



Speech by

Shane Knuth

MEMBER FOR DALRYMPLE

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MINES AND ENERGY LEGISLATION AMENDMENT BILL

Mr KNUTH (Dalrymple—LNP) (12.50 pm): I rise to speak to the Mines and Energy Legislation Amendment Bill. The purpose of the bill is to establish the office of the Commissioner for Mine Safety and Health, transfer the functions of gas market operators and the National Electricity Market Management Co. to the new Australian Energy Market Operator, introduce amendments to ensure consistency across legislation relating to safety and health, implement recommendations from the Ombudsman's Mines Inspectorate review and transfer the economic regulation of the Mount Isa network from the QCA to the Australian Energy Regulator.

The wealth and growth of our state is due largely to the strength and diversity of our resource industry. It contributes millions to the Queensland economy. It employs thousands of people, with estimates of the flow-on effects showing that the sector accounts for more than one in every eight Queensland jobs. It supports programs in Queensland, such as school based activities, sporting donations and sponsorships, welfare initiatives, improving access to education and training, and medical services. Exports of lead, copper, zinc, gold, silver, bauxite, tin, oil and gas provide the income and stimulate the investment that we rely on. The export of coking and high-quality thermal coal in particular is vital to the Queensland economy. We export to 31 countries, with Japan being one of the major customers, and forecasts show future demand of up to 235 million tonnes by 2010.

The contribution of the resource sector to employment, infrastructure and services in rural and regional areas cannot be overestimated. It is our responsibility to make sure that further development of this sector is not impeded. We must do everything we can to drive the viable and environmentally sustainable use of our resources to ensure that the benefits flow back to all Queenslanders.

I believe that it is very important that we do support our mining industry. Being a member of parliament with a number of coalmines in my electorate, I have found that governments have had a tendency to treat these communities as communities where they can engage in revenue raising and rake in bucketloads of cash and at the same time contribute peanuts in return. We have experienced this in the mining towns. I know that it can be very difficult, especially when there is a massive expansion to the mining industry and there is a lot of pressure put on services in that community.

In the Bowen Basin we are talking about \$2 billion in royalties and \$6 billion of gross revenue, but some of the roads leading into those areas are pathetic. The traffic flows we see in those mining towns is like the traffic in the heart of Brisbane. This is evident when one flies over the area. We have seen a massive expansion in the area of the Gregory-Kenny Developmental Road. A number of mines have kicked off there: the Pandanus Marble Mine, the copper strike at Einasleigh, Metallica Minerals and Kagara Zinc. There are about 65 triples pounding down that road day in, day out, along with livestock carriers, tourists and local road users, yet the road is no better than a billygoat track. It is a catastrophe. We must support the mining sector and related services but we need decent roads that lead into the communities surrounding them. We can spend bucketloads of cash in major metropolitan areas, which I believe is very important, but many of our bikkies come from those mining communities and we need good roads leading into them.

Since the introduction of full retail competition in the Queensland electricity and gas retail markets we have seen the price of electricity to the consumer increase by more than 30 per cent. We can blame this increase on the state government. There is a need for a baseload power station in North Queensland. Transmission and distribution of power over long distances is expensive because units of power diminish over distance. Power is cheaper the closer it is to the source. The proximity of the power generation source to the retail consumer will work to reduce the end cost to the consumer.

An electricity-generating capability such as the proposed coal fired baseload power station—I have to push my own barrow here because there is a desperate need for a baseload station in North Queensland, but I am talking about Pentland—would have significant positive effects on the retail price of electricity for the North Queensland consumer. Such a project has generated support from the Western Development Corporation, communities in North Queensland and mining companies that want to invest in these regions but will not because they are not guaranteed a reliable, affordable power source. This project will bring great benefits to the people of North Queensland through the creation of jobs, new industries and cheaper power.

Major stakeholders have already done extensive investigations into the feasibility of building a power station at Pentland, including a \$2 million drilling program completed by the owners of the Pentland coal reserves. Xstrata confirmed the ore body is good enough quality for an economically viable 600 to 800 megawatt station for the next 35 to 45 years. We have one of the biggest river systems in Queensland, a plentiful supply of water to drive the power, coupled with an already close rail facility. I believe that new initiatives such as the Pentland baseload power station must be given full and proper consideration by the government as a means of reducing supply costs to rural consumers.

In relation to mine safety, it is important that we provide support and funding to the Mines Inspectorate. I know that the LNP, or the coalition at the time, had pressed strongly the importance of mine safety and the need for funding incentives to train up mine safety inspectors. I believe that the government of the time listened to what we had to say. I was very disappointed during the last election campaign when there was a lot of scaremongering that the LNP would cut funding for the Mines Inspectorate. I put on record that that is a load of rubbish.

In relation to the role of the Energy Ombudsman, one of the main complaints that comes to our office is the cost of connection. When a customer receives a quote for the cost of connection the cost is mind-boggling. They are expecting around \$8,000 or \$10,000 and they get hit with a \$65,000 connection cost. That is a shock to the system. At the same time they are only given a short period of time to make the decision. They are told that if they do not sign up now the cost of power may be even more. When they agree to the quote and sign up to pay this bucketload of cash they are told that 12 months down the track they will get their connection. I believe that it should be the role of the Energy Ombudsman to investigate why there is such a massive cost.

Mr DEPUTY SPEAKER (Mr Wendt): I think you are drawing a longbow. I ask you to return to the clause in the bill.

Mr KNUTH: Thank you, Mr Deputy Speaker. I wanted to draw that to the attention of the House.