

STATUTES AMENDMENT (ENERGY EFFICIENCY SHORTFALLS) BILL – 24 March 2009

Adjourned debate on second reading.

(Continued from 5 March 2009. Page 1926.)

Mr PEDERICK (Hammond) (11:18): I, too, support the bill. I looked at the dot points on what will become part of the residential energy efficiency scheme, and they include: the installation of energy saving light globes; the installation of low flow shower heads; persuading householders to retire their second refrigerator and freezers; the installation of energy efficient hot water systems; the installation of ceiling insulation; draught proofing; or, the installation of energy efficient heating and cooling systems.

These are all fine points for anyone to take on board, especially as we move towards the unknown of where electricity and energy prices will get to under any scheme, whether under this scheme or the federal government's carbon pollution reduction scheme. There will be a definite cost to the population and market forces will work out what people can afford to do. Some of this is a little unrealistic. People in regional areas may run a couple of freezers for a big family, or a couple of fridges—

Mr Venning: Keep a bullock in it.

Mr PEDERICK: Yes, as the member for Schubert says, you could have a bullock in a freezer. I remember once I had a big kill of prime lamb—13; I guess it was an unlucky number—

The Hon. P.F. Conlon interjecting:

Mr PEDERICK: We had quite a bit of home-killed meat in the freezer.

Mr Venning interjecting:

Mr PEDERICK: Absolutely.

Mr Williams interjecting:

Mr PEDERICK: No. Just for the benefit of the house, they were definitely my lambs, and they were very good eating. My family does not enjoy the same benefits as the minister to just be able to duck around to Woolies or the corner store at a moment's notice. There is nothing quite like home-grown beef or lamb: at least you know that it is properly labelled, so to speak. So, there are certainly some difficulties moving forward with respect to whatever proposals are put up as far as energy saving, which I commend. I think we all need to do it, and sometimes monetary measures are what are needed to do so. However, we also do not want to place an unnecessary impost on people, especially those who can least afford it.

I digress a bit to talk about clean coal technology, which is our main baseload power source at the moment. Some say that the attainment of clean coal (which may never happen) would involve a carbon permit price of about \$100 per tonne. I would say that that would increase electricity prices not by 16 per cent, as has been stated, but by 40 per cent or better, which would really hurt the man and woman out there in the greater electorate. Those are my concerns with respect to any of these schemes.

I am all for reducing emissions, but not at all costs. Industry representatives to whom I have recently spoken say that, whatever part they take in an emissions trading scheme, if it all gets too hard they will just go offshore and build their industries in countries where they do not need to record their emissions.

I think that we must be very careful about how any sort of scheme is managed, because we have to make sure that we have a real benefit to a global issue—and it is a global issue. If we just fritter around the edges, the only people we will fool is ourselves. However, I fully endorse making energy savings.

I remind members that, with the introduction of an emissions trading scheme, the coal industry has the benefit of being able to access free permits. I hope that similar industries, such as agriculture, are looked on just as favourably, because there is not much point

switching off a light or putting in an energy efficient globe if a company can just put its hand up and obtain free permits and there is no encouragement to reduce emissions.

I note that a retailer is obliged to participate in the scheme if it has over 5,000 residential customers under its licence per year. I just wonder whether, under the scheme, companies might just split themselves up into different entities and keep under that level. I know that would be difficult, but I guess—

The Hon. P.F. Conlon: They are not able to do that.

Mr PEDERICK: That is good. I think that would create a lot of logistical problems. However, I guess it would be up to each company to assess that in the broader market. Obviously, retailers will face significant penalties if they do not comply with the scheme.

As I was saying, we do have concerns about the implications for energy prices, especially in relation to the impending carbon pollution reduction scheme. Obviously, at the moment, they have the South Australian renewable energy feed-in scheme. It has been stated that, if you wanted to enter the scheme, you would have to buy the metering to hook into that scheme. That is worth \$400, and some say that it takes 18 months to pay for it. I think it is a commendable scheme but, as with everything, people add up the costs of getting onto all these things and work out whether or not it is worthwhile. With that contribution, I do support the scheme, but we do need to be cautious.