




Speech by
Ian Kaye

MEMBER FOR GREENSLOPES

Hansard Thursday, 12 July 2012

ELECTRICITY (EARLY TERMINATION) AMENDMENT BILL

 **Mr KAYE** (Greenslopes—LNP) (4.26 pm): I rise today to speak to the Electricity (Early Termination) Amendment Bill 2012. Firstly, I would like to acknowledge the other members of the Finance and Administration Committee and the committee staff as well, particularly considering the short time frame in which this bill has progressed.

Quite simply, this bill must be passed. My electorate of Greenslopes in Brisbane's inner south, contains a large number of small businesses. These businesses have been doing it pretty tough and every time I go in to see one of them they tell me how hard it has been, how they have cut workers' hours, cut their trading times and are generally quite fearful of the future. Some of those businesses have since shut their doors, unable to keep trading due to the huge imposts placed upon them by a tax-and-spend federal Labor government. This has occurred prior to the introduction of the carbon tax on 1 July. I am very concerned about those people who have poured their heart and soul and financial future into trying to make a go of their small business.

The Newman government has frozen tariff 11 for 12 months from 1 July, excluding the increase due to the introduction of the carbon tax. As stated in the Finance and Administration Committee report—

The government also made arrangements to lower the equivalent network tariff for residential customers in order to provide a subsidy to retailers for the freeze.

Some of these electricity retailers, who will be dealing with suppliers who will receive carbon tax bills in the millions over the coming year, saw a way to protect their profit margins. I can understand that. After all, they, like the Australian public, were blindsided in February last year with that infamous broken promise that was made across the river from here nearly two years ago. We are not trying to ruin the businesses of electricity retailers. However, we disagree with charging consumers excessive amounts and not giving them the opportunity to vote with their feet, so to speak.

The purpose of this bill is to prohibit the charging of early termination fees for the cancellation of a negotiated contract by smaller residential customers when the retailer has increased the charges beyond the notified price. The committee's report states further—

The prohibition has been developed in response to action taken by some energy retailers to increase their electricity tariffs ... on market contracts considerably above regulated tariffs. The prohibition will enable customers that are adversely affected by the increased charges, to terminate their market contracts without being penalised by early termination fees.

Some of these charges related to the fixed parts of the contract, not the tariff necessarily. In some cases the charges were increased by more than 150 per cent. I ask members to think of those small business operators in their own electorates who are barely hanging on and who are being forced to find the money to pay for another electricity charge—or maybe they will not have to think about them very much because they are not in business anymore; a 'for lease' has gone up in the window and junk mail is gathering in the doorway.

I have spoken about the small businesses that will be affected by these enormous increases, but not about the residential consumers. We all know people in our communities who are struggling. They have two kids, a mortgage, car payments, school expenses, mum's hours have been cut at work and then they

get a letter telling them that the fixed component of their electricity bill is going up 150 per cent. They think, 'I'll get a new electricity supplier.' They ring up only to be told, 'Sorry, you've still got 12 months on your contract with us so unless you pay us \$1,500'—or whatever the amount may be—'you're stuck with us.' I guess with that extra \$10 a week from the Household Assistance Package being spruiked on TV for the tax whose name we dare not mention they should be okay though, right? I mean, \$10 by 52 weeks is close to that exit fee mentioned earlier.

I also seriously worry about the elderly pensioners in my electorate. I think about them on days like those particularly cold days we had a fortnight ago here in Brisbane when it was about 16 degrees and on nights like those nights just last week when it got down to about five degrees. I also think about the stories I have read from Meals on Wheels where volunteers turn up at an elderly person's home to deliver their food to find the person in bed fully dressed with the blankets on, too cold to get out of bed and too scared to put the heater on lest they receive a bill they cannot afford. I realise that some of the electricity retailers have concerns regarding the retrospective nature of this bill. However, those retailers show little or no compunction about jacking up fees and charges over 150 per cent to their contracted small and residential customers. I also realise that those same retailers are concerned about the haste of this bill through this place. Again I point to the fact that those retailers are not slow off the mark when it comes to increasing their fees.

We have taken steps in this place to cut the cost of living for all Queenslanders by freezing the tariff as promised. We now need to make sure people will not be penalised for seeking a better deal. This bill is saying that if your electricity company elects to increase your fees within your contract above the notified price you can elect to terminate your contract and seek a new supplier without being forced to pay an early termination fee. I urge the House to support this bill in the interests of all Queenslanders. I commend this bill to the House.