9th June 2005

LABOR LOCKED INTO HIGH ELECTRICITY PRICES

Labor has no solution to the Territory’s high electricity costs except to lock them in.

Member for Drysdale Stephen Dunham said, “Nor can Labor guarantee that these prices will not rise as the only supply of gas available from the Amadeus Basin become more expensive.

“As Clare Martin admitted on radio yesterday the Territory only has gas to make electricity for the next six years.

“So what is Labor’s solution? Gas from Sunrise is still under the seabed and not even Clare Martin can guarantee that one molecule will be delivered on shore for power generation.

“Clare Martin said yesterday ‘What we are in discussions about is a competitive price’ but that is not a given because of commercial realities.

“Kim Wood of Power Water stated the case succinctly on August 18 last year on 8DDD when he was discussing Labor’s failure to secure gas from Conoco Phillips:

‘What we had was a situation where we had a range of commercial terms we just couldn’t agree on and it certainly made much more sense not to strike a bad deal for Territorians because we are talking about, in terms of context about gas supplies, it is a billion dollar deal. You know a dollar either way in the gas price is either a windfall for Territorians or a very hard road to hoe.’
“Gas will go where the market and price is best. As Mr Wood pointed out a
dollar either way would cost Territorians dearly and drive up the price of
electricity.

“He also stated:

‘Look I’d welcome competition. To be honest with you I’ve been on the
record a number of times of having said I’d love a generator or a retailer in
the market place. This position of being a monopoly is a tough one….A
competitor would be a good thing.’

“Labor has no solution to the looming power price squeeze for Territorians

“Labor has adopted confused and contradictory positions over the
Territory’s electrical future.

“Paul Henderson says the government doesn’t want any part of the scheme
while Clare Martin is saying should wouldn’t stop the project.

“There are simple facts at play that no amount of Labor politicking can deny.

1. Average Territory power bills dwarf those of people in other states
   with most Australians averaging a tariff of 10 cents/kWh compared
to a Territory rate of 14 cents/kWh.
2. The pool price for electricity last week in Queensland was 2.4
cents/kWh.
3. Joining the National Grid did not force up power prices in South
   Australia. The SA Labor Government granted the horrendous 32%
   increase in 2002 while the Victorian Labor Government, who
   entered the national electricity market a year before SA, only
   approved a 4.7% increase to the same company.
4. In Queensland the Energy Minister has admitted that competition
   has almost halved the cost of electricity from $60 a megawatt/hour
to $33.
5. Labor has no solution to reduce the cost of electricity in the
   Territory.

“Only the Country Liberal Party has a plan to drive down power prices by
30% and to secure a reliable, long term source of electricity with the
construction of a power line.”