



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR TRADE

Transcript  
ABC 612 Mornings with Steve Austin

23 January 2012

E&OE

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*Subjects: Australia Pacific LNG-Sinopec agreement*

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STEVE AUSTIN: News has just come through from the office of the Federal Minister for Resources and Energy, Martin Ferguson, that the Chinese petro-giant, Sinopec, has signed a deal which basically means they're going to be taking a huge slice of the liquid natural gas that comes out of the LNG project in Gladstone. Craig Emerson, Minister for Trade and Queensland Federal MP, joins me. Craig Emerson, what exactly does this mean for Queensland and Australia?

CRAIG EMERSON: Well it means more jobs, and better jobs, and greater prosperity. And also the fact that the Petroleum Resource Rent Tax, or the new Minerals Resource Rent Tax that applies to this, means that the benefits of these sorts of projects are more broadly shared through the Queensland community: through small business tax breaks; a cut in the company tax rate; and an increase in superannuation for working Australians. So a win all round, Steve.

AUSTIN: Sinopec is increasing its equity stake in Origin Energy, an Australian company. I assume that is a vote of confidence in Australian business?

EMERSON: Well, there's no doubt – given that I do travel around the world in my portfolio as Trade Minister – that the judgement that's being formed is that Australia is the place to be. We've got a massive investment pipeline of \$450 billion. They're words that drip off the tongue fairly easily but it's very

difficult to envisage \$450,000 million but that's the investment pipeline. This is an example of the sort of vote of confidence in the Australian economy that we are seeing from companies all around the world.

AUSTIN: Now this deal where the Chinese petro-giant is signing up to the Gladstone project, it's got to be passed by the Foreign Investment Review Board. But I assume that there's no impediment to that?

EMERSON: Well, we certainly wouldn't pre-empt that process. It is done independently and there is a screening process there. But to have Gladstone and Queensland benefitting so much from this investment. And, Steve, it's also important to make this point: that LNG is widely regarded as the transition fuel as we manage that transition to a lower-carbon economy, a clean energy future. And obviously that's not just the case here in Australia, but around the world. We've got loads of it. So much of the activity is in our home state of Queensland. So good on the State Government and I think the Federal Government has played a role. Ultimately, these are decisions for private investors and that's what's being done. These big investors really paint a rosy picture for the future – not only of the Queensland economy, but also of the Australian economy.

AUSTIN: The Sinopec group is a Chinese Government-owned company. Where did they sign up to guarantee taking a certain amount of liquid natural gas from the Gladstone project? Did it happen in China or here in Australia?

EMERSON: That was done commercially, so we weren't involved in that. But I understand that the stock exchange was advised today, so this is a really good breakthrough and a step up in the intensity of investment in LNG. And securing these sales contracts is so important. When you're putting in billions and billions of dollars – I think it's \$45 billion or more going into Gladstone – you need these long-term contracts and that's what's being concluded. You know, I just think we can all be proud of this, Steve: Queenslanders, Australians and the work that's gone in over so many years to establish Australia as a very reliable supplier in meeting Asia's resource and energy security needs. This has been a long-term project going back to the Hawke years. But we're launching and underway with an Asian Century White Paper, which is aiming to build on the work that's been done before and integrating our economy with the fastest, most dynamic region on Earth. The centre of gravity – economic gravity – is shifting into the Asian region, so we literally are in the right

place at the right time. Not just as a result of good luck, but good management.

AUSTIN: Appreciate your time, Craig Emerson. Thank you.

EMERSON: Thanks very much, Steve.

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