ROBBIE KATTER
Member for Traeger

MEDIA RELEASE

31 January 2020

GAS RESERVE POLICY FIVE YEARS TOO LATE FOR QLD

The Federal Government's plans to introduce a gas reserve policy in Queensland is five years too late and the state may have already wasted its competitive energy advantage, KAP State Leader and Traeger MP Robbie Katter has said.

Mr Katter said over the last decade, Queensland's ability to produce cheap energy with gas had been sold-off for a pittance to large foreign corporations and it would be very challenging to regain it.

The Traeger MP, a long-term advocate for mandated local gas reserves, said though it was long overdue he still welcomed the news that the Federal Government would pursue a gas reserve policy with individual states.

He said it was outrageous that such a policy had not been established years ago at the state-level, as is the case in Western Australia where a 15 per cent reserve is in place.

The Traeger MP also said that the suggestion holding reserves domestically could impact negatively on royalties income was "laughable" and that he wouldn't cop reduced royalties as an excuse not to offer Australians access to affordable gas. [1]

"In Queensland, we were promised the world in 2009 when our gas industry was opened up by Labor, but since then gas royalty revenue has been abysmal in comparison to what was predicted," he said.

"In 2017-18 the revenue to Queensland was worth only 29 per cent ($184 million) of the $636 million that was forecast in the 2014-15 State Budget.

"The North West Mineral Province alone generates over $300 million a year in royalties and the coal industry around $4 billion so gas royalties are nothing to brag about.

"At the end of the day, Queensland has made on average only $50-100 million a year in these royalties.

[1] "Resources chiefs pan gas reserve plan as 'perverse', *The Australian*, 27 January 2020, https://www.theaustralian.com.au/nation/resources-chiefs-pan-gas-plan-as-perverse/news-story/13d9b66a346dc549917895670fa5455d

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“Today there would be hundreds more jobs for people in the North and North West right now, if governments had shown some intestinal fortitude during the opening of the gas industry."

Australia is currently the world’s largest exporter of LNG, or liquefied natural gas, just ahead of Qatar.

Despite this, increased international demand, rising gas prices and the lack of a reserve policy has perversely combined to make it cheaper for Australian gas consumers to import the resource from overseas rather than to purchase it domestically.

As a resident of Mount Isa – which, due to its remoteness is solely-powered by gas – Mr Katter has long had a front row seat to how poorly Queensland’s gas industry has been managed.

“Our base load electricity in Mount Isa is 100 per cent produced from gas,” he said.

“The wholesale cost of power out there is at least double what it would be if we were connected to coal-fired power and cheap renewables supplying the east coast grid.

“We have such an ample supply of LNG in this state and country, so this is a shocking state of affairs and a failure on behalf of our governments and their blind commitment to the free market.

“Foreign countries are benefitting from our gas at our literal expense.”

Mr Katter said a well-managed gas reserve policy in Australia could deliver substantial savings for residential and industrial electricity consumers, and could revitalise Queensland’s manufacturing and mineral processing industries.

“Pretty much every major gas-producing country around the world has a Gas Reserve Policy, of course with the exception of Australia – this is well overdue,” he said.

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Media inquiries: Morgan Oss, 0428 772 544