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Natural gas can help deliver energy and financial security for NT

Greater financial independence from Canberra could be one of the benefits of a thriving onshore natural gas industry in the Northern Territory, a parliamentary inquiry sitting in Darwin today has been told.

The Australian Petroleum Production & Exploration Association said royalties from shale gas extraction could become an important revenue stream for the Territory, increasing financial certainty for future governments and reducing their reliance on tied Commonwealth funding.

Appearing before the NT Parliament's Energy Future inquiry, APPEA Northern Territory Director Steven Gerhardy said natural gas projects were already transforming the NT economy.

"Natural gas is delivering significant economic and environmental benefits to the Territory through job creation, energy security and reduced greenhouse emissions," Mr Gerhardy said.

"Liquefied natural gas (LNG) projects in operation or under construction are providing and will continue to provide jobs and opportunities for decades to come.

"For example, Inpex is spending more than \$5 billion through Territory-based businesses during construction of its LNG plant in Darwin. The project is also expected to create up to 5000 new jobs during its construction phase and up to 700 new jobs when operational.

"While still in its very early stages, the potential for an onshore natural gas industry based on the Territory's substantial shale gas reserves is just as exciting.

"Not only would shale gas deliver jobs, economic growth and improved infrastructure in remote and regional areas, it would also provide the Territory Government with its own source of revenue independent of the Commonwealth.

"This is a potential game-changer for the Territory, which currently relies on Commonwealth funding for around 80 per cent of its annual budget."

Mr Gerhardy said maximising future oil and gas investment in the Territory would require a competitive and stable investment environment and a continuing commitment to market-based policies.

APPEA's submission to the parliamentary inquiry can be viewed at [this webpage](#).

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