




Speech by
Curtis Pitt

MEMBER FOR MULGRAVE

Hansard Tuesday, 30 October 2012

WATER LEGISLATION (DAM SAFETY AND WATER SUPPLY ENHANCEMENT) AND OTHER LEGISLATION AMENDMENT BILL

 **Mr PITT** (Mulgrave—ALP) (8.33 pm): At the outset I would like to say that the opposition will be supporting the Water Legislation (Dam Safety and Water Supply Enhancement) and Other Legislation Amendment Bill 2012. However, we have some reservations regarding the bill which I will address. We will be supporting the implementation of the recommendations of the Queensland Floods Commission of Inquiry. We will also be supporting the amendments to the Water Act 2000. But I place on record Queensland Labor's concerns regarding the changes to the Solar Bonus Scheme that have been announced by the government and will be further implemented by this bill. I will speak to the Solar Bonus Scheme changes a little later.

This bill implements nine recommendations from the Queensland Floods Commission of Inquiry regarding dam safety. The amendments include changes to the preparation and management of flood mitigation manuals, emergency action plans, legislative requirements for flood event and emergency event reports and the declaration of temporary full supply levels to mitigate flood or drought. I note the government's intention to implement these changes before the start of the next wet season. The opposition supports the urgency of these changes.

I want to place on record again the opposition's appreciation to Commissioner Holmes and Assistant Commissioners O'Sullivan and Cummins, as well as the counsel and staff assisting the inquiry, for the professional way in which they conducted the inquiry and for their comprehensive and far-reaching recommendations. By implementing those recommendations in full we may not be able to prevent severe flood events but we will be able to mitigate the severe impacts. I also want to acknowledge the staff of the minister's department for their work in implementing the recommendations. As I mentioned earlier, we will be fully supporting the implementation of the recommendations of the Floods Commission of Inquiry and their implementation through this bill.

We will also be supporting the amendments that this bill makes to the Water Act 2000 which will streamline the water industry. There will be new criteria for determining which dams are required to conduct failure impact assessments. Amending the criteria will exempt 65 dams, which have proven to put no more than two people at risk, from having to undertake future failure impact assessment. The committee report noted that the chief executive can still, under existing powers, require any dam owners to have their dam failure impact assessed if there is a reasonable belief the dam would have persons at risk should the dam fail.

The bill also seeks to extend the time frame for the approval of recycled water management plans by one year to 1 July 2014. The Water Supply Act 2000 also regulates small water and sewerage service providers and imposes requirements for registration and the development of a range of management plans. Currently small water service providers can apply to the regulator for an exemption from planning requirements. These exemptions have always been granted but the application and assessment process places an administrative burden on service providers as well as government. The bill introduces a statutory

exemption from the requirements under the act to have an approved strategic asset management plan, an approved system leakage management plan and a drought management plan. There are around 60 registered small non-urban water service providers that will benefit from this exemption.

I note that the State Development, Infrastructure and Industry Committee has made six recommendations seeking clarification about the way the proposed changes will operate. I will not address the recommendations in detail, except to say that the opposition supports the recommendations and we look forward to hearing the minister's response to them.

I turn now to the amendments that this bill makes to the Electricity Act 1994 and the continuing operation of the Solar Bonus Scheme. At the March election the LNP promised to retain the Solar Bonus Scheme at the 44c-per-kilowatt-hour rate. There was no equivocation or wriggle room in the promise. It was in the LNP's election costing document, which says on page 6, 'The LNP has already committed to retaining the solar feed-in tariff.' I table that document.

Tabled paper: LNP CanDo Action: Costings and Savings Strategy [1420].

There were also media reports in March, which I table, where the Treasurer promised—in the *Courier-Mail*—that the Solar Bonus Scheme 'would remain untouched' and from the *Brisbane Times* which reported that the solar feed-in tariff was 'safe'.

Tabled paper: *Courier-Mail* article, dated 23 March 2012, titled 'LNP to make criminals help fund \$4b promises' [1421].

Tabled paper: *Brisbane Times* article, dated 22 March 2012, titled 'LNP unveils long-awaited costings' [1422].

When asked directly on ABC Radio, the Premier reaffirmed the LNP's commitment to retain the Solar Bonus Scheme at the 44c-per-kilowatt-hour rate. I table that transcript for the benefit of the House and refer all members to pages 23 and 24.

Tabled paper: 612 ABC transcript, dated 14 October 2011, regarding Queensland election issues [1423].

There is no amount of posturing or spinning that the minister or Treasurer or the Premier can do to get around the fact that the LNP has broken its promise to the people of Queensland not to cut the Solar Bonus Scheme.

The committee report notes on page 3 that no public consultation was undertaken regarding this decision. So, on top of axing a solar farm project at Cloncurry, this decision is hardly evidence of a government that supports development and growth of the state's solar industry. Solar is something that just makes sense to Queenslanders—after all, we are the Sunshine State. The decision to cut the 44c net feed-in tariff was conceived and executed behind closed doors, and once the decision was taken that was the end of the matter as far as the government was concerned.

I note that through the Electricity Amendment Regulation (No. 3) 2012 the government has already closed the 44c-per-kilowatt-hour rate to new applicants, replacing it with the rate of 8c per kilowatt hour. This bill contains further amendments to the Electricity Act 1994 which will ultimately allow the government to terminate the 44c rate for existing customers. I note that the Minister for Energy and Water Supply has asked the Queensland Competition Authority to review the feed-in tariff rate and make recommendations by March 2013 on a 'fair and reasonable' feed-in tariff rate. Instead of allowing the Queensland Competition Authority to undertake a review and then implement its recommendations, the government has jumped the gun by cutting the rate to 8c per kilowatt hour for new customers. Those customers receiving the 44c rate, as well as those receiving the 8c rate, will presumably all be shifted to the new feed-in tariff rate determined by the QCA at some stage after March 2013.

However, it is not just people already on the 44c rate who will be impacted. People purchasing homes with existing solar panels receiving the 44c-per-kilowatt-hour rate will now only be able to access the 8c-per-kilowatt-hour rate. The department of energy website clearly states that, upon the sale of a home, a new electricity account holder is not eligible for the 44c tariff and 'may wish to lodge a new network connection application with their distributor to access the 8c tariff'. A person can only receive the previous tariff rate of 44c if they are renting the property and maintain the existing electricity account holder's name. The only exception applies where the transfer of the account is between spouses.

The solar feed-in tariff of 44c supported 11,000 jobs in the solar industry, which is now reported to have been reduced to less than 6,500. The LNP's cut to the solar tariff is hurting small business and puts more pressure on jobs at the worst possible time. There is a cost associated with the Solar Bonus Scheme and the opposition acknowledges this. However, if the approach to scaling down the solar feed-in bonus was intended as a cost-saving measure it has been a bizarre failure, as laid out in the *Climate Spectator* article titled 'Newman's Accidental Solar Boom', which I table.

Tabled paper: Business Spectator article, dated 11 July 2012, titled 'Newman's accidental solar boom' [1424].

The Minister's media statement said that changes to the scheme were essential because rising costs of the scheme would need to be met by Queenslanders' electricity bills. Energex indicates that in just 13 days from the minister's announcement to the 'close-off' on what is now known as 'Manic Monday',

there were some 75,000 applications. If all proceed to implementation, this represents approximately 150 megawatts of solar PV capacity. So while the minister said the scheme had 'met its objectives' because it had reached 461 megawatts over a four-year period, he closed the scheme in a ham-fisted manner which triggered the commitment of 150 megawatts under the scheme in just 13 days. That is a 32 per cent increase in a fortnight. The scheme participants have similarly increased from 180,000 to a further 75,000 applications, a 42 per cent increase. This kind of spiky approach to the industry causes real risks for Queenslanders. Anyone familiar with environmental demand management schemes, including housing insulation and rainwater tanks, knows that when it is a rapid scale-up for short-term production levels, that is precisely when shonky operators or poor quality assurance will flourish. The Newman government has manufactured a spike without consulting industry or consumers.

As I said, the opposition acknowledges that there is a cost associated with the Solar Bonus Scheme. That is why when we were in government we took steps to ensure the sustainability of the scheme such as capping the size of eligible individual solar PV systems to five-kilowatt capacity and limiting the scheme to just one system per premises. These changes were introduced to curb the increase in applications for large systems by people seeking to make a profit from the scheme and to ensure the scheme's sustainability.

The changes that the LNP have made to the Solar Bonus Scheme represent a broken promise. They promised clearly before the election to do one thing: retain the Solar Bonus Scheme and not change it. Now after the election they have decided to do the opposite. Labor will not simply allow the LNP to break their election promises. We will hold the government to account for the promises that they made before the election. I, therefore, place on record our concern and the disappointment of all affected Queenslanders that the LNP has decided to break its election promise to retain the Solar Bonus Scheme at the 44c-per-kilowatt-hour rate.