

Powering the Territory

A plan to unlock the
energy and economic
potential of the NT

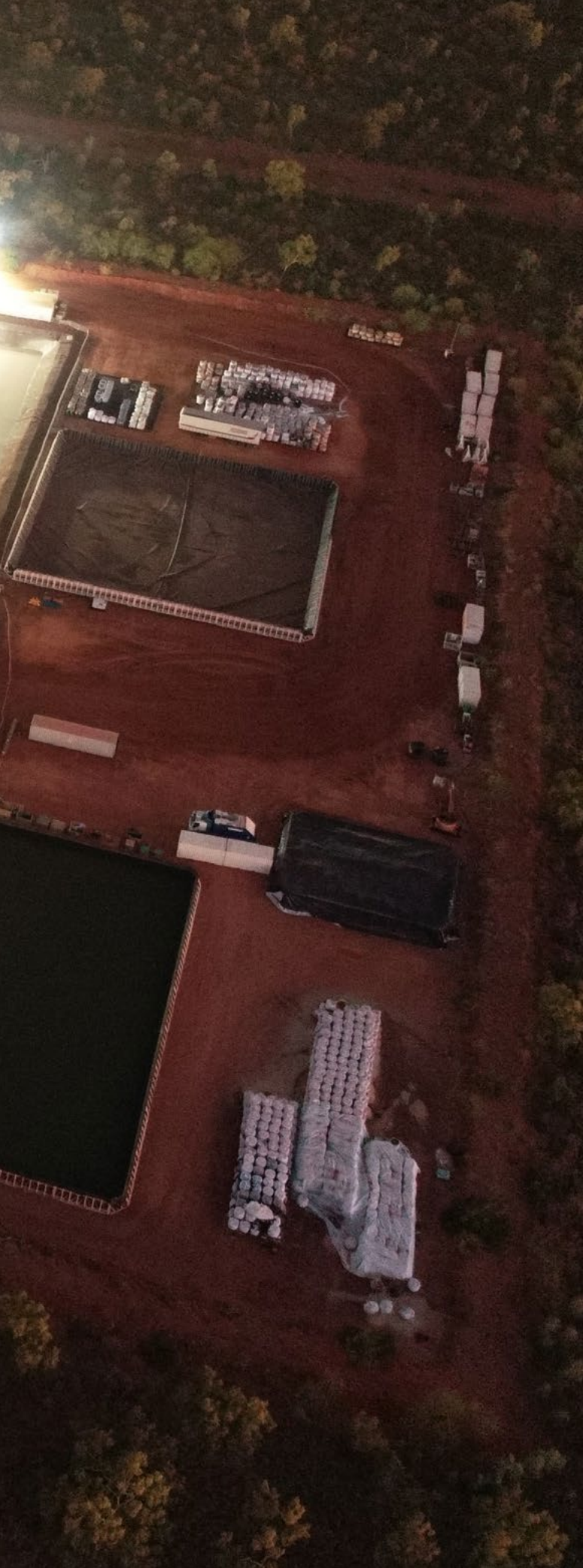


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Acknowledgement

Australian Energy Producers acknowledges the Traditional Custodians of Country throughout the Northern Territory and their knowledge in caring for land, sea, and community. We pay our respects to their Elders; past, present, and emerging.



Introduction

Natural gas is critical to the NT's economic growth, energy security and a net zero emissions future.

The NT's abundant energy resources are one of the strongest areas of competitive advantage.

A strong gas industry will deliver long-term economic and employment opportunities for Territorians, while safeguarding unique environmental, cultural, social and community values.¹

In 2024 the NT has an opportunity to show the rest of Australia what can be achieved when the gas industry, government and the community work together to realise a modern industrial vision.

Ongoing support from the NT Government is needed to bring on new gas supply and ensure reliable and affordable energy for the NT.

The upcoming NT election is a critical opportunity for the next government to realise the NT's potential and secure our long-term energy and economic future.

Australian Energy Producers has developed a strategic plan to maximise the economic opportunity for the NT in partnership with industry.

By prioritising these policy actions, the government can attract investment in new gas supply and unlock the NT's potential for economic growth and job creation.

A plan for economic growth and energy security

Our strategic plan outlines five policy actions for the next NT Government to unlock the potential of the NT's gas industry and drive economic and employment growth.



1. Deliver energy security for the NT



2. Unlock the economic and employment opportunities of gas



3. Streamline approval processes to bring on new gas supply sooner



4. Incentivise and support low emission technologies



5. Support a strong LNG export industry

Gas facts



Generates
86%
of the NT's
electricity



Contributes
\$5.8 billion
annually to the
NT economy



Supports
more than
6,000
NT jobs



69%
of Territorians
support more
energy from gas



1. Deliver energy security for the NT

Territorians overwhelmingly support the gas industry. In April 2024, a representative survey of Territorians commissioned by Australian Energy Producers found a strong majority of 69 per cent of Territorians support more energy from gas.

Implicitly, Territorians understand the central role a growing gas sector plays in delivering energy security, economic opportunity and environmental sustainability.

Gas powers around 86 per cent of the NT's electricity network and a secure gas supply is vital to the NT's own energy security.²

Gas is essential to a low-carbon future and has a critical role in achieving the NT's net zero emissions target by 2050.

As renewable energy production grows, gas will remain central to an evolving energy mix that will deliver increased investment,

innovation and long-term economic benefits.

NT's gas reserves, including from the Beetaloo Basin, will be critical to ensuring Australia's future energy security, creating new sustainable industries and more jobs, whilst enabling Australia and our global trading partners to decarbonise.³

The Australian Government's *Future Gas Strategy* found 'there are large volumes of gas in the Beetaloo Sub Basin... Beetaloo can help supply gas in the domestic Northern Territory market, backfill LNG out of Darwin, and supply the east coast'.⁴

Actions



Implement policies that recognise the essential role of natural gas for the NT's energy security and the energy evolution.

Recognise and advocate for the essential role of the NT's gas and LNG industries for energy security, the NT's economy and local jobs.

Support the successful operation and expansion of new gas developments and pipeline infrastructure in the Beetaloo Basin.

Resolve reserved area restrictions as a priority.

2. Unlock the economic and employment opportunities of gas

The NT gas industry is a key component of the NT's economy, creating jobs and providing reliable and affordable energy to homes and businesses.

A Deloitte Access Economics report found natural gas contributes over \$5.8 billion to the NT economy every year, as well as supporting over 6,000 local jobs. By 2030, natural gas could deliver over \$6.8 billion to the NT economy and provide 60 per cent more local jobs.⁵

Development of offshore gas through NT LNG projects is delivering sustainable industries and jobs.

Onshore gas projects provide an important revenue stream to the NT Government in the form of royalties that help fund the services that Territorians rely on, such as roads, hospitals, schools, and police.

New sources of gas will be needed to ensure the NT can realise the industrial vision for new manufacturing and export industries, including at

the Middle Arm Sustainable Development Precinct.⁶

A strong NT gas industry will also create new economic and employment opportunities for Traditional Owners and Indigenous communities.

Australian Energy Producers' members actively engage and work in partnership with Traditional Owner groups and land councils to ensure there is meaningful consultation and that the benefits of the oil and gas industry are shared with Traditional Owners.

Opportunities for Traditional Owner communities provided by our industry include agreements for land and nearshore access, support for Traditional Owner corporations' capacity building, support for ranger programs and environmental management, and cultural heritage mapping.

Actions



Create a dedicated ministerial portfolio and appropriate departmental structure to prioritise new gas developments.

Invest in critical infrastructure such as roads, rail, pipelines, waste, and health services to support gas development in remote areas.

Declare gas pipelines as critical infrastructure for safety and security and ensure more timely approvals.

Work with vocational education and training providers to deliver programs that increase local capacity and build a diverse workforce.

Attract more investment to the region by benchmarking the NT against mature, competing investment destinations to identify improvements to the current regulatory regime.

3. Streamline approval processes to bring on new gas supply sooner

The NT gas and LNG industries need an effective, streamlined regulatory framework that will help to expedite project delivery, improve environmental outcomes, and attract the investment in new gas supply that will be essential to the NT's long-term energy security and economic prosperity.

Approval delays and regulatory uncertainty threaten to hold up new gas supply that is urgently needed not only to keep the lights on and put downward pressure on prices for NT homes and businesses but to support a local, skilled workforce.

Activist groups are increasingly using the courts to delay and frustrate critical energy projects.

A recent Federal Court decision exposed the tactics used by Environmental Defenders Office, including presenting 'confected' evidence that was 'so lacking in integrity that no weight can be placed on them'.⁷

The NT Government should prioritise removing these barriers to ensure the NT continues to have reliable and affordable energy.

Actions



Establish 'single touch' environmental approvals to reduce duplication and facilitate efficient decision making for gas projects.

Work closely with the Australian Government to remove duplication and provide timely approvals.

Review the merit reviews process to ensure approval certainty is maintained.

Review the five-year Environmental Management Plan timeframe to reflect actual development timelines.

Invest in additional staff and upskilling of regulators.

Investigate legislative tools that would seek to prevent vexatious challenges and lawfare against critical or strategic energy projects.

Establish a risk-based, program phased, abandonment and rehabilitation model to address potential default risks and support a competitive and sustainable gas industry.





4. Incentivise and support low emission technologies

The NT has an opportunity to play a significant part in the roll-out of carbon capture, utilisation and storage (CCUS) and to become a world-leader in low emissions energy.

CCUS is a proven and viable technology used successfully around the world for decades.

CCUS is recognised by the International Energy Agency, the Intergovernmental Panel on Climate Change, Australia’s Climate Change Authority and Commonwealth Scientific and Industrial Research Organisation as critical to net zero.

Net zero is not just a challenge to lower emissions—it’s an opportunity to grow our economy, boost our productivity, and share the benefits across our communities.

The gas and LNG industries can provide affordable and reliable energy as well as carbon capture technologies and low-carbon hydrogen that will deliver economic benefits including thousands of jobs and billions of dollars of value to Australia’s economy.

A CCUS Hub at the Middle Arm Sustainable Precinct will supercharge the local economy

and position the NT as a world-leader in manufacturing and low emissions energy.

The Middle Arm precinct is one of nine national regions identified by an Australian Energy Producers study highlighting the opportunity for renewables, gas, hydrogen, and CCUS technologies to work together to support net zero manufacturing, minerals processing and heavy industries.

The Precinct is expected to create 20,000 permanent, high-skill local jobs in new and emerging industries from 2025.⁸

The NT Government’s submission to Infrastructure Australia found the first 1,600 jobs in the Precinct are expected to create some \$450 million per year in value-add plus \$306 million associated with supply chain effects and \$211 million from consumption flow on effects totalling \$967 million by 2026.



Actions

Establish as a priority CCUS legislation in the NT that sets out a clear and robust regulatory framework.

Provide CCUS education to policy makers, government departments and the broader community, how it works and why it is a vital component for decarbonisation.

Work with industry to identify all potential users of CCUS, including hard-to-abate industries.

Incentivise value-adding industries using abated products to grow and diversify the NT economy.

Coordinate the planning and development of new common-user infrastructure, particularly for electricity transmission, pipelines and carbon management.

Consolidate regulators under one roof/ minister to simplify the regime and reduce regulatory costs to government and industry.



5. Support a strong LNG export industry

Darwin is home to a globally significant liquefied natural gas (LNG) export hub that is critical to the energy security of trade partners including Japan and South Korea.

The oil and gas sector has invested over \$400 billion since 2010⁹ to build an Australian LNG industry that is a major player in the global energy market, accounting for one fifth of global LNG production.

The NT has developed the local infrastructure and expertise to support high calibre gas projects, including the Santos-led Darwin LNG Project and Barossa Gas Project, the INPEX-led Ichthys LNG Project, and the Jemena Northern Gas Pipeline.

With a suite of innovative low emission expansion opportunities in the oil and gas sector, Darwin will continue to play an important role in providing energy security for Australia and its strategic partners throughout Asia, driving local business opportunities, new jobs and sustainable economic growth for all Territorians.

Actions



Recognise the essential role the LNG industry has in the NT's economic and employment prosperity.

Provide effective, cross government agency support for existing operators and development support for new LNG projects.

Support NT LNG producers internationally by maintaining and growing existing trade relationships and building new opportunities.



Image courtesy of Santos

Endnotes

- 1 <https://territorygas.nt.gov.au/gas-strategy/northern-territory-gas-strategy>.
- 2 Australian electricity generation – fuel mix calendar year 2022, energy.gov.au.
- 3 <https://territorygas.nt.gov.au/Knowledge-Centre/latest-news/2022/appea-conference-showcases-territory-gas,-innovation-and-sustainable-planning>.
- 4 Future Gas Strategy Analytical Report, p. 91.
- 5 Deloitte Access Economics, *Economic valuation of the maritime, agribusiness, mineral, oil and gas industries*, 2023.
- 6 <https://northernterritoryresources.com.au/the-territorys-resources/energy#:~:text=As%20well%20as%20supporting%20the,our%20homes%2C%20hospitals%20and%20schools>.
- 7 www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2024/2024fca0009.
- 8 <https://middlearmprecinct.nt.gov.au/about-the-precinct>
- 9 APPEA – LNG Taxation Estimates and Review, Wood Mackenzie, April 2023, www.appea.com.au/wp-content/uploads/2023/06/23.04.12-APPEA-LNG-Taxation_Report_FINAL-FOR-PUBLICATION-3.pdf.



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