



Speech By  
**Robbie Katter**


**MEMBER FOR MOUNT ISA**

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Record of Proceedings, 17 July 2015

## **ADJOURNMENT**

### **Mount Isa, Gas**

 **Mr KATTER** (Mount Isa—KAP) (11.52 pm): I rise to follow up on a question asked in the House this week on gas and a policy for the equitable distribution of gas and the impact that rising gas prices could have on the domestic industry here in Queensland. In no place would the effect be more evident than in the north-west, where we are 100 per cent reliant on gas-fired power.

We failed to build a transmission line a number of years ago to connect us to the national electricity grid. Now we have an oversupply of base load power and an undersupply of gas along the coast and potentially an oversupply of gas and undersupply of base load power in the Mount Isa area. That is policy failure at its best.

We have the prospect of a gas pipeline coming from the Northern Territory, which is good news. All this is to no avail if there is no opportunity for the five, six or possibly seven big mines that are in the north-west region to have access to some of that gas at an affordable price. I think the baseline price now is about \$6 a gigajoule for gas. There is speculation that the world parity price could be as high as \$14 a gigajoule.

We have big problems on our hands in terms of competitiveness. The state of Queensland has an enormous problem. I mentioned earlier in my speech on the Appropriation Bill that there are about \$300 million a year in royalties alone. The mining industry is worth about \$3 billion or \$4 billion to the Queensland economy each year. If we do not have that mining activity we will have a big problem in the state budget.

This is particularly relevant to the north-west. I stress again that the only base load power station is isolated and not connected to the national electricity grid. We are completely exposed to the rising price of gas in Queensland, which is going to happen. It used to be \$3 or \$4 a gigajoule. It might be around \$6 now. The best people would get at the moment as a speculative price would be about \$14 a gigajoule. That is a big problem for us in the north-west. Power is already expensive. If it jumps up to that we have massive problems. There needs to be a policy on this.

People talk about a gas reserve policy. Maybe that is not the best idea and maybe it is. There are a number of mechanisms that could be applied. The point is that people need access to gas, firstly. A lot of them cannot get supply at this point. Secondly, it needs to be at reasonable price. Like the rest of world has done and like Western Australia has done, we need a gas policy that provides competitive energy to the north-west.