




Speech By
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MEMBER FOR MOUNT ISA

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PRIVATE MEMBER'S STATEMENT

Gas Industry

 **Mr KATTER** (Mount Isa—KAP) (3.33 pm): I read with much interest about the closure of the Swanbank Power Station, which was announced in the media a few weeks ago. It piqued my curiosity because we all know that there is a threat of an imminent increase in gas prices. If we needed more confirmation of that, we can find it in the fact that we are returning to 20-year-old coal fired technology when we have that clean, green gas fired power station available to us. It is confirmation that there will be an imminent rise in the price of gas. That makes me very concerned because 100 per cent of the baseload power in my electorate of Mount Isa is gas fired. Due to the short-sightedness of government over many years and a lack of commitment from the local mining companies, we in Mount Isa do not have a transmission line that connects us to the national electricity grid. The North West Minerals Province produces \$8 billion worth of wealth for this state every year and Mount Isa Mines was voted the most significant business in Queensland's history of 150 years. It has been a big contributor to the state, but we are 100 per cent reliant on gas baseload power. If we are going to talk about northern development in Australia—and I believe that is an agenda of the new federal government—and the only baseload power out there is gas and the price of gas is about to triple, we have a problem. I am not sure how that is going to be reconciled, but I have a few ideas. There is a proposal sitting there for a transmission line that can connect the North West Minerals Province and every town in between Mount Isa and Townsville with the national electricity grid to protect residents from the pricing and provide that unlimited supply that they need. That will provide a platform for development for the next, say, 50 years. If we start irrigation on the midwest plains, if we have cotton gins and an abattoir and if we build more mines in those areas, we have to have that power supply and competitiveness that comes with being connected to the national grid.

The other initiative that is staring us in the face is the expansion of the gas network into the Northern Territory. It is something that is being looked at. There are discussions underway, but it is not being pushed enough at the moment. It certainly needs that impetus from government that drives these sorts of things to happen. That will also assist. We have a very big problem on our hands. Not only is it confronting industry in the north-west but it is also going to have an impact on the rest of the state. I speak of the impact of gas prices and escalating LNG prices. They are currently on contracts of \$3 to \$4 a gigajoule and they are looking down the barrel of being charged \$12 a gigajoule, and that is if they can even get a long-term contract out there. It is a very big problem and a very scary problem for the North West Minerals Province, which is a great contributor—\$8 billion a year—to the state. This government needs to think very carefully about policies that are going to address that situation.