



Speech by

Hon. J. ELDER

MEMBER FOR CAPALABA

Hansard 25 August 1998

MINISTERIAL STATEMENT

NRG and Chevron Memorandum of Understanding

Hon. J. P. ELDER (Capalaba—ALP) (Deputy Premier and Minister for State Development and Minister for Trade) (9.43 a.m.), by leave: This Government and, I would hope, this Parliament welcomes the move by power supplier NRG Ltd to take gas from the proposed pipeline between Papua New Guinea and Gladstone. The signing of a memorandum of understanding between NRG and Chevron and its partners brings Queensland one step closer to a \$3 billion development, which has implications not only for the State but for Australia and Papua New Guinea. NRG's announcement of its intentions to develop a new 368 megawatt gas-fired power station in Gladstone is another important step for the pipeline project.

While this Government played a proactive role in encouraging industrial development between private sector participants, we did not have a role in the direct commercial negotiations of this particular deal. The impact of the pipeline on business will be significant not only in the construction side but through the spin-off industries it will attract to north and central Queensland. The added benefits are that it will also allow gas competition throughout eastern Australia plus greenhouse benefits.

There appears to be some misconception by the Opposition that the Queensland Government is attempting to get this world-class project up and running at the expense of coal. The Government is well aware of coal's importance as Australia's leading export and of the number of coal-fired power stations throughout the State supplying our power needs. But what is being overlooked is what business gas will be able to attract to Queensland. In short, gas will complement the existing power sources around the State and its availability will attract industries such as metal refiners, ceramics and chemicals producers because of its high-energy properties.

According to industry figures, gas currently accounts for only 5.3% of final energy consumption in Queensland compared with a national average of 17.6%, and with Australia a signatory to the Kyoto climate change accord and the reduction in greenhouse gas emissions, the need for gas to diversify our power generation is imperative for the State's development. What must be remembered is that Australia's greenhouse gas limitations from the Kyoto conference is for only an 8% growth on 1990 levels by the reference period 2008-2012.

The pipeline still has some way to go but every effort is being made by this Government and the pipeline participants to progress this project to development. We have taken a proactive stance in facilitating this project. This is in contrast to the previous Borbidge Government, which allowed the decision-making process to drag out during its tenure. The member for Surfers Paradise's handling of the negotiations must be questioned given his recent comment in Parliament when he said, "They"—Comalco—"are not going to sign off." Clearly, the member for Surfers Paradise's remark underscores the view that Comalco would never commit, or not commit, to Gladstone. Such a view from someone who recently held the highest office in this State is hardly likely to generate confidence in the business climate in Queensland.
