



Mrs PENFOLD (Flinders): I am pleased to see that the Minister for Energy is present. As members would be aware, great changes have occurred in the power industry recently. They bring into question the benefits of a 250 megawatt regulated interconnector from New South Wales, a line referred to as Riverlink or SNI. The changes make it imperative for South Australia to take another look at the industry (especially SNI) before we are made the patsy and have to pay for power generated by dirty coal-fired stations as well as \$60 million for an unnecessary second transmission line which will, at times, not be able to transmit any power into South Australia.

The minister himself acknowledged that SNI provides no benefit to South Australian consumers when he stated in February that 'if Heywood and MurrayLink were fully despatched you would not be despatching any power down SNI'. For New South Wales, this is a contract made in heaven. It is in my view one that puts South Australia at the other extreme—in hell.

The proposal to build SNI was put forward at a time when this state looked as if it would be short of electricity. A total of 960 megawatts of new baseload (including Pelican Point which the present government opposed when it was in opposition) has been developed in this state since 1998. A private company, TransEnergie Australia, has since built a transmission line from Victoria at no cost to the South Australian taxpayers. In fact, interconnectors with Victoria deliver power eastward from South Australia into Victoria (according to figures established by ElectraNet SA) for more than 25 per cent of the time. All this is certainly a change from when SNI was first mooted.

Sustainable generation of power from renewable energy sources that put no (or only minute) greenhouse gases into the atmosphere are also coming onstream. South Australia's first wind farm at Lake Bonney has recently contracted to sell all its energy to the New South Wales government. The Essential Services Commission of South Australia (ESCOSA) concluded in its Third Annual Performance Report on Regulated Electricity Businesses in South Australia 2001-02:

SNI would provide a small boost to competition in the generation sector, limited benefits to South Australian consumers and only a small enhancement or reliability and security of supply to South Australia.

The Riverlink/SNI connector will see South Australian consumers paying for an investment which benefits the highest emitting coal generators in New South Wales. To again quote the Minister for Energy in his response to my estimates question:

... fully utilised the SNI interconnector would result in about 2.1 million tonnes of carbon dioxide emissions. . .

In addition, I understand it is proposed to bring this line aboveground across the Bookmark Biosphere through fragile terrain. How is that for environmental destructiveness of the worst kind, since it is all avoidable? Barring environmental damage, a cost of \$110 million in the first instance (and goodness knows how much by the time it is amortised over 20 years) for a useless white elephant called Riverlink/SNI is a heavy cost. Compare this with the MurrayLink inter-connector buried underground and taking a route that minimised environmental impact to such an extent that I believe it has taken out two national and two state awards (one in Victoria and the other in South Australia) for being environmentally friendly and on which the Labor government has been spending thousands more of taxpayer dollars to fight it in the courts.

This is the kind of economic foolishness that saw the former Labor government almost bankrupt this state. The Premier was a minister of that government. As the Industry Regulator says in a letter on the web:

I have come to the conclusion that it is time to recognise that decisions on interconnectors between jurisdictions are political decisions and if the two jurisdictions want such facilities, that should be sufficient. The ballot box can decide if the decision was correct or not.

Is this why the government is supporting SNI and will not support a regulated line to connect the proposed wind power on Eyre Peninsula into the grid? One thousand megawatts equates to \$1 billion worth of private enterprise venture capital in a new industry that would help to open up Eyre Peninsula.

A recent report by Deloitte Touche Tohmatsu titled 'Wind Generation Development on the Eyre Peninsula—Economic Impact Analysis' outlines in scenario 5 a total economic impact of local manufacturing activity during the construction phase of \$4.72 billion to this state. The acquired quantities of 1 000 megawatts on the Eyre Peninsula and 500 megawatts in other South Australian regions are already being planned.

Time expired.