




Speech By
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MEMBER FOR BURLEIGH

Record of Proceedings, 20 September 2018

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

 **Mr HART** (Burleigh—LNP) (11.13 am): That was one of the shortest speeches I have heard in quite a while from a member moving a second reading. This bill was a bit of a hospital pass from the previous minister. The Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill 2018 is, in fact, a rework of a bill that was put before the House by the previous incompetent minister in 2017.

The policy objectives of the bill, as set out in the explanatory notes, are that it intends to clarify when additional generation systems and electricity storage devices can be deployed in association with the Solar Bonus Scheme; it enables the effective implementation of the new national regulatory framework for retail competition in embedded electricity networks which commenced on 1 December 2017; and it allows residential and small business customers in regional Queensland to have the option to return to Ergon Retail if at a property that has switched to a private retailer.

Let us do a bit of a history check. This bill was introduced in June 2017. At that time it only had the first two objectives and the reversion to Ergon was not part of the bill. This bill prevents people from replacing their solar panels with larger panels. They would lose their Solar Bonus Scheme, the 44 cent payment, if they did that. Unfortunately the minister who had carriage of this in 2017 did not bother to tell anybody in the electrical businesses that were installing these panels that this could happen.

That is why we saw this bill languish on the *Notice Paper* until it was prorogued at the election. The minister did not want this bill to come to the House because there may well have been quite a few lawsuits from installers who had installed solar panels in good faith, because they thought they could, and the government did not bother to tell them that they were changing the laws retrospectively back to the day that the bill was introduced. That may have caused quite a few problems. The Master Electricians Association brought that to the attention of the government and the opposition. That is why this bill sat on the *Notice Paper* from June 2017 until the election later that year.

In early 2018 this bill was reintroduced and an extra objective added to it following commitments made during the election campaign to allow people in the Ergon area to revert back to Ergon if they had, in fact, moved away. That is a complete failure of an election promise that the minister at the time, the member for Miller, made along with the treasurer at the time. They put out a media release at the time of the election. I will table a copy of that release for the benefit of the members of the House.

Tabled paper: Media release, undated, by the former treasurer and minister for trade and investment, Hon. Curtis Pitt, and former minister for main roads, road safety and ports and former minister for energy, biofuels and water supply, Hon. Mark Bailey, titled 'New bill cutting energy initiatives announced as Palaszczuk Govt continues to use energy assets to back Qlders' [\[1415\]](#).

In that media release they say the Palaszczuk government is removing Ergon's non-reversion policy. That was the election promise that was made to the people of Queensland. There was no mention that they were only going to allow some people to revert. Clearly the people of Queensland would have understood that this would allow anybody to revert to Ergon had they moved away. The media release goes on to say—

We recognise the desire of regional customers to have more choice of electricity retailers, so we will amend the current policy that prevents customers who switch away from Ergon Retail from returning.

That is not what they are doing. They are only allowing some people to return.

Removing the policy will give regional customers more choice and control over their energy bills, which is good news in terms of savings. I imagine that a lot of people were quite excited about the possibility of going back to Ergon, because they had been stopped by Labor governments in the past. They took that on face value and they have been let down by the government. I will come back to that point later in my submission.

The bill tries to stop people from taking advantage of the Solar Bonus Scheme. Again we need to look at a bit of history. The Solar Bonus Scheme was put in place by a Labor government. It paid 44 cents per kilowatt to people who fed back into the electricity grid from their solar panels. Let us put that into perspective and look at it closely. When you buy electricity from a coal-fired power station, a large-scale solar plant or a wind farm, normally the cost is around seven or eight cents.

An opposition member: It's going up.

Mr HART: It is going up; I take the interjection. At the time, the cost of providing that electricity was about seven or eight cents. In fact, when the Solar Bonus Scheme was first started it was about 3½ cents. The Labor Party then decided that it was a good idea to give people 44 cents. That is Labor economics for you.

An opposition member: Labornomics.

Mr HART: It is Labornomics; I take that interjection as well. People could buy electricity for seven cents and feed it back into the grid at 44 cents. When we were elected in 2012, as minister for energy the member for Caloundra, to his credit, thought that that was a bad idea and we should stop anybody else joining the scheme, so we cut it off. By doing that, we limited the cost to the people of Queensland to about \$4.1 billion over the life of the Solar Bonus Scheme. I repeat: \$4.1 billion. Where do members think that \$4.1 billion goes? It goes on to people's electricity bills! In Queensland the Solar Bonus Scheme has pushed up the price of electricity by about \$4.8 billion, in fact. Last year the government removed the Solar Bonus Scheme costs for the next three years, at a cost of \$770 million, so we can see the extreme costs involved in it.

However, when the government established the scheme originally it missed a loophole, which now it is attempting to fix. The opposition will not oppose the legislation, because the cost of an incompetent Labor government would be borne by the people of Queensland. People were starting to take advantage of the scheme because of the loophole. An industry was being formed by electricians and others who said, 'There's a hole in the legislation so big you could drive a truck through it. Let's take advantage of it. Let's install bigger panels, generators and batteries. We'll take power out of the grid to run generators and charge batteries. We'll use our solar panels to provide electricity back into the grid at 44 cents.' We can see how the costs could well and truly blow out when people can buy in electricity for 22 cents or 25 cents, including all of the network costs, and then sell it at 44 cents. It would not take a rocket scientist to see that the legislation had a big loophole, which the government is closing.

In evidence from the Department of Energy and Water Supply, we heard that that loophole could have cost the government an extra \$1 billion. Of that, \$900 million alone came from an increase in the size of solar panels. That is an extra \$1 billion on top of the \$4.84 billion that people are already paying towards the Solar Bonus Scheme. That cost would have been put straight onto the electricity bills of the people of Queensland. Obviously, the LNP does not support that. As I said, we do support the part of the bill that closes the loophole.

Members of the committee asked the department to give us some advice on the sorts of solar panels that may be installed to replace panels that have worn out over time. For example, if a 250-watt solar panel fails and needs to be replaced, you may not be able to buy another panel of exactly the same size. The legislation says that you cannot oversize your panels, but it does not lock in a number. The department said that they will be pragmatic about this. However, what happens if you cannot buy the same size panel and you have to replace it with something slightly bigger, so you go over the inverter rating? Would you be in breach of the Solar Bonus Scheme and lose the 44-cent payment? That cannot be allowed to happen.

The department, I assume via the minister, has said that they will be 'pragmatic' about that particular approach. When the minister speaks more on the bill—and he has plenty of time to do that—I ask him to explain that pragmatic approach. Are we talking about a five per cent increase in size? Will that be allowable? Will it be a 10 per cent increase in size? If so, why is it not in the legislation? Why do we need to be pragmatic? After all, Labor governments are not that well known for being pragmatic. That is one of the things that I would like to get to the bottom of.

The bill looks at embedded networks, which came in on 1 December last year under the power of choice legislation. We are almost 12 months down the track from when the power of choice legislation came in and only now has the government put the bill before the House. This bill has been sitting on the *Notice Paper* for a long time. In fact, I have written on the top of my notes '22 March 2018', which is over six months ago. That shows how long we have been ready to debate this bill, but it has been stalled. That is a reflection on the government's family-friendly hours. They cannot get anything done and things have dragged on. This particular bill has been on the *Notice Paper* for months. It was introduced last year and finally we are debating it. One billion dollars is a lot of money, but they could not get around to putting the legislation before the House.

As far as embedded networks go, the bill ensures that the rule changes put in by the Australian Energy Market Commission come to fruition. A whole series of questions around how that will work was raised during submissions to the committee. I am not sure whether members are aware of what an embedded network is. If you own a factory or a unit complex, electricity is supplied to a meter and the owner of the complex owns the network between it and the end user. That is an embedded network. In the past, if you had to buy your electricity from the embedded network operator they may have taken advantage of you. I fully support the government fixing that problem. It needs to be fixed.

There needs to be some clarity because, at the end of the day, that embedded network owner still owns the embedded network. Instead of the end user now dealing with just one person—the embedded network operator—they are now having to deal with a retailer—the embedded network operator—and maybe even an embedded network manager to work out their bill. Instead of getting one bill they are now possibly going to get two bills—one for the network and one for supply of electricity.

There is a lot of confusion among people who are running embedded networks. They do not quite understand how this whole thing will work. Quite frankly, the people who are relying on an embedded network to get their electricity have no idea what is going on. They are very surprised when they get a second bill from the embedded network operator. We would be quite happy to work with the government to see whether there is any way of clarifying this situation. We would be happy to work with the federal government as well. I understand that this has come from COAG and a decision made by all the state governments and the federal government.

While I am on the issue of the power of choice, I point out that I have raised with the minister before that we are having issues with the installation of meters to buildings brought about by the power of choice legislation. It used to take two weeks for meters to be installed but it is currently taking 12 or 16 weeks for them to be installed. Some people on the Gold Coast who are having issues with delays in meter installations are telling me that they are able to construct a house on a vacant block of land before they can get a meter installed. It is taking that long to get a meter installed. There needs to be a solution to that. Again, the opposition is quite happy to work with the government to see whether there is something we can both agree on to fix that particular issue.

The other issue raised with me is that an embedded network manager needs to be appointed to every embedded network. We are unsure at this stage how many people have been trained to be embedded network managers. Could the minister give us an idea how many embedded network managers are in the system now? How are people who have embedded networks being notified of that? How can people who buy embedded network electricity contact these people? Is there a process in place to streamline that whole organisation? It would be nice to have answers to those questions.

It is very unclear for people what will happen in, say, an industrial complex where there is an embedded network and they have a significant electricity user, say a foundry or a large-scale manufacturing group, and then at the other end of the scale there is an office with a few lights on and a couple of computers going. How is the network cost going to be broken up between those users? What is in place to make sure they are not being taken advantage of? What is the process for them appealing the decision of the network operator as to what their costs might be? Does that get referred to the ombudsman? Exactly what happens there? If the minister could clarify those issues that would be wonderful.

As I said at the start of my contribution, the other big issue relates to what the government said during the election campaign. They received some information from the final report of the Queensland Productivity Commission that it would be a good idea to take the non-reversion policy out. They copied the LNP's policy and said that they would take the non-reversion policy out and scrap it. They basically said that they would scrap the entire non-reversion policy. The legislation before us only scraps it for residential users and small business users. The government's explanatory notes state—

The Queensland Competition Authority advises that as of June 2016, around 38 per cent of large and very large customers in Ergon's area had switched to a private retailer.

This does not apply to them. It continues—

In Ergon's network east pricing zone, transmission region one (effectively the area along the Queensland coastline) the figures are higher—

this does not apply to them—

with more than 50 per cent of the large and 76 per cent of very large customers having switched to a private retailer at June 2016.

The explanatory notes go on to say—

In comparison, less than one percent of residential and small business customers have switched to a private retailer.

It does apply to them. The government has gone out and said, 'If you have switched away from Ergon, we are going to let you come back to Ergon.' When they produced the legislation it says that they are only going to let one per cent of people swap back. The other 99 per cent of people cannot.

Why would that be the case would members think? The reason is that the department was asked how much this would cost. They said that this particular policy—the one per cent of people to come back—is going to cost \$5 million. The government went out and made a promise—

Mr Krause: They had no idea what it would cost.

Mr HART: I take that interjection. That is where I was going. They had no idea how much this was going to cost. In fact, I suspect they did not care. Remember that this came from the incompetent previous minister for energy. Who was that, member for Chatsworth?

Mr Minnikin: 'Mangocube'.

Mr HART: That is the one—'mangocube'. They had no idea how much this would cost. They went out and made a promise that was uncoded, unfunded and not available to the budget. It could have been hundreds of millions of dollars. It may have been billions of dollars, we do not know. They reneged on it.

This is a clear indication to the people of Queensland that they cannot trust a Labor government. People cannot trust what they say, when they say it—especially during an election campaign—because they have no intention of following through. I hope the people of Queensland remember this when we get to the next election campaign and the Labor Party makes grandiose promises—'We are going to cut the price of electricity; we are going to do this and we are going to do that.' They then renege on it. I think there are words for that. The Labor Party goes out and makes a promise.

I want to thank the minister for giving me a briefing this morning on the amendments that will be moved later. There are three amendments. The opposition has no issue with two of them. I suspect we will have no issue with the third. We are checking on a last-minute planning change. This is the Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill but they have thrown in a last-minute planning amendment to fix a problem that the government may have missed.

There is a whole series of problems in legislation but they are not going to bother to fix any of those. They will just fix this one. They will fix the bridge across the river issue in an electricity bill. The opposition is having a look at that at the moment. We were only notified about this at nine o'clock this morning. Again, this is an indication that the government's family-friendly parliamentary sitting hours just do not work.

Even though we have no issue with the amendments, the second amendment, as the minister mentioned during his very short contribution, proposes to extend the derogation of further costs that retailers could charge, because that derogation expired on 30 June and they missed it. They 'missed it by that much', so now they want to fix that retrospectively—there is that word again—and extend it by two years so that it is taken off the agenda. It is quite clear from this bill that the government have no idea what they are doing. It would have cost the people of Queensland, including the parents of the young people in our gallery today, an extra billion dollars. That is a lot of money—a thousand million dollars in extra costs on the electricity bills of all your parents—

Madam DEPUTY SPEAKER (Ms Pugh): Direct your comments through the chair, member for Burleigh.

Mr HART: Through the chair to the members of the gallery, all of their parents would have had to pay an extra billion dollars had this bill not come before parliament again. This bill was introduced in June 2017. It has been sitting on the *Notice Paper* for so long. I have been monitoring the *Notice Paper* for the last six months, looking to see where the electricity bill is and it has been going down the list instead of coming up. It is just a pesky billion dollars.

Mr Boothman: What's a billion dollars between friends?

Mr HART: I take that interjection: 'What's a billion dollars between friends?' It means increased electricity bills for every person in this state, and that is pretty serious, so we do need to fix this. The opposition will not be opposing the bill, but we are very disappointed that the Labor Party thinks it is okay to tell porkies to the people of Queensland during an election campaign and then not follow through with it when the legislation—I withdraw the word 'porkies', Madam Deputy Speaker.

Madam DEPUTY SPEAKER: That is very good. You obviously knew that was unparliamentary. I heard it as 'poorly'. Thank you for picking that up.

Mr HART: The Labor Party behaved very poorly during the election campaign when they promised—

Mr Watts: Telling untruths.

Mr HART: We will try that. They told untruths when they led the people of Queensland astray by promising that they would be able to jump back to Ergon. Every time I go to Townsville I talk to a lot of people and there is one particular guy who owns a bowling alley who was really looking forward to being able to revert back to Ergon. He uses over 100 megawatts of power a year, so unfortunately he is not going to be able to jump back to Ergon. He has been caught out by the mistruths of the members of the ALP in Townsville who led him astray during the election campaign. I am sure they would have gone out waving this press release around and saying, 'You guys are going to be able to go back to Ergon and save money,' and all of a sudden they have had the rug pulled out from underneath them.

Madam DEPUTY SPEAKER: Are you going to table that prop, member for Burleigh?

Mr HART: Madam Deputy Speaker, I tabled it about 10 minutes ago. Members on this side have seen this press release. I have waved it around quite a bit. Most of the regional members would be well aware of it. In fact, I am sure they have been flooded by people in their electorates saying that they wish they could revert to Ergon. The Labor Party in this state has let them down.

(Time expired)