




Speech by

Ian Walker

MEMBER FOR MANSFIELD

Hansard Thursday, 12 July 2012

ELECTRICITY (EARLY TERMINATION) AMENDMENT BILL

 **Mr WALKER** (Mansfield—LNP) (12.13 pm): It is certainly amazing to hear that one of the arguments against this proposed legislation is that it is too rushed. We have just heard that from the Labor opposition—that this legislation is too rushed. Yet I am sure that members of this House know that people in their electorates are calling out for this sort of thing to be done to counteract exactly the sort of action that is being taken by these companies in an attempt to contravene the reform steps that this government has taken.

Let us look back at the genesis of all of this. It was the government's promise in the election campaign to freeze this levy. That saw effect very quickly—as things have been done very quickly by this government—in the government's commitment to a reduction in the cost of living. To help our constituents and the people of Queensland with their cost of living is not easy in the present circumstances of the state's finances. We have seen that accentuated all the more fully by the Commission of Audit's report and the Treasurer's response to it in the past few days. Despite that, upon taking government following the 24 March election, this government did things as an absolute priority to make sure that Queenslanders were delivered cost-of-living decreases. The Treasury (Cost of Living) and Other Legislation Amendment Bill 2012 came before this House very quickly in this term. That was to fulfil the LNP's election promise to take practical steps to reduce the cost of living for Queenslanders.

It is easy to gloss over what these measure were, but they were all important things for the people of Queensland—practical things that delivered them a cost-of-living reduction. We remember that it was reinstating the stamp duty concession for first home buyers, it was increasing the payroll tax exemption threshold, it was removing the red tape of the sustainability declaration and, most importantly for this debate, it was freezing electricity tariff 11 at 2011-12 prices for a period of 12 months. Of all the things we have been talking about in terms of reducing the cost of living—and all are important to the people of Queensland—the most important, when you look at the practical implication for those constituents of ours who are struggling with the cost of living, was that which related to the freezing of electricity tariff 11. Each of us—I believe even the member for Coomera—has an electricity bill to pay. When we as consumers have that electricity bill bowled up to us quarter after quarter, any reduction—any help with the payment of electricity bills—can only be a good thing.

I am sure all members of the House will recall hearing touching stories during the debate on the cost-of-living bill—about how many members of our community were struggling with their electricity bills. I remember many members raising this matter in the course of the debate, perhaps none more poignantly than the Minister for Local Government when he recalled speaking to people in his electorate who made comments such as, 'We eat less meat to pay the electricity bills,' and speaking to an elderly widow who told him that she does not turn on her lights at night because of the electricity costs. So there are real human stories out there that are being dealt with by this government's swift action in introducing the legislation in its early days to ensure a cost-of-living reduction for the people of Queensland. Many people in Queensland were relying on this measure as a welcome relief to the cost-of-living spiral that they face day to day.

When we consider the reaction of the electricity providers to this legislation, it should not be forgotten that a subsidy was provided to them to compensate for the freeze. That is an important part of the equation. The tariff was frozen and the companies were provided with a subsidy to compensate them for the difference between the frozen tariff and the new tariff which would have been recommended by the Queensland Competition Authority. Yet despite that, we still saw price increases well in excess of the tariff rate for consumers on negotiated or market contracts. This was a breach of the former practice, where suppliers capped the price in market contracts as the price set by the Queensland Competition Authority. In fact, it effectively subverted the reform that the government had brought into this parliament under the cost-of-living amendment bill.

The Premier was rightly angry at this and he wasted no time in responding. I can tell the members in the House that, from conversations in my electorate, the Premier's white-hot reaction to this matter struck a very positive chord with the members of our communities. They realised that he himself was personally affected by it and that he felt exactly as they did—that they had been duded and that something had to be done. In the Premier's typical form, he wasted no time in doing things. We see now that the minister has rightfully reacted to this issue by bringing this legislation into the House without delay. It is part of the measures that we have taken to ensure Queenslanders can still get the best deal possible and get the benefit of the government's reforms without finding themselves subject to further financial penalty.

I do not think I have ever known a time like recent weeks where ordinary conversation in the street and in clubs or wherever it may be tends to turn to electricity bills. It has surprised me that people are well attuned to what their fees are. I was at a Neighbourhood Watch meeting early this week and it amazed me that when the conversation turned to this, as it did because it is the topic of the day, the people around that table were very well aware of the terms of their contract, the tariffs they were paying, what they were getting back for their solar contribution into the grid and what the impact of these rises were on them. It really did surprise me just how tuned in and well informed people are about these issues.

In talking to people more generally I did detect a tentativeness in people to make a change. I suppose that is only natural. There has been some great information provided by the government about the ability to change your electricity supplier, but I think it is a natural reaction for people to be averse to that unless they really feel the need to and unless all of the barriers to doing so are broken down. That is why I think the minister has got it spot on in this case. We have to remove the barriers to people making the change and to make it as easy for them as we can. I think this frees up the market and allows people to make the change by taking away the break fee and letting them change their suppliers more easily or, as the member for Coomera has helpfully explained to us, to move back to a standard contract, which is another option open to people.

All these options that are opened up by the legislation that the minister has put before us are good, positive moves to allow Queenslanders to take advantage of the reforms that the government has put before this House—the reforms that the government has successfully got through this House and yet has seen subverted by some of these actions of the supplier companies.

I stand strongly in support of the legislation. I think the minister is to be commended for his ability to pull this together to bring it urgently before the House. Unlike the Labor opposition, I do not see the rush and urgency as a negative thing. I see it as a positive thing and an example of this government being nimble and moving quickly to protect Queenslanders to ensure that they get the cost-of-living benefits that we promised them at the election and that we now deliver. I commend the bill to the House.