




Speech by  
**Mark Ryan**

**MEMBER FOR MORAYFIELD**

Hansard Wednesday, 7 September 2011

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## **ELECTRICITY PRICE REFORM AMENDMENT BILL**

 **Mr RYAN** (Morayfield—ALP) (4.33 pm): I was waiting for the climax. Maybe I missed it. It is a great pleasure to contribute to the debate on the Electricity Price Reform Amendment Bill. I must say from the outset that I do have solar panels on my house and I am—

**Honourable members** interjected.

**Mr RYAN:** No. This is a serious matter. I think it is appropriate that I declare that I am a participant in the Solar Bonus Scheme. I just wanted to put that on the record because I understand that this bill deals with the Solar Bonus Scheme.

I am very pleased to see this bill before the House. The reason I am very pleased to see this bill before the House is that for many, many years since my election I have listened to the concerns of the people of the Morayfield state electorate about cost-of-living issues, and one of those issues is electricity prices and increases in electricity prices. Last year I wrote to the minister, in a letter dated 1 June 2010, on behalf of my constituents. I thought it appropriate that I read out that letter. It states—

Dear Minister

On behalf of many concerned residents of the Morayfield State Electorate, I am writing to urge you to review the current electricity pricing model.

As you would be acutely aware, the increasing cost of electricity is hitting working families and low-income earners especially hard.

People in the Morayfield State Electorate appreciate that current electricity pricing is determined by a regulator—the Queensland Competition Authority—which is independent of government. They are also aware that the Queensland Government provides many measures to assist Queensland households to meet the costs of living, such as pensioner rebates, solar hot water system rebates and the ClimateSmart Home Service.

Despite the Government's best efforts the costs seem to be spiralling ever upward, which puts immense pressure on household budgets.

On behalf of residents in the Morayfield State Electorate, I urge you to review the current electricity pricing model with a view to replacing it with a fairer structure that provides a true and reasonable reflection of the cost of supplying electricity to Queensland homes.

I table that letter.

*Tabled paper:* Letter, dated 1 June 2010, to Hon. Stephen Robertson MP, Minister for Natural Resources, Mines and Energy from Mr Mark Ryan MP, in relation to the current electricity pricing model [[5244](#)].

I also think it is appropriate that I table a letter on behalf of the minister from his parliamentary secretary, the member for Capalaba, dated 23 June 2010, which pretty much says that the government is reviewing the structure. I thank the member for Capalaba for his letter on behalf of the minister, and I also thank him for his kind words when he says—

Thank you for your strong representation to the Minister on behalf of your constituents.

I table that letter as well.

*Tabled paper:* Letter, dated 23 June 2010, to Mr Mark Ryan MP from Mr Michael Choi MP, Parliamentary Secretary for Natural Resources, Mines and Energy and Trade, in relation to the current electricity pricing model [[5245](#)].

So, Madam Deputy Speaker, you can understand why I am very pleased to see this bill before the House. Not only is it something that I called for, but I am very pleased to be part of a team that is responding to cost-of-living pressures and doing what it can to relieve the pressure on household budgets. This is an important bill. This is a bill that will go some way to addressing the cost-of-living concerns in respect of electricity price increases that many people all over Queensland have. Accordingly, I am very pleased to see this bill before the House.

As we have heard, this bill will lead to the introduction of a new methodology for retail electricity prices. This bill will transform the current legislative framework, which is complex, inflexible and does not respond well to emerging issues and unforeseen circumstances. The new framework contained in this bill will be a less prescriptive and more flexible and responsible framework. Importantly the new framework will facilitate a move to cost-reflective regulated retail tariffs. This is important. Included in this bill is the introduction of an inclining block tariff model, with effect from 1 July next year. This means that the less you use, the less you relatively pay per unit of electricity. In other words, the more you use, the more you relatively pay per unit of electricity.

Not only does this framework encourage energy efficiency; this framework also encourages people to use less electricity, which in turn relieves pressure on the electricity network and relieves pressure on the on-peak demand capacity. In my view, that is a fairer way to charge electricity and especially a fairer way to charge electricity for those people who use less electricity, and they are typically those people who are pensioners or who are on fixed incomes. The message to Queenslanders arising out of this bill is that this government has listened to their concerns. This government is about acting on the concerns of the people of Queensland, particularly when it comes to their issues to do with increasing electricity prices. It proves that this government is acting to reduce the pressure of price increases and to reduce cost-of-living pressures for the people of Queensland.

But we should actually compare the real and practical action that this government is taking to what tory governments around Australia have been doing and have been supervising. For instance, have a look at the tory government in Western Australia where electricity prices have increased by almost 43 per cent over three years. Compare this to the tory government in New South Wales where not only have they experienced a 55 per cent increase in electricity prices over three years but the tory government also axed the very generous feed-in tariff scheme which not only supported people's conversion to renewable energy but also helped them relieve pressure on their electricity bills. That is what the tory government did down there. Not only have they seen prices increase in New South Wales, but the tory government is actually kicking people while they are down—a tremendous thing that tory governments do to the people of Australia; they whack them when they are down.

Let us have a look at this tory opposition and the record of their leader when he was the Lord Mayor of Brisbane. What did we see? We saw rates for some residents in Brisbane increase by up to 700 per cent—not 100 per cent, not 200 per cent but 700 per cent. That was the increase in charges for the people of Brisbane while the tories' leader was Lord Mayor of Brisbane.

Let us also have a look at what the tories' Treasury spokesperson said in 2006. This is in *Hansard*; it is on the permanent record. He said—

One has to ask: why not sell the poles and wires as well? Why not sell the generators as well?

What did he say? He said—

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What did the tories' leader say in the *Weekend Australian* in March this year? Mr Newman said—

There would be room for more sell-offs, including the remaining coal terminals, and outsourcing.

This is the cracker quote—

Just because you own the power grid, it doesn't mean you can't have a private sector firm maintaining the power grid for you.

What do we have? Not only do the tories have form for overseeing huge increases in prices which households experience, not only do they have form when it comes to cutting concessions and rebates available to people to help them deal with the cost-of-living pressures that they are experiencing, but they are also committed to a program of selling off the electricity assets of this state. They are their words. That is what they are committed to.

These tories will say anything to get elected. They will scaremonger. They will mislead. They will deny the truth. They will invent the facts. The message to Queenslanders is: do not believe them. Do not believe them when they try to scare people about the federal government's carbon price because they fail to tell them that on average people will receive more compensation than the expected price increase. What was that? On average people will receive more compensation than the expected price increase.

But also, Queenslanders should not believe those opposites when they fail to tell people that, according to Treasury analysis and data, Tony Abbott's direct action plan will cost households up to twice as much plus they will not get any compensation. So we have the carbon price plan where on average

households will receive more compensation than the expected price increase and then we have Tony Abbott's direct action plan where not only will it cost people more but they will not get any compensation either.

Finally, do not believe those opposite when they say they are going to give people a better deal. Do not believe them. They fail to tell people what the tory governments in Western Australia and New South Wales have done. They have cut concessions, they have cut support, they have cut rebates. We cannot believe this tory opposition. We cannot believe them about anything.

I am very pleased to support the bill before the House. This is direct action by this government on relieving cost-of-living pressures for Queensland households. This will make our electricity pricing model fairer and more transparent. I commend the bill to the House.