




Speech By
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MEMBER FOR WARREGO

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ELECTRICITY AND OTHER LEGISLATION (BATTERIES AND PREMIUM FEED-IN TARIFF) AMENDMENT BILL

 **Ms LEAHY** (Warrego—LNP) (4.38 pm): I rise to make a contribution to the debate on the Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill. I note that one of the main areas of concern relates to the Solar Bonus Scheme which, like many Labor policies, was introduced without first carefully considering the longer term financial implications for the state's finances, which sadly seems to be a common failure.

In crafting the Solar Bonus Scheme, the Labor government came up with details that have been described by the ACCC Chairman, Rod Sims, as 'excessively generous'. Without this amending legislation to clarify the ambiguity in this scheme as it relates to the additional generation systems and electricity storage devices, the opportunity exists for this scheme to be exploited even further.

The Solar Bonus Scheme was closed to new entrants by the LNP in 2012 to reduce electricity prices as well as to contain what was projected to be a major cost blowout of epic proportions. Even so, it has been estimated that the scheme will still end up costing \$4.1 billion from its introduction in 2008 until 2028. Without these amendments, DEWS estimates the cost blowout may be more than a billion dollars. The bill addresses the ambiguity surrounding the scheme but also sets clear boundaries for what is permissible and seeks to contain the cost impacts that would otherwise become prohibitive.

I welcome the amendments that remove the non-reversion policy for residential and small customers, thereby giving them the option of returning to Ergon Retail. That is a particularly important matter for my electorate given that everyone in my electorate has no other choice but to be connected with Ergon or, if they are lucky enough, to be on New South Wales power, probably Country Energy. Ergon is the government owned retailer. I note that this is not consistent with the policy change announced by Labor just prior to the last election.

The Queensland government introduced the non-reversion policy some 10 years ago to encourage retail competition by preventing customers in regional Queensland who switched to another retailer from returning to the non-competing government owned retailer Ergon Energy. Because this policy applies to properties, new occupants are unable to be Ergon Retail customers if the previous occupant switched to a private retailer. This has caused some real heartache for some businesses in my electorate as have the regulatory arrangements for competition in the embedded networks.

I want to tell the House a story about a McDonald's restaurant. A McDonald's restaurant opened their doors in my electorate. That is particularly important because they employed about 80 staff in that community, most of them young residents. McDonald's is well recognised for the global training opportunities it provides its young people and it is keen to deliver that tradition locally. Two months after opening the restaurant, the licensees received their electricity bills that were double those received by the neighbouring McDonald's restaurants in Dalby and Roma. The invoices were in excess of \$18,000 per month.

Discussions with the electricity provider revealed that during the building phase the project manager had signed the retail contract with TRUenergy, which are now known as EnergyAustralia. The project manager was unaware of the options available and at this stage of the development the licensees are not usually consulted; they had taken on a franchise of a McDonald's restaurant not knowing, unfortunately, who the electricity was being provided by. Had the site's retail supply been assigned to Ergon Energy, that McDonald's restaurant would have been entitled to a subsidy that would have reduced the electricity bill to close to \$10,000 per month, the amount being paid by the neighbouring restaurants in places like Dalby and Roma. The impact of the situation was that \$10,000 per month from this small business's training and staff development costs was being used to cover unnecessary electricity costs.

I have another example as well in relation to a local butcher shop. This example is that of Country Meats in Roma, which leased a premises, an industrial unit, in Raglan Street in Roma, for storage. The previous lessees had the power connected with Powerdirect, the only alternate electricity supplier in the Roma area. When Queensland Country Meats requested that Ergon connect the power to the premises, they advised that business they were prevented by the Queensland legislation from changing the account to Ergon. As a result, Queensland Country Meats had to pay \$3,800-plus every month for the electricity. That business could not support the additional expenses of having this company as their electricity supplier.

These are two examples that occurred prior to this legislation being brought to the parliament. These businesses would certainly appreciate confirmation that they will now be able to revert back to Ergon Energy as their electricity provider given these changes to the legislation. I hope the minister will be able to outline this in his summing-up. The explanatory notes say that there have been mixed results in terms of increasing retail competition in regional Queensland. I would go as far as to say that it has created some significant hardship and probably some disastrous results for businesses. I look forward to the minister's clarification for those two particular businesses.