




Speech By  
**Robbie Katter**

**MEMBER FOR MOUNT ISA**

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**ADJOURNMENT**

**LNG Industry**

 **Mr KATTER** (Mount Isa—KAP) (10.01 pm): I rise in the House to discuss the very alarming threat of the LNG industry on our domestic industry along the east coast of Australia. I read with great interest an article today in the *Australian* which is one of many articles that are now cropping up, all singing from the same hymn sheet. I will quote from the article, which talks about Paul O'Malley from BlueScope Steel. The article states—

Wading into the growing debate about how to deal with an expected surge in east coast gas demand as \$70 billion of coal-seam gas export plants fire up in Gladstone over the next three years, BlueScope Steel chief Paul O'Malley identified rising gas prices as the biggest energy challenge his company was facing.

"Australia is the only country in the world that exports gas without having a national gas policy and understanding how gas is positive for value-added industries as well as for export ...

"I think there is a problem, and quite frankly I think there's a train wreck coming."

These are disturbing comments and many of them are being made by our large industries across Australia because undoubtedly there are threats being made.

I refer to another report by the National Institute of Economic and Industry Research that has also made some startling recommendations, and I will point honourable members towards some of those. The report states—

But each petajoule of natural gas that is shifted **away** from industrial use **towards** export, whether because of tight supply or uneconomic pricing, means giving up \$255 million in lost industrial output for a \$12 million gain in export output. That is, for every dollar gained \$21 is lost. This increases to \$24 when economy-wide impacts are taken into account;

...

increased operating costs for gas-fired electricity generators due to high gas prices. Such generators would see cost increases three times greater than those currently resulting from the carbon tax.

I repeat: three times greater than those currently resulting from the carbon tax. These are disturbing comments and there is growing supportive evidence behind the threat of the rising gas price and the damage it is going to do to our domestic industry. Quite frankly, there is not enough debate about this and about why we are not protecting our domestic industry to maintain it. I know there are mines in my area that are very scared about the impact of gas prices and what it can do to their viability in the future. I very legitimately ask this House to consider the impact that the absence of this type of policy can have on our domestic industry. The report also states—

contracts for the long term supply of gas to domestic industry have 'evaporated' as a consequence of export commitments;

Australia has only a few years before significant economic loss is likely to be felt from the failure to secure an affordable supply of natural gas to domestic users—

*(Time expired)*