




Speech By
Tony Perrett

MEMBER FOR GYMPIE

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ELECTRICITY AND OTHER LEGISLATION AMENDMENT BILL

 **Mr PERRETT** (Gympie—LNP) (9.15 pm): I rise to speak on the Electricity and Other Legislation Amendment Bill 2016. This bill is about making up for the financial and policy incompetence of this government by destroying mum-and-dad business owners. This bill is about repaying the powerful ETU at the expense of everyday sparkies. It is about giving preference to a large militant union by creating a monolithic mega electricity company at the expense of small family owned electrical businesses of trades men and women, of electricians, of people who employ apprentices. Of course, we know that the union becomes more powerful when it works hand in glove with the electricity entity, when it has a stranglehold on the supply of electrical products and services throughout diverse state and has more power in holding this state to ransom.

This bill is about the government saving face from the order by the energy regulator to cut costs. Instead of doing this by showing leadership and spending taxpayers' dollars prudently, it will create a new business which takes away work from existing businesses because this government is unable to cut costs. Time and time again I listen to ministers make speeches about the diversity of regional Queensland, of creating ways to harness its skills, of supporting employment and creating jobs, of giving regional Queensland the tools to drive growth. Their words are meaningless because when it comes to government policy this government is more interested in stealing work from Australian battlers. This bill will have dire consequences for tradies in regional Queensland who work hard to support their families. The sad thing demonstrated here is that the Labor Party used to claim it stood up for workers and the Australian battler. Today the only workers it stands up for are the jobs of union organisers and delegates for the ALP conferences and executive.

The government's plans to create a contracting company from the merger of Energex and Ergon is a threat to communities in regional, remote and rural Queensland. This will put the government in direct competition with more than 10,000 licensed electricians and about 1,200 registered solar installers. The Treasurer uses the excuse that his shiny new business will offer services not available in rural and remote Queensland. He says it is about offering metering, solar and other household electrical services to the private market. However, mapping by the Clean Energy Council shows there are already 1,200 electricians across the state who have spent their money and time becoming accredited solar installers. The Chief Executive Officer of Master Electricians Australia, Malcolm Richards, said—

There is absolutely no suggestion of market failure or other conditions that would justify the State Government deciding to compete with small, local businesses and employers.

The Queensland Chamber of Commerce has described this policy as the state stealing the bread and butter businesses of electrical contractors. The only possible result from head-to-head competition will be small businesses being sent to the wall. Just why has the government chosen to merge Ergon

and Energex? What is the point? What is their goal? According to the Treasurer it is supposed to be about efficiency. He said—

Rather than sell these assets to the private sector ... the Palaszczuk government is ... make these businesses work better for Queenslanders.

Let us look at the evidence rather than the words. If it is more efficient then why expand operations into a field that the government says is not commercially viable? Queensland Treasury has indicated that the majority of the \$680 million in efficiencies identified during the 2015-16 MYFER has nothing to do with the merger of these two businesses. Instead, it is related to the determination of the Australian Energy Regulator which directed Ergon and Energex to lower their capital and operating expenditure over the 2015-20 regulatory period.

This directive will result in job losses and that is why the government is doing it. It is doing it because there is no forced redundancy policy at government owned corporations. In the words of the *Courier-Mail*, it is a 'ham-fisted make-work scheme dreamt up in cahoots with the Electrical Trades Union in an effort to minimise the number of redundancies from the ... merger'. I remind the government that it should be in the business of providing basic services such as education, health, policing and public safety—that is, basic social services. The government's first priority should be to make the electricity companies get the basics right, rather than branching out into the marketplace, which is already well serviced.

Small business people and tradies are legitimately asking whether this is this just the start. Will we soon see the government competing against plumbers, carpenters, builders, butchers, bakers and newsagents?

An opposition member: Candlestick makers.

Mr PERRETT: Candlestick makers, too; I take that interjection. Will it be using taxpayer dollars to compete with and undermine small business? I have been contacted by concerned electricians who are fearful of their ability to find work and compete with government backed contractors. They are very aware that the new business will have access to and be supported by a ready-made database of consumers, that it will have the ability to provide financial payment options for consumers and that it will be able to borrow money or sustain losses in order to squeeze out competitors. They are fearful that the government could direct all government departments to use this government owned taxpayer funded mega-company, putting hundreds of small businesses and families at financial risk. Finally, the very same body that competes against them, Ergon, is the authority that approves connections of solar panels and better systems. That means that private contractors will be regulated by their competitor.

A Gympie electrician who is an accredited solar installer and fearful of the devastating impacts of the bill wrote to me, stating—

I am concerned that the new entity, with its focus on unregulated work, will use its position to dominate the solar PV market, at the expense of local electrical contracting businesses.

The new entity will have a strong advantage over small electrical contractors, being in a position to draw on the established brand awareness in the community of Energex and Ergon in order to drive leads for solar PV, batteries and energy efficiency solutions ... the resources of Energex and Ergon will be accessible to the new entity to build the company.

It may even be the case that the entity will receive subsidisation from Energex and Ergon in order to meet market pricing points ...

Of further concern is the conflict of interest for such an entity being involved in the sale of solar PV and energy efficiency solutions given that Ergon and Energex have the sole power to approve solar applications and set meter charges.

We have already seen the consequences of such a conflict in regional Queensland. Peak industry body Master Electricians Australia has reported incidences of Ergon representatives approaching local North Queensland customers in order to sell homeowners Solar PV Power Purchase Agreements.

This is placing Ergon in direct competition with all solar installers in Queensland.

The rapid increase in solar PV demand has provided electoral contractors with a much needed revenue to keep their business afloat.

An entity comprised of a merger between two large distribution businesses entering this market is an undeniable threat to the survival of the smaller electrical contracting business who specialise in this area of expertise.

This bill is an abuse of market power. It is bad economics. It sends the wrong message to Queensland's largest employer, the small business community, threatening their viability and security. It is about an incompetent government repaying the ETU by creating a state-owned monopoly at the expense of sparkies. I urge this chamber to reject this bill.