




Speech By  
**Michael Hart**

**MEMBER FOR BURLEIGH**

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**ELECTRICITY COMPETITION AND PROTECTION LEGISLATION AMENDMENT  
BILL; NATIONAL ENERGY RETAIL LAW (QUEENSLAND) BILL**

 **Mr HART** (Burleigh—LNP) (5.56 pm): It is great to stand here tonight as part of a government that is doing something about the increasing cost of living for the people in my electorate of Burleigh and the people of Queensland in general. It is great to support this minister in another one of his bills he has brought to this parliament that has an effect on the price of electricity. That is what we are doing tonight—we are having an effect on the price of electricity. We all know that electricity makes up a large part of our cost of living nowadays. We all dread those electricity bills when they arrive because we know that they are going to hurt our back pocket. We know that we are going to have to write out a big cheque that we really do not want to write out. It is part of our cost of living and it is something we really cannot avoid.

I support these two bills currently before the House—the Electricity Competition and Protection Legislation Amendment Bill and the National Energy Retail Law (Queensland) Bill. These two bills in cognate will introduce the National Energy Customer Framework, or NECF, in Queensland and introduce reforms to the retail electricity sector. The National Energy Retail Law (Queensland) Bill will give residential and small business energy consumers across Queensland much more flexibility and information when it comes to managing their energy bills, while simultaneously maintaining and introducing strong consumer protection measures. The bill will cut red tape for both businesses and government and facilitate increased retail competition. This means more choices and options for Queensland's energy consumers.

I remind the House that the latest report card on red-tape reduction shows that the government is on track to deliver on its commitment to reduce red tape by 20 per cent over six years, and this legislation further adds to that agenda. We have already started work on more than 500 reforms—350 of which have already been implemented—and we have successfully removed over 9,000 regulatory requirements imposed on business by the former Labor government. While I acknowledge that progress has been made in the fight against red tape, much more needs to be done. I will continue to look for ways to make doing business in Queensland easier.

In mid-2012, the Interdepartmental Committee on Electricity Sector Reform was formed by the then Queensland government to scrutinise cost pressures on electricity prices, focusing on network costs, electricity supply and retail competition. In May 2013 the IDC provided a report to government which recommended the Newman government commit to increased retail competition as a key energy policy goal; stimulate investment and competition for the benefit of customers; remove price controls in South-East Queensland by 1 July 2015 if consumer protection engagement in the markets are judged to be adequate; and consult on pathways to remove price controls in South-East Queensland including the precondition that would need to be met to ensure consumers benefit, a timetable to achieve the conditions and the development of alternative customer safeguards such as the power to reregulate under certain conditions. The government has accepted those recommendations and

committed to increasing retail competition and removing price controls in South-East Queensland by 1 July 2015.

Being a part of the national framework, energy consumers will have access to online, up-to-date market information. For instance, Queensland energy consumers can access the Energy Made Easy website maintained by the Australian Energy Regulator. On one hand it is an educational tool and, on the other, it provides reliable information about energy offers available in the market. Customers can compare all electricity and gas retailers in their area to see whether they are taking advantage of the best energy offer. Customers who do not have internet access can use their telephone to access the same information through the Australian Energy Regulator's info line.

The two bills will provide a strong safety net to protect vulnerable customers. This will boost consumer confidence and empower customers when it comes to maintaining their energy usage and expenditure to fit their household needs and budgets. Under the bills energy retailers will be required to have uniform hardship policies approved by the national regulator in place to help identify and assist energy customers experiencing financial hardship. In addition, retailers will have an obligation to provide flexible payment options for small customers experiencing bill payment difficulties. There is also an additional obligation on retailers so that instances where small customers are disconnected for nonpayment are only in extreme circumstances. These improved levels of customer protection will apply to small electricity and gas customers across the state.

The electricity competition and protection legislation also proposes some additional protection measures for energy customers in South-East Queensland, including those in Burleigh, to support retail price deregulation. To ensure that South-East Queensland customers will benefit from the removal of price regulation, the government is requiring that the preconditions recommended by the interdepartmental committee are met, and they are to: on the advice of the Australian Energy Market Commission report, confirm that there is sufficient competition in South-East Queensland, ensure that the consumer protections are in place and are effective; improve customer engagement in the market so that customers understand and can engage in the market; establish, with oversight of the Queensland Competition Authority, a strong framework that ensures retailers act fairly and a fair price is paid; and establish a suitable price-setting method for regional Queensland in 2015-16.

The electricity consumers of South-East Queensland will benefit from these measures as they will be provided with a more competitive market and up-to-date information about prices to assist their decision making. Consumers will be protected in the case of a market failure resulting in a non-competitive market as the minister has the power to reintroduce price regulation. These strengthened protections include: a minimum of 10 business days advance notice to customers requiring price increases—and I am glad the minister has accepted that recommendation from our committee—and at least 20 business days advance notice of expiry of benefits such as discounts; availability of at least one market contract with no exit fee and otherwise capping exit fees to \$20—another recommendation of the committee on which I serve—for the first year of market monitoring; and for the first two years of market monitoring retailers are not allowed to introduce new types of fees and charges for consumers on standard retail contracts.

The committee received quite a few submissions on these two bills. I would like to talk about a couple of things that were brought up that maybe have not been highlighted today. We heard from QCOSS and the National Seniors that one of the things that affects their members—and I would suggest that it affects a lot of people—is not knowing how much their electricity bill will be until they receive it. They would like to know in real time or almost real time how much electricity they have been using so they can budget for future electricity bills. I do not know about other members in this place, but my electricity bill comes in at \$600 to \$1,000 every time, and that is a shock to the hip pocket. QCOSS and the National Seniors said to the committee that it would be great to have some sort of information as to what the bill is going to be when it does arrive in the mail. I asked them whether they would like to see real-time electricity meters and they said yes, they would. That surprised me a little bit because there has been a bit of angst about real-time meters and those sorts of things because of the cost involved. It is seen that that may add to people's electricity bills. They see it as more important to have up-to-date information. They would be quite happy to have so-called smart meters, and we clarified that during the debate.

Like many members in this House or many people out on the street, they would like to have a clear and identified electricity bill, maybe on a template basis—and I am glad to see that the government will have a look at that. It is very hard to come up with some sort of template or standardised bill so that people can, in one glance, see how their electricity bill would compare under another supplier. We want to make it easier for those people to change. If they do change from one supplier to another, when they receive their new electricity bill they often find that it comes in a

completely different format. At the very least, I would like to see one page of that electricity bill be in a set format so that people can compare their last bill with this bill and see what may have changed. That was something that was really important to QCOSS and to National Seniors. I fully support that. We made sure that that flowed through to our report in the committee.

I think this is a great step forward as are some of the other things that the minister has done such as with regard to slowing down increases in electricity costs. The previous government went willy-nilly at things. They gold plated our infrastructure. They introduced things like the 44c feed-in tariff which at the time might have seemed like a good idea but it has now been proven to add about \$256 a year to the price of electricity. They did not care. They thought it was some sort of green incentive. It was not fair. It is not fair on other people who do not have solar who have to pay for the necessary infrastructure for which people with solar panels do not have to pay. Having said that, people committed to 44c in good faith and it was not appropriate for this government to take that away. So we said, 'No, we're not going to do that.'

The minister has now removed that regulated 8c feed-in tariff. We expect as a government to see our energy retailers and wholesalers offering more money for the feed-in tariff in a competitive market. If your electricity company wants to keep your electricity and they want you to keep paying the money, they are going to have to be competitive and they are going to have to compete with the other people who we anticipate coming into this market. We have already seen in Victoria that the number of retailers has increased. A number of those retailers that operate in Victoria are basically champing at the bit to get up here to Queensland and take on the people who have been in this regulated market. Deregulating the market will be a fantastic thing. I really commend the government for having the guts to get in there, make these decisions and put in place things that will have an effect on the cost of living for the people in my electorate and the cost of living for the people in all of our electorates. All of us should support both of these bills.