



Speech by

Mr M. ROWELL

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CENSURE OF MINISTER FOR MINES AND ENERGY

Mr ROWELL (Hinchinbrook—NPA) (6.25 p.m.): The threat that the publicly-owned generating assets in Queensland could be stranded like whales on a beach is very real. It verges on the inevitable. We are now entering a fiercely competitive national electricity market. As the Leader of the Opposition has pointed out, the survivors will be the fittest. As the Leader of the Opposition has further pointed out, Queensland's generating profile is no longer the fittest following some of the decisions that flowed from the need—under the Goss Government in particular—to achieve expedient, rather than effective, megawatts to meet demand which had been neglected by that Government for way too long. We have, therefore, a disturbing situation. We have a dysfunctional generation profile. We have too little competitive base load versus too much non-competitive base load and too strong a bias on intermediate and peaking plant.

There are two major and related complications ahead for the uncompetitive elements of our system. One of those is the now rapidly emerging mass of state-of-the-art coal-fired plant that is going to be super competitive. Stanwell and Callide B are of that generation and will be extremely competitive. They account for 2,100 megawatts of very good power. Callide C, at 840 megawatts, is now under construction. Millmerran is now a goer at 840 megawatts. Kogan Creek is ready to go at 700 megawatts. This gives us a total of 3,300 megawatts of coal-fired power which is set to come on line over the next three or four years, subject to decisions of the Government. This is on top of the 2,100 pre-existing megawatts of highly competitive capacity. These stations are likely to be the only stations on the Queensland grid which will be able to compete effectively with New South Wales' over-supplied system and Victoria's privatised system. A lot of our other generating assets are therefore likely to be at considerable risk of becoming power museums.

Another tier of the threat is the Government's push for gas-fired power projects as part of its efforts to consolidate demand for the Chevron gas pipeline. It is very difficult to tell precisely how many megawatts of gas-fired power the Government is pushing for because not all the customers who have been aggregated by Energex and Ergon have been identified. However, there are at least 400 megawatts of new power proposed at Townsville, as well as the conversion of the two liquid fuel peaking plants in Townsville to gas. This accounts for another 500 megawatts.

There has been a suggestion of 700 megawatts of gas-fired plant to be built by Tarong Energy. As well as that, NRG has plans for a 368-megawatt gas-fired power plant at Gladstone, which can only really be based on the possible Comalco alumina refinery. This gives us another 2,000 megawatts without including such things as the 303 megawatts coming on line at Oakey Creek next year, and the 500 megawatts of power from New South Wales via Westlink towards the end of next year, or early in the year 2001.

In other words, if all these projects were approved and went into construction we would have virtually a replication of the entire generating capacity of the State within three or four years. Obviously, that is unlikely. Some projects are not going to get the go-ahead from either the Government or their backers. But a significant proportion of that capacity is likely to get the go-ahead and the competition is going to be so fierce that some will not survive. The most likely victims are going to be the oldest and least efficient assets that are in the system because of the hiatus in the planning during the early 1990s. That is going to mean taxpayers' money going down the drain, it is going to mean disruptions for the communities and it is going to mean a loss of jobs. The Government should come clean and tell us how it is going to cope with these circumstances.