



Speech By  
**Robbie Katter**


**MEMBER FOR MOUNT ISA**

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## ADJOURNMENT

### LNG Industry

 **Mr KATTER** (Mount Isa—KAP) (10.29 pm): I wish to talk about energy and the role it plays as a foundation to development and industry, in particular with reference to the impact that the LNG industry has on the potential for northern development in Australia. Our Prime Minister recently declared that we can be the affordable energy capital of the world. The operative word there is 'can'. That may well be, but under the current policy settings and according to Andrew Liveris, the CEO of the US industrial giant Dow Chemicals, we are heading in exactly the opposite direction. There is a need for a change in policy. Undeniably the LNG and CSG industries are providing a large sugar hit to the economy that is filling the gap which so many other failing industries have left, but surely the long-term benefits of this short-term stimulation fail the national interest test.

A recent document quotes the National Institute of Economic and Industry Research report from October 2012. It found that—

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.

It also states—

The dramatic shift in the domestic gas market will have wider impacts well beyond the gas intensive industries:

- 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.

Perhaps that is why I am reading such articles in the paper—and I will table these documents.

*Tabled paper:* Media article from the *Australian*, dated 7 February 2014, titled 'Gas prices drives industry to coal' [\[4476\]](#).

*Tabled paper:* Bundle of media articles dated 6 February 2014 regarding the gas industry [\[4477\]](#).

In a recent article in the *Australian* Manufacturing Australia Executive Director, Ben Eade, said that manufacturers are considering switching from gas to coal as an energy source to avoid paying some of the world's highest prices for gas. In another article, Stanwell took the extraordinary step of announcing that it would mothball its biggest gas fired power station and resurrect a coal facility built in the 1980s.

The AEC group of consultants reported that compared on a per unit of gas basis, the value of the economic contribution of the current operations of large industrial users is significantly higher in economic value and jobs than the combined construction and operation activities of CSG extraction. This has particular importance for Mount Isa, which has 100 per cent reliance on baseload energy from gas fired power stations. We are not connected to the national electricity grid so we do not have

the option of switching to cheaper coal fired power. We are stuck with gas and this presents considerable problems if we want to develop northern Australia. Part of the answer lies in expanding the gas network into the Northern Territory to increase supplies. It is imperative that this happens. Consideration also needs to be given to connecting us to the national electricity grid, which will provide a platform for the development of northern Australia that is so badly needed. This is a foundation principle for doing that.

*(Time expired)*