

MEDIA RELEASE

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POWER CRISIS MAY LEAD TO LOSS OF MAJOR INDUSTRY

The Member for Murchison, Ruth Forrest MLC, has highlighted that the recent announcement of the power supply crisis due to low rainfall has caused much concern for all industry, business and consumers in Tasmania.

“The potential impact on industry is a major concern, as to load shed, or reduce consumption of power, thus reducing production, will have a significant impact on many major industries”, said Ms Forrest.

“The introduction of Basslink may relieve the pressure of power shortages by enabling Tasmania to buy power from mainland Tasmania, but at what cost?” Ms Forrest asked.

Ms Forrest said that the Government has plans to fast track other energy sources including wind farms and a wood-fired power station.

“Hydro Tasmania and the Government need to work together on the third stage of Woolnorth and development of the wind farm on the West Coast as a matter of urgency, not only to address this potential crisis in power supply, but for the future security of the power supply at a cost comparable to current costs”, the Member for Murchison said.

A major drawcard for many industries that have chosen to establish their business or industry in Tasmania has been the lower cost of power.

“If this cost advantage does not continue, the financial benefits may be lost and industry may be forced to reconsider the cost effectiveness of remaining in Tasmania”, stated Ms Forrest.

Ms Forrest noted that the economy of Tasmania relies heavily on the major industries including forestry, mining and manufacturing.

“Freight and other costs that are incurred by business because of Tasmania’s island location are in many cases offset by the lower power costs”, said Ms Forrest.

“With entry into the National Electricity Market and the option of buying power from mainland Australia through Basslink, this cost advantage could be seriously undermined”, Ms Forrest stated.

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For further information, please phone 0419 879 524.