

QUESTION ON NOTICE

No. 938

asked on Tuesday, 31 August 2004

MR FINN ASKED THE MINISTER FOR ENERGY (MR MICKEL)—

QUESTION:

Will he outline the benefits to south-east Queensland of Queensland being part of the National Energy Grid?

ANSWER:

I thank the Member for his question.

Queensland's electricity industry represents the State's most significant assets. The industry has a combined value in excess of \$18 billion, made up of around \$8 billion in generation assets, around \$3 billion in transmission assets, and around \$7 billion in distribution and retail assets.

These assets service a strong and growing demand for electricity and have played a major role in underpinning the State's economic growth.

In fact, Queensland has had the greatest level of investment in committed generation since the National Electricity Market began in 1998, equal to approximately 3,750 megawatts of generation capacity.

Of the \$6.3 billion which has been committed to new generation investment in the National Electricity Market, \$4.7 billion of that investment has occurred in Queensland. Of this, around 40 percent has been undertaken by the private sector in a number of different projects.

Queensland has the capacity to generate approximately 10,000 megawatts of power each day, which is more than enough to meet our average peak demand of 6,500 megawatts and sufficient to meet forecast demand beyond the end of the decade.

In terms of transporting our power, since 1998, Queensland has also had the greatest level of transmission investment, with approximately \$1.3 billion of the total \$4.6 billion that has been invested in transmission assets in the National Electricity Market.

The level of investment in the Queensland energy sector since we have joined the National Electricity Market places the State in a very favourable position.

The competitive advantage the national electricity grid has delivered for Queensland is also reflected by the ability of Queensland generators to sell excess power to the southern states across the Queensland – New South Wales interconnect.

In 2002, Queensland supplied power to New South Wales around 65 percent of the time and averaged 294 megawatts. In 2003, this flow increased to about 90 percent of the time and averaged around 418 megawatts.

In fact, on a number of occasions this year, Queensland has provided 9 percent of New South Wales' peak demand.

The ability for power to flow freely across State boundaries also provides Queensland consumers with insurance in the unlikely event that multiple power stations fail in Queensland.

The market outcomes from reforms to the Queensland electricity industry have clearly delivered substantial benefits to customers - providing low cost power to Queensland businesses and increasing the competitiveness of our industry.

Queensland's enviable position is a direct result of the Beattie Government's priority to foster a competitive national energy environment in wholesale electricity that delivers real benefits to Queenslanders and which provides an important stimulus for investment across the State.