



Speech by

# Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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Hansard 12 November 1999

## MINISTERIAL STATEMENT

### Tarong Energy

**Hon. P. D. BEATTIE** (Brisbane Central— ALP) (Premier) (9.34 a.m.), by leave: Queensland has a rapidly growing economy—the best in the nation. Under my Government's policies we will continue to see massive development of major industrial activity throughout the State. That means thousands of new jobs for Queenslanders, their children and their grandchildren. It also means that our large and efficient energy sector will need to expand to maintain a reliable supply of electricity and gas to feed that industrial development.

There is a flood of interest from around the world to invest in the expansion of Queensland's energy sector. The need to develop this new capacity puts Queensland ahead of other States in being able to transform its energy infrastructure towards new technologies and alternative fuel supplies, including natural gas and renewable energy resources such as bagasse, a by-product of sugarcane.

My Government is also determined to ensure that power is more reliable, more competitively priced and cleaner. My key Ministers have been working with me on the development of the State's first ever energy policy. My Government is currently finalising a range of strategies to encourage these alternatives while recognising the important ongoing role of coal as a major source of energy for Queensland. An important decision confronting my Government is the expansion plans by Tarong Energy aimed at securing a viable position for that corporation in the highly competitive national electricity market.

I stress that it is not a question of whether we expand Tarong but rather how we expand Tarong. The State Cabinet meets in Kingaroy on Monday. One of the major decisions to be taken will be how we expand Tarong Energy. Let me make it clear that the Tarong expansion will be going ahead. There are basically three options: a new coal-fired expansion of the existing facility, a coal-fired expansion together with a natural gas component, or a focus on expansion through natural gas. Cabinet will be concentrating on delivering an outcome which meets our criteria of more reliable, more competitive and cleaner energy.

My Government is committed to reducing greenhouse gas emissions, but we are also committed to generating jobs. It is fair to say, therefore, that delivering cleaner energy will be a major determining factor in Cabinet's deliberations on Monday. This is an important issue for the State, but perhaps more specifically for the South Burnett. We are talking about investments of up to \$1 billion generating thousands of jobs in the South Burnett and across the State. Cabinet will also be considering a Statewide energy strategy, including initiatives to deliver greater volumes of gas generation across the State, developing new competitive sources of gas, such as PNG gas, coal seam methane—CSM—Timor Sea gas and renewable energy sources such as bagasse, a by-product of sugarcane. The Government sees enormous potential in gas-fired generation, because it offers the potential to reduce greenhouse gas emissions from power stations by 40%. We are exploring every opportunity to develop new gas-fired facilities.

My Government is determined to make Queensland the Smart State. We are also determined to make Queensland the jobs State. I have with me an announcement that I will be sending to Kingaroy today. Rather than reading it out, I seek leave for it to be incorporated in Hansard.

Leave granted.

QUEENSLAND GOVERNMENT

## PREMIER OF QUEENSLAND

November 12, 1999

### PREMIER ANNOUNCES EXPANSION FOR TARONG ENERGY

Tarong Energy's generating capacity will be expanded as part of the State Government's strategy to provide "more reliable, more competitively priced and cleaner" power, Premier Peter Beattie announced today.

Speaking in State Parliament, Mr Beattie said the additional capacity—which could cost up to \$1 billion—would be approved by Cabinet at its meeting in Kingaroy next Monday.

The Premier said the additional generation capacity was required to meet the demands of the nation's fastest growing economy.

"Under my Government's policies, we will continue to see massive development of major industrial activity throughout the State," Mr Beattie said.

"That means thousands of new jobs for Queenslanders, their children and their grandchildren.

"It also means our large and efficient energy sector will need to expand to maintain reliable supply of electricity and gas to feed that industrial development."

The Premier said there was "a flood of interest from around the world" to invest in the expansion of Queensland's energy sector.

The Government was finalising a range of strategies to encourage greater use of alternative energy sources while recognising the important on-going role of coal as a major source of energy for Queensland.

"An important decision confronting my Government is the expansion plans of Tarong Energy, aimed at securing a viable position for that Corporation in the highly competitive National Electricity Market," Mr Beattie said.

"I want to stress, it is not a question of whether we expand Tarong, but rather how we expand Tarong

"Let me just make that clear—the Tarong expansion will be going ahead."

The Premier said there were three options for the expansion—

- A new coal-fired expansion of the existing facility.
- The coal fired expansion, together with a natural gas component.
- Or a focus on expansion through natural gas.

"Cabinet will be concentrating on delivering an outcome which meets our criteria of more reliable, more competitive and cleaner energy," Mr Beattie said.

"My Government is committed to reducing greenhouse gas emissions, but we are also committed to generating jobs.

"It is fair to say therefore that delivering cleaner energy will be a major determining factor in Cabinet's deliberations on Monday."

Cabinet would also soon be considering a State-wide Energy Strategy including—

- initiatives to deliver greater volumes of gas generation across the State,
- develop new competitive sources of gas, such as the PNG gas, Coal Seam Methane (CSM), Timor Sea gas and
- renewable energy sources such as bagasse by-product of sugar cane.

"The Government sees enormous potential in gas fired generation, because it offers the potential to reduce greenhouse gas emissions from power stations by 50 per cent and we are exploring every opportunity to develop new gas fired facilities," Mr Beattie said.

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