




Speech By
Robbie Katter

MEMBER FOR TRAEGER

Record of Proceedings, 24 March 2021

MOTION

Electricity Supply

 **Mr KATTER** (Traeger—KAP) (5.00 pm): I move—

That this House—

1. acknowledges that the Queensland government should maintain control of, and responsibility for, investment decisions regarding major electricity infrastructure, including in renewable generation, through regulation, ownership and operational roles;
2. acknowledges that leaving such investment decisions solely up to private developers and individual companies means Queenslanders miss out on important economic development opportunities and well-paying stable jobs;
3. is committed to securing the future of the North West Minerals Province by integration into the National Electricity Market and national power grid through construction of CopperString 2.0 with operation and ownership roles by government entities; and
4. will support an energy reserve policy that ensures Queensland households and businesses can benefit from the state's abundant energy resources, including coal, gas, renewables and future hydrogen production.

I rise in support of the motion. In particular I would like to address points 2 and 3. Point 2 states—

2. acknowledges that leaving such investment decisions solely up to private developers and individual companies means Queenslanders miss out on important economic development opportunities and well-paying stable jobs;

This relates to another motion, and the clearest and best example we have relates to the rollout of gas and LNG in Queensland. In my opinion, the way in which it was rolled out was diabolical. The free market approach let private industry decide, so there were inefficiencies in relation to where pipes went. There were three LNG trains, and I think there is a pretty strong argument that only one should have been built. As a result, all of our gas was bumped up. We lost the competitive natural pricing advantage we had. It went from \$3 a gigajoule to \$24 a gigajoule. I am told it has settled back down to somewhere around \$11 or \$12. That is still a hell of a lot more than what we were paying in the first place, so I am not sure how that worked out for anyone.

There are no jobs left out around those pipes—or hardly any. We have a few jobs left on the LNG trains, but you have smashed the competitive advantage we had on gas pricing which put at great risk the North West Minerals Province, which is 100 per cent reliant on gas-fired power and a whole train of value supply line all the way to Townsville. As I mentioned before, the copper smelter, copper refinery, the biggest fertilizer plant in the southern hemisphere, the phosphate that relies on the sulphur off the copper smelter—these thousands of jobs I am talking about were all based in Townsville. They have all been put in jeopardy because we left it to the vagaries of the market. There was no gas reserve policy like WA had at the time. Everyone celebrates what a wonderful job they did over there. Most of the rest of the world had reserve policies, but we did not.

Paragraph 3 relates to securing the North West Minerals Province. I refer to an article in the 22 March *Australian Financial Review* because this speaks volumes. Vast Solar is saying they have to do a joint venture with Stanwell, which is the power station that closed down at Mount Isa. They are suddenly going to build a big solar project out there. It says—

Stanwell was the original generator of power in Mount Isa before it shut its Mica Creek plant at the end of 2020—

just closed—

leaving APA Group the dominant generator from its gas power stations in the region.

So we have a monopoly there now. We are not connected to the grid out there. It continues—

Mount Isa is not connected to the National Electricity Market, with the result that the Vast Solar project does not need to be competitive with the low average wholesale prices on the NEM but against higher prices.

They are saying, 'We have a great project here because we can capitalise on the world's highest power prices if you got out of the North West Minerals Province.' The issue we are supposed to be addressing is to get prices down, but they are celebrating the fact that they can take advantage of these high prices. I will say that again: right now in the North West Minerals Province we have the highest power prices in the industrial world. I am led to believe it is down to \$40 a megawatt hour; \$140 to \$200 a megawatt hour if you are trying to start a mine in Mount Isa.

As for the north-west blueprint and building anything out there, we have \$650 billion in resources still sitting in the ground, an amazing enabler for the Queensland economy—for the Australian economy—but you have to enable that stuff with competitive power. The CopperString project can deliver it at around \$100 a megawatt hour—or a touch higher maybe—and \$200 for the majority of users down to \$100 is an enormous enabler, so it must be a priority.

I will acknowledge the Premier has been very positive and given some assistance to date, but I have to say that 10 years ago there was a lot of positive talk around CopperString. Everyone thought it was going to happen. Xstrata, the precursor to Glencore, said, 'Yes, it's all going to happen,' and it did not. It fell over. They built Diamantina. It was self-serving for Xstrata and they have regretted it ever since, but it fell over because it was not driven to the finish line. It has to be driven to the finish line. It is very startling to hear Vast Solar say, 'We're going to take advantage of higher prices into the future.' We have to connect to the NEM like coal and gas in the Surat Basin have all been able to do in Queensland. As a parliament we must support connecting to the NEM in the North West Minerals Province in order to prosper from it.