



Speech by

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MEMBER FOR TOWNSVILLE

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TOWNSVILLE BASE LOAD POWER STATION

Mr REYNOLDS (Townsville—ALP) (12.32 p.m.): There is no question that a gas-fired base load power station in Townsville is vital to north Queensland domestic consumers, businesses and industries. The potential for spin-offs for the State's economy will also be substantial. The economic and environmental advantages of Townsville have long been recognised by those of us who live in the region and by the Beattie Labor Government. I congratulate the Premier and the Deputy Premier on their efforts to leave no stone unturned in converting the proposals for the Chevron gas pipeline and the Townsville base load power station into reality. Each day that reality gets closer and closer.

Last month, following two milestones, the \$3.7 billion gas pipeline was effectively given the green light: the signing of preliminary agreements between Comalco and Energex. The certainty of the project was further assured by the signing by the Premier in Port Moresby on 12 August of a third preliminary agreement with Ergon Energy. Premier Peter Beattie's agreement on the same day with the Papua New Guinea Prime Minister to continue working on the pipeline reinforced the Queensland Labor Government's commitment to seeing the project through to fruition.

We in north Queensland have also been doing our utmost to get this extremely important message across. In the past few days, I received a report titled Power Generation for North Queensland. It was commissioned by Townsville Enterprise Limited and produced by Energy NQ Pty Ltd and the AEC group. Their findings support comprehensively the overwhelming benefits that such a program would deliver. Power Generation for North Queensland highlights the urgency of both projects and stresses the potential and significant disadvantages if neither the Chevron gas pipeline nor the Townsville base load power station go ahead. As the member for Townsville and the Premier's representative in north Queensland, I have long advocated the necessity of acquiring base load power for Townsville. I have supported and will energetically continue to support the efforts of all north Queenslanders, both domestic and corporate, in achieving that goal.

Due to many factors, north Queensland is currently growing at double the rate of the national economy. Base load power will accelerate that growth substantially to the benefit of all Australians. Confirmed capital investment of more than \$3 billion is glowing testimony to confidence in north Queensland while the massive multimillion dollar projects in the booming north-west minerals province further reinforce the solidity and stability of the region. Townsville is unique in its status as a supply centre for goods, services and accommodation to this rich mining area. However, that is not all. We have much more to offer than that.

The Townsville port has just experienced its 12th year of record trading and is set to double those figures over the next 25 years. Sun Metals zinc refinery, the biggest in the world, is due to start production at the end of the year. QNI's nickel refinery and MIM's Townsville copper refinery have both recently undergone multimillion dollar upgrades in anticipation of profitable futures. The presence of these three major refineries establishes Townsville as a world centre for the processing and export of non-ferrous metals and also provides exciting opportunities for downstream manufacturing and value adding.

A cheap, clean power source will boost these secondary industries inestimably. Water is also a major factor in any industrial expansion. Of course, Townsville has a plentiful supply in the Ross River

Dam and, if necessary, is backed up by supply from the Burdekin Dam as well. Unlike other cities, which are limited in the directions in which they can develop, Townsville and its nearby regions have plenty of room for expansion to the north, to the south and to the west. Already, the city provides a diversified industrial base and, because of its regional capital status, is home to a significant Public Service population. It is also the home of Lavarack Barracks, a large RAAF base, and the recently completed multimillion dollar facilities for the Army's coast logistics support regiment. These give Townsville a stable, reliable and broad economic base which, combined with its substantial existing infrastructure, natural assets and its perfect proximity to the proposed Chevron gas pipeline, make it the obvious site for a base load power station. I put it to members that no other city in Australia could give the same assurances or boast such an excellent basis upon which to build.

To be competitive, industry must have reliable supporting infrastructure, assured water supplies, efficient road, rail and port access and a cheap source of power. Already, Townsville has all of those, except a base load power source. We are totally dependent upon power generated a long way south. In the event of a cyclone, currently we run the risk of being without power for a prolonged period. Such a scenario is not only totally unacceptable but also unnecessary, given the simple solution of a base load gas-fuelled power station in Townsville. In this part of the world, these are some of the problems associated with the tyranny of distance. The demand for power is increasing across the State at the rate of 250 megawatts to 300 megawatts a year. The north Queensland region is growing at an unprecedented rate and it is vital to plan ahead to meet that demand. Therefore, I believe that the construction of a north Queensland gas-fuelled base load power station is essential. Power generated from our own base load power station would be the most cost-effective solution for all north Queensland consumers— domestic, commercial and industrial.

However, we are not just concerned about meeting the region's future power needs. How that power is supplied is also of concern to all Queenslanders. To meet Australia's Kyoto environmental commitments, we need to generate the cleanest possible power. The Chevron gas pipeline and a gas-fuelled base load power station are consistent with the Kyoto goals.

In conclusion, let me reiterate the three key benefits of these two projects. Firstly, there are our international greenhouse commitments. Under the Kyoto protocol to the United Nations Framework Convention on Climate Change, Australia agreed to achieve assigned amounts of "aggregate anthropogenic carbon dioxide equivalent emissions of greenhouse gases" over the period 2008 to 2012. Australia's commitment is 108% of the 1990 level of carbon dioxide equivalent emissions. Using open cycle gas as a fuel source in power stations results in the production of about half the CO₂ emissions as compared with a coal-fired power station.

Secondly, I will elaborate on the benefits of the Townsville solution. It is estimated that both projects will result in \$6m in related industrial development. This equates to 60,000 Queensland jobs and \$3.2 billion in gross State product. Thirdly, we will avoid the perpetuation of current high transmission costs. Today I have covered only some of the benefits. There will be many others because of the improved reliability and assurance of cheap and clean power. The benefits will be realised throughout the community.

As I indicated previously, this Beattie Labor Government has left no stone unturned. I congratulate the Premier who, over the last 14 months, has worked tremendously hard for the north Queensland region. As the State member for Townsville, I am very proud to have had that leadership in regard to the ongoing development of the City of Townsville.

Over the last five decades, Townsville has seen tremendous industrial growth. In the 1950s, the city's development was very much influenced by the development of the copper refineries in Townsville, which further developed the nexus between Mount Isa and Townsville. The 1960s saw the development of the Lavarack Army base, which resulted in tremendous growth. Approximately 10,000 people were employed either by the Army or support services. In the 1970s we saw the development of the Queensland Nickel refinery at Yabulu, some 17 kilometres north of Townsville. That was a great development for Townsville. In the 1980s we saw the great expansion of tourism projects with the development of the Sheraton Breakwater Casino, the associated marina off the Strand, the Great Barrier Reef Wonderland and other associated tourism developments. There was a great deal of pride associated with that expansion. In the 1990s, we have seen the development of the Sun Metals/Korea Zinc project just south of Townsville.

The last five decades has been a great period of development for the City of Townsville and the north Queensland region. The leadership shown by Premier Beattie in regard to the Chevron gas pipeline and the baseload power station will make Townsville an even better place in the next millennium.
