LABOR REFUSED REFINERY REQUEST FOR GAS

January 31st, 2013

The former Labor Government told Pacific Aluminium in the middle of last year that it could not guarantee a 10-year gas supply to keep its Gove refinery operating, according to a letter addressed to the company’s Chief Executive from then-Chief Minister Paul Henderson.

Mr Henderson acknowledged in the letter (dated July 13th, 2012) that the company was making significant losses at the refinery and that the Chief Executive, Mr Sandeep Biswas, had specifically requested that: “the Northern Territory consider directing the Power and Water Corporation to provide Pacific Aluminium with gas over a ten year period.”

The Labor Government wrote to Pacific Aluminium in July telling them that the Northern Territory “cannot provide you with a full ten year supply but may provide up to four years’ supply.”

Today, Chief Minister Terry Mills said the letter proved that the Labor Government, including the current Leader of the Opposition, Delia Lawrie, had virtually abandoned the people of Gove.

“We have agreed all along to provide that four years of supply – exactly what Labor proposed. But the minimum requirement by the company for the required pipeline and continuation of the refinery operations is 10 years of guaranteed gas supply, and I have been working furiously to achieve that,” Mr Mills said.

“Delia Lawrie is hypocritical to accuse us of not doing a deal with Pacific Aluminium. The company had already been told unequivocally by the Labor Government last year that a guaranteed 10 year gas supply was not available.”

Pacific Aluminium first wrote to the Labor Government in January of last year stating: “It is imperative that we identify an affordable gas energy source.”

In the letter Mr Henderson not only denied the company the 10 year gas supply, but he suggested Pacific Aluminium find the extra supplies by negotiating directly with the gas supply companies Eni and Santos.

Mr Henderson conceded that even if those negotiations for extra gas succeeded, the amount of gas “will need to be supplemented to achieve your ten year target.”
Mr Mills said he would continue to do everything necessary to secure the future of Gove, including flying anywhere, any time.

“The Labor Government left us more than just a financial mess,” Mr Mills said.

“Their inept handling of this issue has placed the future of Gove at great risk.

“I hope we can repair Labor’s mess.”

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