



Speech by

Shane Knuth

MEMBER FOR CHARTERS TOWERS

Hansard Tuesday, 23 November 2004

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

Mr KNUTH (Charters Towers—NPA) (8.36 p.m.): I rise to oppose the Electricity Amendment Bill. As the Deputy Leader of the Opposition has said, we are wary of the government's intentions to deliberately create an artificial market in order to mandate a 13 per cent gas target for electricity generation in this state. In Queensland, approximately 88 per cent of electricity used and generated is produced from coal. Instead of looking into cleaner ways of using the large coal resources upon which Queensland's electricity network is based, the government is forgoing its responsibility to work with the existing coal industry to reduce the environmental impact of existing electricity generation technologies.

DNR is contributing only \$250,000 towards research into reducing the greenhouse gas emission levels in coal based electricity generation, whereas last year the federal government announced that \$500 million would be provided to accelerate research and development into cleaner ways of using the abundant coal resources upon which the Queensland electricity network is based. This showed that the government has no short- or long-term commitment to coal based electricity generation.

Coal has proven to be a cheap, reliable and clean energy resource and the cost of gas generation is much higher than a coal based generation, which means higher gas prices will flow on and lead to heftier electricity prices for consumers. To mandate a 13 per cent gas target for electricity generation will mean higher electricity prices, and that has the potential to place the multimillion-dollar coal industry in jeopardy. As at 30 June 2003, almost 11,000 people were employed in the coal industry in Queensland. In 2002-03 Queensland produced 153.6 million tonnes of saleable coal, an increase of 3.5 per cent over the previous financial year. For this reason, I cannot support the Electricity Amendment Bill.

I support the Electricity Amendment Bill (No. 2). The Electricity Amendment Bill (No. 2) will help to ensure that constituents in rural areas are receiving an equitable service across-the-board. The guaranteed service level regime will target the performance of Energex and Ergon Energy with regard to the service to individual customers. If Energex or Ergon Energy fail to deliver the guaranteed level of service to a particular customer, the customer will be entitled to a rebate on their next electricity bill. This is good, because people in rural Queensland pay for a guarantee but they cannot be guaranteed power. The bill will also require Energex and Ergon Energy to prepare and implement comprehensive summer preparedness plans which include increased vegetation management, targeted capital expenditure and more effective customer communication. The people in rural and remote areas deserve to have the security of knowing that their power needs will be catered for. Power outages in my electorate are common, and with the onslaught of the storm season the concerns about blackouts are growing.

Only recently a constituent who lives in the small rural township of Pentland experienced a freak storm which lasted only 15 minutes. This storm caused a power outage which lasted more than 24 hours. Ergon Energy staff are doing their best with inadequate staffing levels to repair outages from the undermaintained system. Year after year rural residents and business owners are losing large sums of money in lost stock as a result of lengthy power outages and are forced to purchase \$2,000 generators to protect themselves from losing thousands of dollars in lost stock and inconvenience.

Constituents in my electorate pay exorbitant prices to get power connected to their homes and properties. Unless home or business owners can guarantee that they will consume higher amounts of power, then they can be expected to pay in excess of \$100,000 to have their power connected. That is an exorbitant charge. These people are tired of power companies acting like Gestapos with their heavy-handed tactics. Constituents are given an indicative price to have power connected. One person would be quoted \$100,000 while a property the same distance down the road would be quoted \$40,000. If a consumer wants to proceed, an agreement is drawn up outlining that the amount must be paid in full before work will be carried out and the work will commence within three months after payment is made. Consumers who are shocked at the price are not given the option of a payment plan or offered any other advice or assistance. They are told to pay up or miss out. It is ridiculous that people have to fork out \$100,000 in one lump sum to simply enjoy having a hot shower, a cold fridge and lights. It is unbelievable that this government cannot offer consumers a simpler system whereby they can pay off these excessive fees over a set period of time. We are talking about families here. This system must change and become user friendly.

I believe that an inquiry is needed into why rural residents have to fork out massive amounts of money for electricity connections. A store owner in my electorate was approached by Ergon to join a contestability market whereby he would save \$6,000 out of \$20,000 per year in electricity dues for the large amount of power that he uses each year. This store owner signed an agreement with Ergon and was told that this new service would commence this month. However, this gentleman was contacted at the end of September to be told that the Queensland government has divided the state into eastern zones and western zones, and that since he fell three kilometres in the western zone he would no longer be eligible for this market. He was told that it would cost him \$14,000 more to pursue this option than it would cost if he stayed on the normal tariff. Not only had this man signed an agreement; he also had salt added to his wounds when he was told that he was a measly three kilometres out of reach. I would go so far as to say that this is blatant discrimination. Who decides where this line is? Why is there a line in the first place? What is the deciding factor for where this line is to go?

I hope this bill will address this discrimination and address the issues that I have raised. I oppose the Electricity Amendment Bill, but I commend the Electricity Amendment Bill (No. 2) to the House.