



Speech by

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MEMBER FOR DALRYMPLE

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MINES AND ENERGY LEGISLATION AMENDMENT BILL

Mr KNUTH (Dalrymple—LNP) (11.31 am): The Mines and Energy Legislation Amendment Bill seeks to amend various acts in order to enhance safety and health measures, streamline and simplify the government's mining lease application process in order to it speed up, improve credit support arrangements for electricity retailers, and improve customer service obligations. Our state's wealth and growth are due largely to the strength and diversity of our resources industry. It contributes around \$30 billion a year to the Queensland economy and employs thousands of people, with estimated flow-on effects showing that the sector accounts for more than one in every eight Queensland jobs. It provides funding for programs in Queensland such as school based activities, sporting donations and sponsorships, welfare initiatives, and improving access to education and training and medical services. Even going back six years before the mining boom, a Queensland Resources Council survey showed that the resources sector spent \$4.2 billion on goods and services sourced in Queensland, more than \$1.3 billion on wages and salaries and over \$22 million on community and Indigenous programs in which Queensland generally and regional communities specifically were major beneficiaries.

The contribution of the resources sector to employment, infrastructure and services in rural and regional areas cannot be underestimated, and it is our responsibility to ensure that further development of the sector is not impeded. We must do everything we can to drive this viable and environmentally sustainable use of our resources and ensure that the benefits flow back to Queensland. Exports of lead, copper, zinc, gold, silver, bauxite, tin, oil and gas provide the income that stimulates the investment we rely on. The export of coking and high-quality thermal coal in particular is vital to the Queensland economy.

In his second reading speech the minister said that this bill would enhance health and safety measures, and nothing is more important in the mining industry than health and safety. It is important that we closely monitor mining companies' compliance with safety requirements and the reporting of injuries. Mining is a hazardous industry, and this is demonstrated by the fact that there have been a number of deaths in the mining industry, including in my electorate. It is vital that everyone involved in the industry is focused on ensuring the safety and health of mineworkers. It is paramount that the Queensland Mines Inspectorate is adequately resourced and funded.

I now turn to the issue of improved credit support arrangements for electricity retailers and improved customer service obligations. Since full retail competition, electricity prices have gone up by 40 per cent. Before deregulation it was promised by the government and the minister of the day that electricity prices would be competitive and that there was even a chance that prices would come down. Obviously that has not happened. For example, an electricity bill of around \$600 before deregulation has now increased to around \$1,000. This is not a great example, especially given the impending sale of our profitable assets. People in rural and regional Queensland never had the opportunity to advance from full retail competition because it was not viable, but that really did not make any difference because electricity prices have gone up by 40 per cent. As I said, given the upcoming sale of our profitable assets, this is not a great example of what is to come.

We acknowledge the value of our great coal industry, the push for clean coal technology and the further need to meet electricity demand. There are many warnings of the coming demand/supply

imbalance and urgent need for a baseload power station in North Queensland, and there is much talk about upgrading the high-voltage network between Townsville and Mount Isa. This will help and will support investment in the mining belts of those western areas of regional and rural Queensland and into North Queensland. However, there is no use expanding the high-voltage network if there is no baseload power station to transmit the power, because mining development and investment in North and Western Queensland have been put on hold because of the lack of a reliable power source. The further you transmit power, the more costs are associated with that transmission.

It is logical to identify—something we on this side have pushed on many occasions—Pentland as an alternative site for a clean coal baseload power station. 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 reserve, Xstrata, which confirmed that the ore body is of good enough quality for an economically viable 600 to 800 megawatt power station for the next 35 to 40 years. This site makes common sense because it has one of the biggest river systems in Queensland. There is plentiful water supply, a nearby rail facility, a rural environment and a potential power station that sits on unlimited coal reserves, and Pentland is a vital link to north-west Queensland. This proposal has the support of federal and state members of parliament, the Charters Towers Chamber of Commerce, the city and shire councils, Townsville Enterprise, visitors and investors.