




Speech By
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MEMBER FOR CONDAMINE

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

 **Mr WEIR** (Condamine—LNP) (11.53 am): I rise to make a contribution to the debate on the Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill 2018 as a member of the State Development, Natural Resources and Agricultural Industry Development Committee. This bill was the subject of a report in the 55th Parliament by the then Public Works and Utilities Committee which lapsed with the dissolution of the parliament following the announcement of the election. The bill was subsequently introduced into the House and referred to the committee on 15 February 2018 to report by 15 March 2018. I remind the House that that is six months ago.

That leads to the first comment I would make in relation to the bill. This was a very short reporting period. Granted there may have been a previous report done, but this is a new committee and there were some additions and amendments made to the previous bill. This meant there was only a short time frame for submissions and no opportunity to hold a public hearing with the submitters, nor was there any public hearing with submitters in the 2017 report. The committee did hold a public hearing with the department and also received a written response from the department to submissions received, but sufficient time should have been allowed for submitters to appear. The committee agreed that the report be adopted, but due to the lack of opportunity to interview submitters the non-government members submitted a statement of reservation regarding some of the concerns raised by some submitters.

The first section of the bill that I would like to address is the Solar Bonus Scheme. The bill proposes to amend the Electricity Act to clarify the specific circumstances in which Solar Bonus Scheme customers will not be permitted to use additional generation and electricity storage devices. This will be accomplished by no longer allowing the installation of additional generation systems and/or electricity storage devices in a way that enables the system and/or device to supply energy to the premises at the same time as the Solar Bonus Scheme qualifying generator is operating; the installation of additional generation systems and/or electricity storage devices in a way that allows them to export energy to the network; or the practice of oversizing existing Solar Bonus Scheme qualifying generators.

If any of these conditions are breached, the customer would no longer receive the 44-cent-per-kilowatt-hour feed-in tariff. The department advised that the bill does not limit the customer's ability to expand an existing system, install an additional system or use a battery to power their home or business but if they do so beyond what is permitted under the proposed provisions they would become ineligible to receive the Solar Bonus Scheme.

The advancements in solar panel technologies have led to ageing solar panels being replaced with new panels with a greater generating capacity which will lead to a dramatic increase to the cost of the Solar Bonus Scheme. The committee asked whether the department had made an estimation of how much it would cost the government if the proposed changes to the scheme were not implemented.

The department advised that it had estimated approximately \$1 billion in additional costs would be incurred by the scheme, with about \$900,000 attributed to oversizing and the remainder for second systems and batteries.

Mr Krause interjected.

Mr WEIR: One billion. The Solar Bonus Scheme was an ill-conceived piece of legislation when it was introduced in 2008 by the then Labor government and will cost an estimated \$4.1 billion by 2028. This legislation is to prevent a further blow-out in what the ACCC Chairman, Rod Sims, has described as an excessively generous scheme.

The next aspect of this bill is the regulatory arrangements for competition in embedded networks. Embedded networks are private electricity networks which serve multiple premises and are located within and connected to a distribution or transmission system through a parent connection point in the National Electricity Market—for example, shopping centres, retirement villages, caravan parks, apartment blocks and office buildings. Within an embedded network the embedded network operator—for example, a shopping centre owner—also known as an on-supplier, provides embedded network customers with network services which deliver electricity to their businesses. Many embedded network owners also sell electricity to the embedded network customers. Some submitters expressed concern about the additional cost that would be imposed to manage this system as embedded network owners that sell electricity to 30 or more customers will be required to appoint an embedded network manager.

TradeCoast Central stated in its submission that the Australian Energy Market Commission is currently undertaking a broad review to address problems that have arisen in Victoria and New South Wales and made the suggestion that this legislation be delayed until the review is complete and the findings released.

The final piece of legislation in this bill is the removal of the non-reversion policy for small customers. This legislation was intended to encourage retail competition by preventing customers in regional Queensland that switch to another retailer from returning to the non-competing government retailer Ergon Energy. The government introduced the non-reversion policy 10 years ago, and the policy has delivered mixed results with about 38 per cent of large and very large customers switching to a private retailer compared to less than one per cent of residential and small business.

The department advised that the non-reversion policy may be the reason that small businesses and residents have been reluctant to enter the market, knowing that they could not return to the previous provider. I would suggest that that conclusion should have been obvious 10 years ago when the bill was introduced. This bill is all about repairing the omissions and lack of foresight when these various pieces of legislation were introduced in the first place. This has become a commonplace occurrence with this Palaszczuk government.

The committee recommended that the bill be passed so we will not be opposing the second reading. In conclusion, I would like to thank the other members of the committee and the research staff, headed by Dr Jacqui Dewar, for their contributions in preparing this report in what was a very short reporting time frame.