Question on Notice

No. 1183

Asked on 10 October 2023

MR S O'CONNOR ASKED TREASURER AND MINISTER FOR TRADE AND INVESTMENT (HON C DICK)—

QUESTION:

With reference to the Federal Government's Energy Price Relief Plan—

Will the Treasurer advise (a) what financial support the Queensland Government has provided to coal and gas generators (directly or on behalf of the Commonwealth) and (b) what the projected total amount of financial support will be by 30 June 2024?

ANSWER:

Through the Energy Price Relief Plan approved by National Cabinet in December 2022, the Queensland Government issued directions to publicly owned thermal generators to implement a $125 per tonne price cap on thermal coal in Queensland. The program is funded in partnership with the Australian Government.

In preventing the sale of Queensland's generation assets, the Palaszczuk Government has ensured most coal-fired generators in Queensland are publicly owned. As a result, the Queensland Government was able to implement the coal price cap via legislative and administrative arrangements with coal-fired generators.

This differs to the approach of New South Wales and Victoria where electricity generation has been privatised, and must rely entirely on direct financial support to coal producers.

For Queensland, the coal price cap is supported by compensation payments in respect of the privately-owned Gladstone Power Station.

Financial support arrangements are commercial-in-confidence, noting coal-fired generators operate in the competitive National Electricity Market.

The actual cost of the coal price cap will be determined by the market and contract coal price over the period.