



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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MINISTERIAL STATEMENT

Electricity Industry

Hon. P. D. BEATTIE (Brisbane Central— ALP) (Premier) (9.32 a.m.), by leave: My Government was elected on a commitment to generate jobs and provide increased job security. Indeed, we now have the lowest level of unemployment in Queensland for almost 10 years. As all honourable members would be aware, we have already exceeded our full year jobs target with our employment and training programs making a significant positive impact throughout the State. We have created 39,900 new jobs. We do not intend to rest. Much more has to be done to ensure that we continue to generate more long-term sustainable jobs and that we keep the jobs that we have already created.

One of the keys to job creation is giving business the right investment climate. My Government is playing a proactive role in this regard too. Despite a range of adverse international and national economic influences, particularly the Asian economic crisis over which we as a State Government have no control, Queensland continues to be the low tax State. That is a position that we intend to maintain, notwithstanding the efforts of the Federal Government. As well, we are actively encouraging growth in our electricity industry, both in terms of new generating capacity and alternative fuel supplies for power stations, that is, natural gas and coal methane.

Last week, I was proud on behalf of the State Government to officially open a new \$30m natural gas power plant at Roma, built by Boral Limited—a plant built in a record 17 weeks. I congratulate Boral on its active involvement in the natural gas and electricity industries in Queensland and I encourage others to follow their astute investment strategy. It indicated their strong commitment to investment in this State.

At the same time I was also pleased to announce that at least three Queensland power stations are set to switch from expensive fuel oil to cheaper and cleaner natural gas, something that the Minister for Mines and Energy has been working on with them. Switching from expensive fuel oil to natural gas will cut the cost of power generated by the three peak load stations at Yabulu and Mount Stuart in Townsville and Oakey.

As I said, cheaper electricity attracts investment and that means jobs. The switch to natural gas and coal methane gas also assists in lowering greenhouse gas emissions, but I make it very clear that my Government remains committed to Queensland's coalmining industry and the continued use of steaming coal in power stations. Queensland steaming coal is cheap and, importantly, as we all try to clean up our environment, Queensland steaming coal is among the cleanest in the world. Our State's vast resources of cheap steaming coal will continue to play the major role in the State's existing and future electricity generating capacity.

Gas gives Queensland an added energy advantage, and it is an energy advantage that is being increasingly recognised by industry. Queensland's gas market has grown 50% in just three years to 70 petajoules a year. If the private sector and Government work together, the Queensland gas market could expand to more than 280 petajoules a year by 2006, and that is our gas strategy. The key is finding enough industries or companies that can use gas. Large end users like the three power stations I mentioned earlier are essential. Negotiations between the three power stations and potential gas suppliers are well advanced and I understand that a decision will be made soon. I stress to the

House that whether Government corporations or instrumentalities buy gas is a matter for them, as the final decision will be made on economic grounds.

As I said at the outset, a key factor in generating more jobs is providing industry with cheap, efficient power. My Government is doing exactly that and it clearly illustrates the can-do nature of my Government.
