




Speech By
Michael Hart

MEMBER FOR BURLEIGH

ENERGY AND WATER LEGISLATION AMENDMENT BILL

 **Mr HART** (Burleigh—LNP) (4.21 pm): I rise to add to the debate on the Energy and Water Legislation Amendment Bill 2013. I add my congratulations to Tony Abbott and Warren Truss on their emphatic win on the weekend. We now have a sensible and responsible government in Queensland leading to an adult government on a federal level. We will work very closely together and we can expect some great things in this state in the future. We have heard a couple of members from the government talk about their horror at the Labor Party coming in here today and saying that they would be voting against this particular bit of legislation. The member for Gympie said that he was not sure when exactly the Labor Party had changed its mind. I suspect that when one of their 22 staff they have out the back here sat down to write a speech on their behalf they obviously did not know the issue. They did not look at the ins and outs of this particular bill. They do not understand business and they just had no clue. It is really a bad look for the Manager of Opposition Business to come in here and read a speech that some little lackey out the back has written without fully understanding exactly what it is that he is talking about. I will cover exactly why what he said to us earlier today is just a load of claptrap.

I commend the minister for bringing this legislation before the House in the manner that he has. I congratulate those members of the government who have added to this debate over the last half an hour. There are a range of legislative amendments that are required to give effect to the government's decision to cease the Queensland Gas Scheme. The Energy and Water Legislation Amendment Bill 2013 provides clarity regarding a range of administrative dates that are critical to the finalisation of the scheme at the end of 2013 and to allow compliance of administration for the final years of the scheme to be conducted in an efficient manner. One of the primary objectives of the bill is to amend the Electricity Act 1994 to cease the Queensland Gas Scheme as of 31 December. I would like to give the House a little bit of background on that. The scheme, when it was put into place, was actually meant to make 15 per cent of electricity that is generated in this state come from gas fired generators. At the time that this legislation was put into place there was a requirement—no-one is arguing against that—to build the use of renewable energy such as gas into the generation of electricity in this state. But we have moved on. It is no good living in the dark ages like the Labor Party are. We have moved on from those places. As the member for Pine Rivers said, our electricity generators are currently generating about 20 per cent of their electricity from gas. They are not doing that because there is a scheme in place that promotes that; they are doing it because it makes economic sense to do it. They are doing that because there is gas available to do it. There is more and more gas becoming available every day. It is getting cheaper. It will get more economical. It is better for the country. It is certainly better for Queensland. That is why they are doing it. They are not doing it because this scheme is in place. It just makes complete sense. Why do we need this particular bit of red tape when these generators are doing it for themselves? They have already moved way past 15 per cent. As I said, they are at 20 per cent.

We heard from the department during the investigation that the committee had that a lot of these gas fired power plants are providing intermediate and baseload for electricity plants. Intermediate is considered to be providing power from these gas plants between 20 and 65 per cent of the year. Baseload is if the station is running more than 65 per cent of the year. We also asked the department whether it was, in fact, possible to change from a gas fired generator to a coal fired generator and they said that it was basically impossible—not impossible, but very, very hard and just does not make economic sense. All these gas fired generators are in place now. They are going to stay there. They are going to be used more and more and more. We do not need this red tape in place. It does not make any sense to continue with it. It is a real shame that the Labor Party does not understand that. Those opposite do not understand basic business principles. You do not wave around a big stick when you do not have to. I stress to the Manager of Opposition Business that there are economies of scale. There is a very simple process here. If it is economical to use gas to provide electricity that is exactly what these companies will do and they will continue doing it. They do not need to be slapped about the face by red tape.

It is important to mention the costs that are associated with this scheme. It is presently costing the government \$411,180 a year to administer and generate these GECs. A company that is manufacturing electricity can apply to create a GEC and it costs about 19c to generate one. They are tradeable. If someone is providing gas fired electricity they can trade that GEC to someone who is not in order for them to meet their requirements with the government. These GECs are being sold for about 30c. There is not a great deal of profit. There is no good arguing, as I thought the Labor Party might, but I do not think they are smart enough to—that there is no profit involved in trading GECs so why get rid of them. That is shot down even though they did not put it forward to start with. I suspect that the little lackey out the back who wrote the speech was not smart enough for that. As I said, the cost is \$411,000. I think the minister has already told us that by getting rid of this particular scheme and the other schemes we should save about \$5 or \$7 per electricity bill in Queensland. When you add that \$5 or \$7 to all the other issues that the minister is having to deal with, such as the solar feed-in tariff which is adding to the cost of electricity, then anything we do along these lines is certainly helping to lower the cost of electricity and lower the cost of living for the people in my electorate. I know that one of their major concerns is the spiralling cost of living.

I have gone completely off track, so I will try to find where I am up to in my speech. I will talk a little about the Smart Energy Savings Program. The member for Gympie, the member for Pine Rivers and the member for Sandgate have already spoken on the subject. The Smart Energy Savings Program commenced on 1 July 2009. The program was targeted at medium to large business energy users that spend between \$2.5 million and \$10 million a year on electricity or between \$350,000 and \$2.25 million on gas. The objective of the program was to require those businesses to improve the efficiency, management, use and conservation of energy, thereby reducing greenhouse gas emissions. The program required the participants to review their energy use, to identify energy savings measures, to develop an energy savings plan of measures to implement and then to publicly report those measures and how they would implement the plan. In the third year, they had to review that. In the fifth year, they had to do an audit of what they had done. However, they were never forced to do those things. They were supposed to go through a process of drawing up this wonderful great plan, implementing it and saying how they were going to go about doing it, but they were never forced to do that. Where is the purpose in that? It seems that the purpose of the previous government was to force those businesses to spend money. The Labor Party seems to be very good at pushing businesses over the edge and this is another of those items of red tape that pushed businesses closer and closer to the edge. It should be condemned for that.

As the member for Gympie said, only 37 Queensland businesses participated in this program. All this legislation is in place, but it does not force anybody to do anything. They form a plan and they draw it up, but they do not have to implement it or anything like that. There are only 37 of them. Wow! What an impressive bit of legislation that was! Yet members opposite are saying that we should not get rid of it. They say we should keep that legislation, because it is another bit of legislation that can tie up a business. They say, 'We can get the owner of a business to sit down at their desk and write out a beautiful plan, draw it up and employ a few more people, but we will not make them implement that. That would be a waste of time, wouldn't it?' They come in here and tell us that we should not get rid of it, which is just ridiculous. You people want to wake up to yourselves; you really do.

To summarise, we have two pieces of really basic, straightforward legislation that contains red tape that we do not need anymore. They are superfluous to our requirements. The Queensland Gas

Scheme has done its job. It is over and done with. It might have worked at the time and it served a purpose, but that purpose has gone. The generators are generating 20 per cent of their power from gas anyway. Whether we take it away or leave it there, not much will change. The generators are still using 20 per cent and I suspect that, over the next few years, that will increase and we will see more and more of this. We do not need this stuff. We do not need the red tape. We do not need the Queensland Gas Scheme and we do not need the Smart Energy Savings Program.

I commend the minister for bringing this bill to the House. I condemn the little Labor speechwriter out the back and the Manager of Opposition Business for not knowing what they are talking about. I commend the bill to the House.