




Speech By  
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**MEMBER FOR MIRANI**

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

 **Mr ANDREW** (Mirani—PHON) (4.52 pm): I rise to speak to the Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill 2018. Being the member for Mirani, my regional and rural constituents are especially hurting from rising electricity bills. First and foremost, the removal of the non-reversion policy is a positive inclusion in this amendment bill. I commend the members of the public who contacted the Queensland Productivity Commission during its electricity pricing inquiry, which concluded that regional retail competition was not being improved by permanently removing the choice for consumers to return to Ergon Retail. Indeed, it is an indictment on National Competition Policy that, 20 years down the track, part of the solution to ridiculously high open market prices is a return to regulated prices. I strongly suspect that a major component of why electricity prices have risen has been indecent profit-taking by energy retailers, network and transmission providers, and the generators.

As for the specifics of regional Queensland, this electricity market has remained regulated for the entire period and has not been immune from economically destructive electricity price rises dating back to 1998. I most certainly encourage the Queensland government to ensure that the regulated pricing regime now administered by Energy Queensland will reflect the absolute—and I mean the absolute—best possible price for all electricity consumers across Queensland. Whilst the title of this amendment bill speaks of batteries and solar feed-in, I would point out that the fundamental structure of Ergon's regulated tariff remains problematic for regional retail electricity consumers, especially small and medium sized businesses that are lumped with demand based tariffs or who have an annual consumption exceeding 100 megawatt hours.

Another group of electricity consumers who are heavily penalised are the sugarcane farmers in my electorate, who obviously irrigate their crops for long hours during the height of the growing season. Being able to irrigate crops with cost-effective water will ensure that the billion dollar agricultural sector and the many thousands who rely indirectly on that industry have a future. Yesterday I had a phone call from a local grazier in relation to the molasses situation because it has all dried up. When I rang the person who distributes bulk molasses in my area, he said that the cane is not yielding the molasses it should. The reason is we have dams that are at 96 per cent capacity, but the farmers will not even use power to put the water on. My father has even seen it. He has cut cane since he was 11 years old, and he has seen sticks of cane falling dead straight down. I thought pigs had eaten it, but it is dying because there is no water because farmers will not pay the cost. This is the flow-on effect. If there is no molasses, people are worried about where they will get food for their cattle. It is shocking.

Incredibly, the canefarmers in my electorate are paying upwards of 51 cents per kilowatt hour from 7 am right through the day. This is at the very time of day that Queensland has plenty of generation capacity, and the extraordinary growth in rooftop and utility-scale solar adds vast amounts of extra capacity. Furthermore, it is rather absurd that Ergon's off-peak power on their T31 and T33 tariffs is

now being made available for just 19 cents per kilowatt hour, inclusive of the evening peak period, seemingly every day. How can it be that they charged 51 cents and 19 cents at the very same time of day?

Perhaps those who have a spa or backyard pool think they are somewhat fortunate, but what is unfolding is the destruction of numerous businesses across Queensland because of unaffordable electricity costs. I challenge the present state government to immediately address the seemingly illogical differences between various retail tariffs and revisit demand-based tariffs that will become mandatory from 30 June 2020. The fact is that underlying wholesale energy costs are increasingly pushed into negative territory in the midst of sunny Queensland days. Hence, it makes no sense to have so much generating capacity underutilised, while at the other end forcing consumers to use less power and still require them to pay for the network infrastructure in between.

In fact, the energy policy in Queensland is so utterly twisted that a solid number of small and medium sized businesses and numerous rural landholders across my electorate are strongly considering installing solar. The reality is that the energy tariff structure and technical red tape remain problematic, and the results are leaving a very bad taste. From a personal perspective, it is disheartening to see multinational firms installing giant solar farms and benefiting greatly from the rush to secure green subsidies that will be paid for by Queensland electricity consumers for the next decade or more.

It must be noted that the legacy of the 44-cent Solar Bonus Scheme has created some complications and triggered many years of polarising debate. However, in light of the many gigawatts of large-scale, mostly foreign owned solar being built in this state, why must this legislation be so jackbooted towards a group of Queensland residents who signed an energy contract? Many of the earlier adopters spent \$20,000 or \$30,000 on then modest rooftop solar systems. The analogy was that the premium tariff would cause the cost of solar PV systems to come down, which undeniably has occurred.

The key point is that these early adopters signed contracts based on the maximum output of their grid feed inverter, and they will now face constraints on the number of additional solar panels to make the best use of their existing inverter's spare capacity. I can totally accept that the intent was to prevent profit-taking by fitting battery storage and other measures to exploit the generous 44-cent feed-in tariff for excess power generated, but I believe that this amendment bill has it wrong by preventing those consumers who are still eligible for the premium solar feed-in tariff from being able to overpopulate their own roof space with up to the CEC's 133 per cent limit for granting small-scale energy certificates.

To conclude, the Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill only serves to address a narrow range of problems affecting the direction of energy policy in this state. I sincerely urge the parliament to do much more in the interests of getting electricity prices down.