



Speech By
Lachlan Millar

MEMBER FOR GREGORY

Record of Proceedings, 20 September 2018

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

 **Mr MILLAR** (Gregory—LNP) (4.27 pm): I rise to speak to the Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill with a sense of frustration that all of my constituents feel about electricity issues. As previous speakers have noted, the LNP is supporting this bill because to do otherwise would have severe financial consequences on the state of Queensland. The fact that these amendments are needed should show all Queenslanders, if they need to be shown, what a cobbled together muddle Labor has made of Queensland's electricity industry. Too often Labor policies have been driven by factional considerations rather than a clear-sighted view of what is actually needed in this vast state.

On 24 October 2017, Minister Bailey, the then energy minister, announced with great fanfare, '... the Palaszczuk government was investing \$40 million to remove barriers to regional Queenslanders switching retailers and to improve access to solar panels and household storage batteries.' All the people in my electorate probably rolled their eyes. They probably wanted to say, 'Hey, we are regional Queensland but we don't have a suite of retailers to switch to. The only one is Ergon.' They might have added that their use of solar panels is often curtailed by the poor state of local electricity grids so that Ergon is forced to refuse their application to install solar.

Like most regional Queenslanders, the people of my electorate are getting used to the contempt heaped on them by this government. We do not even recognise who they are talking about in their media releases. Here is another quote from Minister Bailey in 2017: '... give regional customers more choice and control over their energy bills which is good news for electricity bill savings in regional areas'. It was lucky that we were not waiting with bated breath for that, because it is only today that we see that when the minister said 'regional customers' he meant fewer than one per cent of us. There is no benefit for 99 per cent of us.

Let us consider the date of the ministerial statement that I just quoted—24 October 2017. I do not know if we could refer to this bill as having lapsed, because there has been a superficial change, so maybe it has not lapsed but it has certainly languished. It was introduced in June 2017 and sent for consideration to the former Public Works and Utilities Committee. The committee duly reported on 11 August 2017. The only recommendation was that the bill be passed.

This bill seeks to contain the financial damage of the previous Labor government's Solar Bonus Scheme. Despite the fact that it is a bill designed to plug a \$1 billion hole created by the former Labor government, it has languished all that time. Even with a potential saving to Queensland taxpayers of \$1 billion, the Palaszczuk government did not see this bill as a priority. It joined quite a lengthy list of lapsed bills when the parliament was dissolved the last time. Now we are seeing a new minister give it another go.

As we have said, the LNP will support this bill because we are a party of good financial governance. That brings me back to the Solar Bonus Scheme. When the former Labor government introduced the Solar Bonus Scheme in 2008, blind Freddy could see that there were problems. It committed Queensland taxpayers to paying a bonus payment to Solar Bonus Scheme participants until 2028. The bonus has since been described by the ACCC Chairman, Rod Sims, as excessively generous. This open-handed generosity was going to cost Queensland taxpayers billions all in the name of achieving a renewable energy target made up by the same government.

I am all for renewable energy, but the best way to develop it as part of Queensland's energy mix is not a scheme like the Solar Bonus Scheme. What the government could have been doing is working with regional industries to move our industry groups to their own solar generation. By now we could have made a significant impact for the mining industry, for irrigated farming and orchards, for feedlots and meat processors, and for the hospitality and tourism industries. We could have moved all our regional schools, hospitals and government facilities to solar. It would probably have been cheaper and it would have created a 21st century infrastructure that would have improved our productivity and international competitiveness.

We should also have seriously re-examined whether being on the national energy grid is the best energy solution for rural and remote Queenslanders across the great divide. We may have been able to do something about the cost of maintaining electricity SWERs in remote and extreme climates where the national energy grid is useless and a fantasy anyway. We get blackouts all the time on the Clermont-Alpha SWER. The hydropower sold by Tasmania into the national grid has as much real impact for us as an ashtray on a motorbike. Targeting consumers and users for solar power in these settings makes real sense in terms of security of supply—endless sunshine and savings in terms of energy grid maintenance.

For the Labor government, Queensland is just South-East Queensland. Our taxpayers have paid billions of dollars to put solar panels on suburban homes that already enjoy gold plated electricity infrastructure right outside their front door. As usual, it has not been the battlers who have enjoyed this generosity because they cannot afford the up-front investment. For renters and people in public housing, forget it; they do not get a look-in. Yet the cost of the scheme has increased everyone's electricity prices, even those who could not afford solar panels.

Although the LNP government closed the scheme to new entrants in 2012, it has been estimated that when the Solar Bonus Scheme finishes in 2028 it will cost taxpayers \$4.1 billion. Think of what we could have done with that money for Queensland. These amendments before us will save around \$1 billion, which is something but it is way too late. The amendments will prevent a further cost blowout by clarifying what Solar Bonus Scheme participants can install and still remain eligible for the scheme. Even these amendments reflect how poorly designed the original scheme was, how little it foresaw the rapid development of technology in solar panels and battery storage, and the sheer lack of vision in the ALP about how to best use renewable power in our vast state.

Every Queenslander knows that the Treasurer uses electricity consumers as a cash cow, creaming dollars off the top of their power bills and pouring it into a black hole of consolidated revenue. These dividends, which the Auditor-General puts at around \$583 million, are in fact a form of taxation and most Queenslanders understand that. They should also understand that it is the worst form of taxation because it drives up power costs, which affects households, businesses and prosperity right across Queensland. This bill will not solve the burden, but it will potentially decrease the cost to the Queensland taxpayer by \$1 billion, and so I commend this bill to the House.