

SE Finance
HD **LNG assets need better protection: Rinehart group**
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A BUSINESS group led by Australia's richest woman, Gina Rinehart, says the nation must "get its head out of the sand" and think strategically about our role in the Asian region.

The think tank, founded by a small group led by the **billionaire** miner in 2010, has told a select parliamentary committee on northern Australia that the area should be a hub within Asia for not just resources but also a slew of areas including defence, education, medicine and agriculture.

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As the government seeks to capitalise on Asia's economic boom, the group is pushing for a special economic zone, modelled on those used in **China** and Malaysia, to be created across northern Australia.

In a submission to the committee, Australians for Northern Development & Economic Vision says such a zone would **lead** to projects and investments with Asian neighbours that "reduce possibilities of conflict as trade creates a long-term friendly and complementary relationship".

"The next 20 years within the region will be crucial and Australia must get its head out of the sand and start thinking strategically about our role in our region in terms of our economy and our strategic defensive role," the submission says.

ANDEV wants cuts to state and federal taxes in northern Australia, lower foreign investment thresholds for all sectors excluding defence, and infrastructure **bonds** backed by tax incentives.

"The north requires such policies to act as catalysts to overcome the decades of neglect and its locational disadvantages that over time can become less significant constraints to development given the presence of a vast and rapidly growing market in neighbouring Asia," ANDEV says.

Mrs Rinehart co-chairs the group with West Australian Imants Kins.

The comments come as the Australian arm of **oil** and gas giant ConocoPhillips has told the inquiry that there is significant upward pressure on wages costs in northern Australia as seven liquefied natural gas facilities are under construction.

"The wage inflation impacts the viability and reputation of the whole industry, raising project costs and distorting regional economies," the submission says.

ConocoPhillips has also said that northern Australia should position itself "at the front" of an approaching wave of floating LNG **operations**.

This has been a controversial issue in resource-rich Western Australia where Premier Colin Barnett fears the state will miss out on jobs and investments if the **energy** giants avoid onshore LNG.

"Concerns have been expressed that FLNG will result in no or minimal returns to onshore states and territories," ConocoPhillips says.

“This is not the case and FLNG, as an emerging technology, should be encouraged rather than resisted.”

The Coalition has vowed to turn northern Australia into the “next frontier”, with two **million** tourists a year, an **energy** export industry worth \$150 **billion** and serving as a food bowl.

The committee, chaired by Liberal MP Warren Entsch, will make recommendations for the north Australian white paper.

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