




Speech By  
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**MEMBER FOR BUDERIM**

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

 **Mr MICKELBERG** (Buderim—LNP) (12.04 pm): I rise today to speak to the Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill 2018 and to express my deep concern about another amendment bill that is before this House designed to fix the failures of Labor's previous legislation that was poorly conceived and has been poorly executed.

As a member of the State Development, Natural Resources and Agricultural Industry Development Committee tasked to review this bill, I would first like to thank my fellow committee members—the members for Bancroft, Condamine, Bundaberg, Ipswich West and Mount Ommaney—for their contributions. I would also like to acknowledge those entities and individuals who made submissions to the committee in relation to the bill, including staff from the Department of Natural Resources, Mines and Energy. Finally, I would like to thank the committee secretariat staff who, as always, conscientiously and professionally supported the committee in reviewing this bill.

This bill was one of the first considered by the State Development, Natural Resources and Agricultural Industry Development Committee. I am concerned that the government considered it necessary to allow a very short time frame for review of the bill which meant that no public hearings were offered to submitters. I would understand such a course of action had the legislation been considered by the House in a timely fashion after the conclusion of the committee process. However, here we are more than six months after the tabling of the committee's report and the bill has still not been considered. This is emblematic of this government's shambolic and amateurish approach to managing the businesses of government.

Queenslanders deserve better. If the government is incapable of considering legislation in a timely fashion, it should allow the committee sufficient latitude to fully examine proposed legislation. Failure to do so simply indicates that the government does not wish to subject itself to the scrutiny that an open and transparent government should. I note that this bill will reluctantly have the support of the opposition because we have little choice other than to support it, given that the amendments will help save Queenslanders from further financial peril at the hands of Labor.

It is an indictment on this government that the word 'electricity' is now synonymous with terms like 'rip-off', 'price gouging' and 'price manipulation'. Buderim residents I speak to tell me that when they think about electricity they think of Labor's ambitious and expensive renewable energy target, a move designed to appease the Greens and not cut power costs, Labor's generous Solar Bonus Scheme that robbed Peter to pay Paul—the amendment of which is the focus of this bill. More than all of these concerns combined, they speak of the sleepless nights trying to think of ways they can reduce their consumption and how they will come up with money to pay the next exorbitant power bill.

The Grant report slammed Labor's 2006 move to national network regulation as 'catastrophic' which led to gold plating of the network. In simple terms, Queensland Labor overspent on unnecessary infrastructure, overestimated demand and as a result needlessly drove up prices. Labor's introduction of a \$4.1 billion Solar Bonus Scheme in 2008 was another costly attempt at stimulating the market in an unsustainable and overzealous way.

The government itself has revealed, that without amendment, this scheme alone could blow out by more than \$1 billion. It is not rocket science. Renewable energy sources will increasingly become more important. However, the maintenance of an appropriate technology mix that ensures reliability and affordability must be the focus of any energy policy. Unfortunately, Labor has demonstrated time and time again that it would prefer to subject Queenslanders to extortionate electricity prices as a consequence of an ideological crusade that rushes headlong into a 50 per cent renewable energy target rather than focus on affordability and reliability.

In 2012 the LNP closed the Solar Bonus Scheme to new entrants in order to reduce electricity prices and to slow the fiscal tsunami the scheme had triggered. The amendments to the Solar Bonus Scheme contained in this bill are essential if the state government is to curtail the excesses of the past and maintain the scheme's original intent.

When introduced, the overly generous and ill-conceived Solar Bonus Scheme did not account for the use of household solar storage batteries. As a result, there is nothing stopping a householder from using battery storage to power their home during the day and exporting solar generated power to the grid, buying electricity at eight cents per kilowatt hour at the same time as selling electricity for 44 cents per kilowatt hour. While it is vital to introduce generation and storage limits, it is unfortunate that it is a decade too late. Even considering the fast-moving trends in the energy market, it is classic Labor to not take this into account: no attention to detail, no attempt at futureproofing and no care for the economic fallout. It is about time existing Solar Bonus Scheme customers were told what the rules are and how they can play by them, giving them the clarity and certainty they deserve and protecting other consumers in the energy market as well.

Mr Deputy Speaker, as I know you are well aware, the new national regulatory framework for retail competition, known as the embedded networks rule, came into effect on 1 December 2017, making it possible for unit residents and shopping centre and factory tenants to shop around for their electricity retailer instead of having this sourced on their behalf by their landlord or embedded network owner. In 2006 section 23 was specifically introduced by Labor into Queensland legislation to deny embedded network customers access to the retailer of their choice until such time as the government was satisfied that market problems, such as the administrative arrangements of how the embedded network owner would pass on the network charges to their tenants, had been resolved. That said, the Australian Energy Market Commission, the AEMC, is the rule maker in the electricity market. In 2017 it conducted a thorough review which concluded that the regulatory framework with respect to embedded networks is no longer fit for purpose and that the commission does not see retaining the current framework as an option. It also proposed a significant overhaul of the rules to enable retail contestability in embedded networks.

It did, however, note that the New South Wales and Victorian experience had been less than positive. Surely the Palaszczuk government cannot be satisfied, then, that market problems have been resolved. Only an irresponsible government would make a change now that will affect millions of customers when the framework is likely to be overhauled in the near future. Queensland Labor has not taken the necessary steps to craft thoughtful and effective legislation, instead forging ahead before the AEMC reports on its view of regulatory arrangements.

Submitters to this bill stated quite clearly that they fear extra administrative burden and compliance costs, which will significantly impact the owners of embedded networks. Economic impacts may have been addressed and reduced by the AEMC if Labor had not sought to rush the introduction of this legislation in February. Without a proper hearing, Labor made it clear to these submitters that it was not interested in the real challenges they would face and that, in this case, it had prioritised expediency over technicality or practicality.

Without the necessary regulatory instruments, this bill leaves the owners of embedded networks to decide how the share of network charges is calculated and disbursed to tenants, paving the way for future legal challenges around fairness. It is yet another headache for them as a result of Labor's poor attention to detail. Given that these charges can be close to a quarter of the bill, these arrangements could completely decimate a small business. To leave these arrangements up to market forces or some such classic Labor scapegoat to resolve is completely reckless.

I put it to those opposite that robust policy comes from due diligence, active listening and genuine engagement with all stakeholders, especially consumers. Even when Labor failed to increase electricity retail competition in the regions 10 years ago and was forced into an embarrassing backflip at the last election to repair it, it still has not been able to get it right.

Labor was right to copy the LNP's commitment to scrap its non-reversion policy, which prevented consumers from returning to a government owned electricity provider once they signed up with a different retailer. Unfortunately, it overlooked the detail of the LNP's policy and has misled voters again. Despite the assertions of the member for Bancroft, the facts are that Labor has only slightly amended this ineffective policy and has not scrapped it as it said it would. These decade-old laws will still apply to large energy consumers that use more than 100 megawatt hours each year. Yet again it is business that has been left blindsided by Labor's smoke and mirrors and misleading election promises.

A few questions still remain as to Labor's real plan for driving down electricity prices. However, what we do know is that the secret to keeping power prices down is competition and transparency in the market. We do know that Labor has no record for producing either.