



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

**RENEWABLE ENERGY
AMENDMENT (FEED-IN-TARIFF
FOR ELECTRICITY) BILL 2009**

Second Reading

SPEECH

Monday, 14 September 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Thomson, Kelvin, MP

Source House
Proof Yes
Responder
Question No.

Mr KELVIN THOMSON (Wills) (9.23 pm)—In an ideal world, I think we would all be self-sufficient in relation to energy and electricity matters, producing our own electricity. Particularly in this day and age, it is technologically possible to do this through the installation of things like solar photovoltaic. It does not have to be solar PV, but that is the technology which has had the most potential to take off in ordinary homes, community facilities, small businesses and the like. But the disincentive for people to actually make themselves self-sufficient is the upfront capital cost of installing solar PV. In order to deal with this, some countries around the world—and, as the member for Lyne pointed out, the ACT and other places in Australia—have been looking at providing what is known as a gross feed-in tariff. That is to say that then not only do you not have to pay for the electricity that you are generating yourself but if you feed electricity back into the grid you get paid a premium for the electricity that you have fed back in. That is what a feed-in tariff is: paying electricity consumers a premium for electricity that they are able to generate under their own steam and feed back into the grid.

I have previously spoken to the parliament in support of the agreement of the Council of Australian Governments to establish a national energy market operator. I think that it is great that we are seeing a spirit of cooperation in the COAG process concerning energy markets and a move toward national energy market governance, which has included looking at trying to get a harmonised approach to feed-in tariffs. I support a feed-in tariff scheme. I have spoken about it in the parliament on a number of occasions. I draw to the attention of the House an Electrical Trade Union of Australia, Victorian branch, report produced just this month and entitled *Job creation: the case for a national gross feed-in tariff*. I commend it to parliamentarians and, indeed, to all Australians who are interested in this issue. It notes that Access Economics has found that Australia has the potential to double the number of people employed within the renewables sector through the introduction of a national gross feed-in tariff over the next 10 years. I note this is both economic stimulus and climate stimulus.

I also note that people are, naturally enough, concerned about what the impact of this is going to be on electricity prices. In this context, the Alternative

Technology Association has found that Australian electricity networks are committed to spending in the order of \$24 billion on network upgrades over the next five years and that, with network charges accounting for around 45 per cent of consumers' retail electricity bills, this represents a significant cost impost to retail customers. Not so long ago there was a very substantial hike in electricity bills in New South Wales based on the need for new infrastructure. If you could stave off this large investment in infrastructure by encouraging consumers to engage in their own rooftop infrastructure investment, both the planet and the consumers would be better off.

The COAG agreed on 29 November to work towards the adoption of a set of national principles to apply to new state and territory feed-in tariff schemes and to inform reviews of the existing schemes. These principles should advance the fair and reasonable treatment of small customers, with renewable microgeneration, including solar panels, as well as consider the interests of electricity customers. Renewable energy generation will play an important role in meeting Australia's energy needs. I note that the government has introduced a number of initiatives which will significantly increase investment in renewable energy. The House ought to be aware of these; we have had the renewable energy target legislation to ensure that 20 per cent of Australia's electricity supply is from renewable sources by 2020. The legislation that we have now put in place will increase the current renewable energy target by more than four times, reaching 45,000 gigawatt hours in 2020. We have also introduced the Carbon Pollution Reduction Scheme legislation.

Our expanded renewable energy target legislation includes the solar credits initiative to provide support for electricity generated by small solar PV systems. In addition to this, the government has committed well over \$1 billion for a range of programs, including the National Solar Schools Program, the Renewable Remote Power Generation Program, the Solar Hot Water Rebate Program and Solar Cities, towards the uptake of solar energy in our communities. I think that the government is doing lots of good things in this area and that these programs will promote the development, commercialisation and deployment of renewable technologies. (*Time expired*)

Debate interrupted.