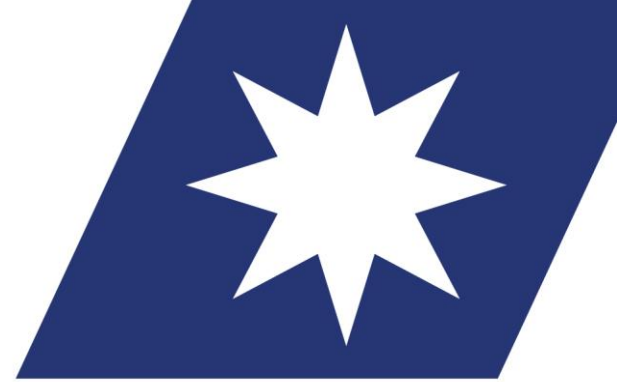


ROBBIE KATTER

Member for Traeger



MEDIA RELEASE

August 3rd 2022

KATTER CALLS FOR EAST COAST GAS GUARANTEE

The release of the Australian Competition and Consumer Commission (ACCC) gas inquiry predicting a worsening supply shortfall into the east coast gas network highlights the vulnerability of Queensland's minerals industry, Katter's Australian Party Leader and Traeger MP Robbie Katter has said.

Mr Katter said the North West Minerals Province, centred on Mount Isa, was particularly exposed as its only source of baseload power was currently gas.

"The ACCC is forecasting a significant deterioration in conditions in 2023 with a 10-fold increase in previously forecast gas shortfall," he said.

"If this is not resolved there is a risk that customers in North West Queensland, which is one of our State's mining powerhouses, will find themselves short of power, as the only generator in town is 100 per cent gas fired."

APA Group's Diamantina Power Station, which has been operating as an unregulated monopoly for some time, is the only power station supplying the communities and businesses in the North West.

While it is unclear what arrangements are in place to ensure ongoing gas supply, Mr Katter is calling on APA and Ergon Energy (who supply retail electricity to residential and small business customers in the region), to provide assurances to the community that the looming gas crisis won't result in widespread power outages.

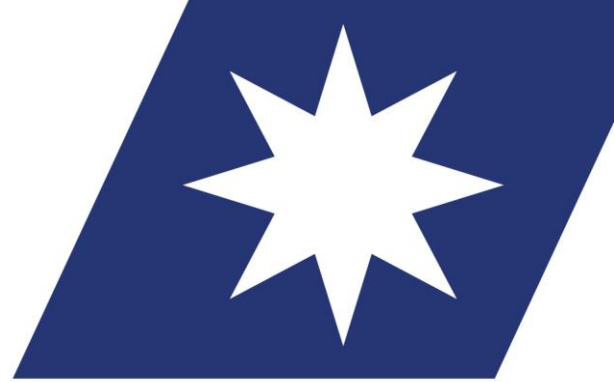
"There have been multiple system wide black-outs across the isolated North West Power System over the past 18 months and this causes huge costs not only to the economy but also to the communities more broadly, with schools being forced to close and small businesses losing millions in trade," he said.

"The energy crisis also puts our minerals industry at risk which employs thousands of people and delivers billions to Queensland's economy.

"We already have some of the highest wholesale electricity costs in the world thanks to our reliance on gas and being at the mercy of an unregulated monopoly.

ROBBIE KATTER

Member for Traeger



MEDIA RELEASE

"If gas supply is not secured, we'll be living in third world conditions.

"We need a guarantee from APA and Ergon that there is sufficient gas to supply the energy needs of the North West over the coming years."

In its gas inquiry, the ACCC has said:

"As already noted, supply conditions in the east coast market are expected to deteriorate significantly in 2023, with a shortfall of 56 PJ now expected. This is equivalent to around 10% of domestic demand and is the largest projected supply shortfall we have forecast since the Inquiry commenced in 2017.

"The east coast gas market is facing a 56 PJ shortfall in supply in 2023, signifying a substantial risk to Australia's energy security.

"This shortfall is a significant deterioration in conditions relative to the 2022 forecast and suggests a bleaker outlook for 2023 than AEMO projected in its latest Gas Statement of Opportunities (GSOO).

"This could place further upward pressure on prices and result in some manufacturers closing their businesses, and some market exit has already occurred."

"The supply shortfall in 2023 is 54PJ higher than the shortfall projected at the same time last year for 2022. This is primarily due to a 52 PJ increase in forecast demand by GPG and a 24 PJ increase in LNG exporters' export forecasts, which are offset partially by a 23 PJ reduction in forecast demand by residential and C&I users (predominantly relating to C&I users).

"The effects of these changes are concentrated in the southern states (NSW, Victoria, South Australia, Tasmania and the Australian Capital Territory) where gas resources have been diminishing for some time and where the majority of C&I users are located, with a 54 PJ shortfall is forecast.

"In Queensland, where the LNG exporters and their production and export facilities are located, and where the majority of future reserves and resources are, a 2 PJ shortfall is expected."

The ACCC interim report 2022 can be found here <https://www.accc.gov.au/publications/serial-publications/gas-inquiry-2017-2025/gas-inquiry-july-2022-interim-report>

—ENDS—

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