




Speech By
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ELECTRICITY AND OTHER LEGISLATION AMENDMENT BILL

 **Mr PITT** (Mulgrave—ALP) (3.52 pm): I rise to contribute to the debate of the Electricity and Other Legislation Amendment Bill 2014. From the outset I will be clear that the opposition is not opposing the passage of this bill although I will not miss the opportunity to put on the record some concerns that we have in relation to the broken promises of the Newman government prior to the last election as they relate to electricity.

Mr McArdle: Bring it on, baby! Bring it on!

Mr PITT: You just wait, Minister. The bill before the House has three objectives. Firstly, it will terminate the 8c per kilowatt hour solar tariff in South-East Queensland and institute what is called a fair and reasonable rate to be set by the QCA for residents in regional Queensland. Secondly, it will repeal the provisions of the Water Supply (Safety and Reliability) Act 2008 that treat coal seam gas water as recycled water to remove regulatory duplication and encourage the use of CSG water as a resource. Thirdly, it will legislate to recover Queensland's portion of the cost of funding the Australian Energy Market Commission through the imposition of a levy on electricity transmission and gas pipeline licence holders that are regulated under the national energy laws.

Firstly, I want to address the changes to the Solar Bonus Scheme as this is the area with which we have the most concerns. The fact is that the LNP promised before the last election that the Solar Bonus Scheme was safe and that it would be retained and kept at the same rate. When asked specifically before the election whether the Solar Bonus Scheme was safe, the Premier said that it was and that it would be retained at the 44c rate. Similarly, the Treasurer promised that the scheme would remain untouched. We are sensing a bit of a pattern here because we have seen Tony Abbott in recent times say one thing before an election and another thing after. Campbell Newman did say that he was wanting to be copied. Tony Abbott has copied his approach down to the letter. Nobody in the LNP talked about changing the rate to 8c for new applicants and they certainly did not talk about scrapping it entirely in South-East Queensland.

Queenslanders are sick and tired of this government trying to con them. They are sick of the broken promises. They are sick of them blaming the former government for everything. I say again that we are on the eve of the third state budget under the Newman LNP government. When will they act like the grown-up government they keep talking about and take responsibility for their own decisions and their own actions?

Mr McArdle interjected.

Mr DEPUTY SPEAKER (Mr Ruthenberg): Order!

Mr PITT: Thank you, Mr Deputy Speaker. Queenslanders are sick of the weasel words and tricky language the LNP uses to explain away broken promises. They are sick of being told that they did not really understand what the LNP had promised at the last election and that they, the voters, were the ones who were mistaken. This approach was copied recently by Tony Abbott when he all but said voters chose to hear what they wanted to hear before the last federal election. The reality is that

the Premier and the LNP were so desperate for power that they were willing to say anything and to promise anything to get into office. The Premier promised that he had all of the answers when it came to electricity prices. He promised that the LNP would lower the price of electricity by \$120 per household each year. Let me pause on that for a moment—they would lower the price of electricity by \$120 per household each year. It was not, as the minister has just talked about, a promise to put downward pressure on electricity prices; the promise was that the price of electricity would be reduced by \$120. But prices have not dropped by \$120. Prices have gone up when the LNP said they would go down. Average households are paying \$460 more each year for electricity than they were when the Newman government was elected. The minister again talked about this promise of putting downward pressure on electricity prices. There was no admission that the saving of \$120 per year is nowhere to be seen.

The Premier also promised to keep the Solar Bonus Scheme just as it was. That promise was broken in 2012 when the LNP cut the Solar Bonus Scheme to 8c per kilowatt hour for new applicants pending a review in July 2014. The government and this minister have constantly demonised and vilified solar users for doing the right thing and embracing renewable energy. Instead of thanking those people for making a sustainable choice, the Newman government routinely disparages them. It tells them that they are greedy. It shames them and blames them for driving up the cost of electricity. We know that the Liberals do not believe in climate change and they do not want to do anything about it. It sickens me every time I hear that this Newman government is the so-called greenest government we have ever seen in Queensland. What a joke! What we know is that the LNP has said one thing before an election and one thing after. We know that they do not believe in climate change. They do not want to do anything about it. They demonise solar users: of course it is all their fault. It is typical. Every time the minister puts out a press release related to electricity prices in this state he will talk about how much the carbon tax, the Solar Bonus Scheme and green schemes are contributing. He always fails to talk about the fact that if they were the only drivers on the increase in price, it would only go up by three per cent not 22.6 per cent. We know this, but the minister fails to tell the truth on each and every occasion. That is why those opposite are so hostile to solar panels and see people with solar panels as an easy scapegoat for their failure to keep their election promise to lower electricity prices. At every stage they have moved the goalposts on the Solar Bonus Scheme to make it more difficult and confusing for people receiving or attempting to access the rebate. They deride the scheme as a failure and blame it for their failings and broken promises.

The facts are that there is now 1,078 megawatts of generating capacity installed on Queensland rooftops thanks to the Solar Bonus Scheme. All of that generating capacity has zero emissions. According to the Clean Energy Council's 2012 report Queensland is the leader in solar PV across the country. To the end of 2012 Queensland accounted for 31 per cent of the nation's household solar PV generating capacity. This amazing success is directly attributable to the Solar Bonus Scheme. Between 2008 when the scheme started and 2012, the generating capacity in Queensland grew from five megawatts to 718 megawatts. As I mentioned earlier, that capacity has continued to grow since 2012 and is now at approximately 1,078 megawatts. That is good news for Queensland because the solar industry is sustainable and provides jobs for thousands of Queenslanders.

The original solar feed-in tariff of 44c supported 11,000 jobs in the solar industry. It was estimated that in mid-2012, the LNP's first round of changes to the Solar Bonus Scheme would reduce that number to fewer than 6,500. I can only assume that this next round of changes will send a further shockwave through the industry, putting the viability of more companies at risk. Labor's policies in government helped make the solar industry a dynamic, growing and sustainable industry in Queensland that delivered benefits across the wider economy. Labor still believes strongly that solar energy has a significant role to play in our state's future, particularly in light of the ever-improving technologies associated with battery storage. That is something that I am certain the minister and I would agree on. Minister? He was not listening. That is okay, because no doubt someone will pass him a note later on.

The LNP derisively writes off what it calls 'green schemes', which it claims are too expensive. What it does not understand is that any cost of those schemes has to be offset against the saved capital network costs from reduced overall and peak electricity demand and the delay in constructing expensive new generating capacity. Of course, there are the less tangible but nevertheless real environmental benefits, which the LNP will never recognise or seemingly understand. Those environmental benefits are sometimes hard to quantify, but the fact that we are now getting more than 1,078 megawatts of energy 100 per cent emissions free from the sun instead of from burning coal or gas is undeniably a good thing.

Under the changes proposed by this bill, recipients of the 8c per kilowatt hour rebate—almost 49,000 households as at December 2013—will no longer receive a mandated rebate. People living in South-East Queensland—38,376 households in December 2013—will no longer receive any rebate from Energex. Those households will be required to negotiate with their electricity retailer to access a rebate for electricity that they feed back into the grid. Households in regional Queensland—approximately 10,500 households as at December 2013—will continue to receive a rebate from Ergon, but the rate will be set by the QCA after a determination process. The rate determined by the QCA could be less than the currently guaranteed 8c per kilowatt hour. The government's rationale for pursuing this policy is that the scheme is too expensive and is driving up power bills.

After a massive build-up by the minister, the time came for the big announcement. On 7 March, the minister spoke to Steve Austin on 612 ABC. Dutifully, Steve Austin asked—

So what can each household expect to save with this measure?

After a little bit of dancing around, the minister said, '...around \$10 a year'. You could almost hear Steve Austin fall off his chair. Steve Austin's response was not surprising. He said: 'Ten bucks...is that all?' It was one of the best bits of radio I have heard in some time. He had built this up to be the biggest saving in the history of Queensland households, but like all of their other cost-of-living promises it was a letdown. It was a letdown because they promised big and delivered small. The minister's big announcement on radio was that this change could save the average household just \$10 a year on their electricity bill. That is less than \$1 a month. When electricity bills have gone up by \$460 since this government has been in office, trumpeting savings of less than \$1 a month shows just how out of touch this government is with ordinary Queenslanders.

The changes the bill makes to the Solar Bonus Scheme represent a broken promise, and that is the heart of our argument. At the next election we will be reminding all in Queensland that the LNP promised big when it came to electricity prices, knowing full well that they were not going to be bringing prices down. To get elected they said that they were going to be saving \$120 per year per household, and again it was a con job on the people of Queensland. Nobody will be left in any doubt that they cannot trust anything the LNP has to say when it comes to electricity. When they open their bills, they will think of the Premier and they will think of the minister. They will think about that each and every time, knowing that they were promised a saving of \$120 per year, yet they have seen nothing but prices going up. When the LNP promises the price of electricity will go down, it goes up. When it promises not to touch the Solar Bonus Scheme, it makes cuts. That is keeping your promises, LNP style. Tony Abbott is just following in the footsteps of the Queensland LNP government and we have all seen how that is working out for him at a federal level.

Moving on to the aspects of the bill that we support, Part 4 of the bill amends the Water Supply (Safety and Reliability) Act 2008 to remove some aspects of regulatory duplication. The amendments are a result of public reviews on CSG water management policy and also a broader review by the QCA of regulatory frameworks applying to the CSG industry. In its review, the QCA found that CSG water provisions in the water supply act imposed prescriptive requirements that do not apply to other water sources of comparable quality. By regulating CSG water released into the environment, the 2008 water supply act duplicated the objectives of the Environmental Protection Act 1994. In its final report, the QCA recommended that the CSG water provisions of the water supply act be repealed so that the release of CSG water is regulated under the Environmental Protection Act 1994. I believe there are legitimate concerns regarding the environmental impact of the CSG industry and that we must always be careful to provide legitimate assurance that public health and environmental safety will always be protected.

Referring to the explanatory notes, I see that even though CSG water will no longer be regulated as recycled water under the water supply act, the release of CSG water into the environment will continue to be regulated under the Environmental Protection Act and the beneficial use of CSG water will continue to be regulated by the Waste Reduction Act. The Environmental Protection Act requires CSG water to be managed under an environmental authority, which are conditioned to manage the potential impacts of a CSG activity on environmental values. Therefore, it appears that these changes retain the same public health protections. There are no implications for drinking water quality arising from the changes. If CSG water is to be supplied directly for drinking, it will continue to be regulated through the drinking water regulatory framework. The bill also contains transitional provisions that maintain existing CSG recycled water management plans or exclusion decisions until the relevant environmental authority or specific beneficial use approval is amended to ensure that they contain conditions to protect public health.

The bill will also legislate to enable the recovery of Queensland's portion of the cost of funding the Australian Energy Market Commission through a levy on electricity transmission and gas pipeline

licence holders that are regulated under the national energy laws. The AEMC is responsible for the making of rule changes under the national electricity law and also for the provision of strategic advice to the ministerial council responsible, on request. The contribution Queensland is required to make to the AEMC will total \$4.36 million in 2014-15. Previously, this contribution was funded through the state budget. This change will bring Queensland into line with other states and territories, such as South Australia, New South Wales, Tasmania and the ACT, which have established industry cost-recovery models. This change appears to be a sensible approach that brings Queensland into line with other jurisdictions and the opposition is supportive of that approach.

As I said from the outset, we will not be opposing this legislation. This government is there; it must own its decisions and it must own its broken promises. We are supportive of the second and third components of the bill. However, the changes to the Solar Bonus Scheme represent yet another in a long line of LNP broken promises when it comes to electricity. At the next election we will be making sure that Queenslanders know that, when it comes to electricity and power prices, they cannot trust the LNP