

Labor's gas pipeline-funding pledge sparks manufacturer hopes

Angela Macdonald-Smith and Tom McIlroy Tuesday 23 Apr 2019 12:23 pm



Origin Energy's Amungee well in the Northern Territory has highlighted the region's vast gas wealth. Peter Eve

Industrial energy users have seized on [Labor's pledge to channel \\$1.5 billion of funding towards pipelines to unlock gas resources](#) in the Northern Territory and inland Queensland as a potential lifeline that could save thousands of jobs among manufacturers on the east coast.

A Bill Shorten-led Labor government would repurpose the Coalition government's \$5 billion Northern Australia Infrastructure Facility (NAIF) for projects including gas projects that would have national economic significance.



Some funding would help fast-track development of gas resources lying in the Galilee and Bowen Basins in Queensland, and in the Beetaloo Basin in the NT.

Major expansion

Gas could flow from the Galilee Basin in just two to three years, said Antoon Boey, manager of corporate development at Jemena, which opened an \$800 million gas pipeline from the NT to Queensland early this year and is considering a major expansion.

The Energy Users' Association of Australia, a group that includes BlueScope and Incitec Pivot and which [last week called for the next federal government to prioritise sorting the east coast gas crisis](#), said ideas that accelerate gas into the east coast are "a great step forward".





"Lots of big promises – when it was first announced they described it as the Snowy Mountains scheme for the north that would build this infrastructure and create jobs and it just hasn't," Mr Clare said.

The \$1.5 billion set aside for gas pipeline infrastructure would include spending on a pipeline from the Beetaloo up to Darwin, as well as to the east coast, he said.

Mr Boey at Jemena, which is studying a potential \$3 billion-\$4 billion expansion of its new Northern Gas Pipeline, said government support "makes sense" and could allow planned pipelines to be upscaled to cut the end cost to consumers.

"We fully support anything that can be done to upsize infrastructure and bring that infrastructure into the market more quickly," he said.

"The end result for the consumer is a lower cost outcome, the bigger you can build the initial infrastructure."

But he said the timing of bringing new gas to the market would still hinge on exploration and investment by gas developers. Based on Jemena's discussions with gas developers, gas from the Galilee Basin is about two-three years from coming online, while Beetaloo gas would only be two-three years after that.

Supply for 30 years

Gas explorer Blue Energy has long been pushing for the construction of a pipeline that would end the isolation of about 15,000 petajoules of known gas resources in the Bowen Basin, enough to supply the domestic market for 30 years.

"Unlocking existing reserves and resources in the North Bowen gas province with nation building gas infrastructure has the potential to bring relief to east coast gas users within the near-term, by providing a large long-term source of new gas to the east coast," said Blue chairman John Ellice-Flint, a former boss of Santos.