 per day. If it is late in relation to hot water and it lets the customer down, it pays \$20 for every day that it is late, and so it goes on. There is a real cost incentive for Ergon to make sure that the work is done when it says it will be done.

The legislation we are debating tonight is about making that regime mandatory and then, with time, upping the ante. The first stage involves making voluntary guaranteed service levels compulsory. In fact, that happened in October this year. That was designed to give certainty to a customer's entitlement under those schemes. From 1 January next year, service levels will be replaced by new, uniform, mandatory guaranteed service levels. They will relate to non-reliability customer service issues, with increased rebates. From 1 July 2005, further new guaranteed service levels covering supply reliability matters will be introduced.

Those particular supply reliability guaranteed service levels will cover the number and duration of outages that a customer experiences. This means that, if a customer experiences more than a specified number of outages in a year, or an outage that lasts longer than a specified period, the customer will be entitled to a rebate on their electricity bill. The non-reliability customer service guaranteed service levels will cover matters such as new connections, reconnection of supply, wrongful disconnection, notice of planned supply interruptions and being on time for appointments. For example, if Ergon Energy arranges to connect or reconnect a customer and does not do so on time, a customer will receive a rebate. As I have indicated in relation to the voluntary system that is in place, this legislation will ensure that those rebates are in place and that the customer will actually benefit if Ergon is seen to be falling down on the job.

More importantly, payment of a rebate under this proposed guaranteed service level regime will not remove or change in any way the existing legal rights of customers to pursue compensation for loss or damage arising from a distributor's failure in relation to the customer's electricity supply. If a dispute arises as to whether or not a rebate is payable, customers may refer the matter to the Energy Consumer Protection Office, which does an excellent job.

I turn now to the other bill that we are debating tonight, the Electricity Amendment Bill (No. 2). This bill delivers on a key commitment of this government and requires electricity retailers to source 13 per cent of the electricity that they sell in Queensland from gas-fired generation from 1 January 2005. The 13 per cent gas scheme, as it is commonly known, is an important initiative for Queensland's future. By delivering on this commitment, we will reduce greenhouse gas emissions and create economic opportunities, particularly in regional Queensland.

Electricity generation using gas produces half the greenhouse gas emissions of more traditional coal-fired generation. It is estimated that the 13 per cent gas scheme, together with the government's encouragement of a gas-fired power station in Townsville, will deliver approximately 26 million tonnes of greenhouse gas emission reductions over 15 years. That is equivalent to taking about six million cars off the road for one year—a very significant environmental outcome that is protecting Queensland's future.

The newly converted gas-fired power station in Townsville and the recently commissioned Swanbank E Power Station will benefit from the scheme. There are also a range of other smaller gas-fired generation projects either under construction or planned for the near future in regional Queensland. The initiatives in both of these bills are very significant for Queensland. They will ensure that we have the reliability of supply that customers are looking for and that this government is committed to. I commend the bills to the House.