

## LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

## WRITTEN QUESTION

Mrs Lambley to the Treasurer:

**Gas**

1. Has Treasury conducted any modelling for the actual financial benefits for the northern gas pipeline?
2. Has any financial modelling been undertaken to determine the economic benefit to the Territory government, businesses and jobs that could be created if, instead of on-selling excess gas, it was used made available at a reduced rate to support manufacturing here in the Northern Territory?
3. Has Treasury conducted research into the potential gas price impacts of linking our Territory gas supplies to the East Coast gas market and exposing the NT to the price shocks and supply volatility currently being experienced by customers there?
4. Has the Northern Territory Government done any modelling of the impacts on power prices and associated costs of living as a result of the predicted trebling of gas prices resulting from the construction of the northern gas pipeline?

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**Answer**

Modelling of the financial and economic implications of the construction of the Northern Gas Pipeline informed the selection of the successful builder and operator of the pipeline.

Gas for the Territory's electricity generation in the major centres and to support other industries is secured by a long-term gas supply agreement with Eni until 2034. This gas is sourced from the Blacktip Gas Field. There is also an agreement with Central Petroleum for the Territory to purchase gas from gas fields in Central Australia over 10 years for domestic Territory use, and separate contracts are in place for emergency supply of gas if required.

Opportunities for the sale of the Territory's gas to support manufacturing and other industries in the Territory continue to be explored.

Electricity prices for domestic and small commercial customers in the Northern Territory are also regulated through a uniform tariff policy with an annual Electricity Pricing Order issued by the Treasurer under the *Electricity Reform Act*. The Government has committed to cap any electricity price increases at the Consumer Price Index for its first term.

The Australian Energy Market Operator has forecast that the east coast domestic gas supply and demand will remain finely balanced in the next few years and whether sufficient gas is available to meet demand will depend on a range of factors. The construction of the Northern Gas Pipeline establishes transmission pipeline infrastructure capable of delivering the Territory's gas from offshore fields to the east coast market. As such, it is not expected that power prices and associated costs of living for Territorians will be affected by the construction of the Northern Gas Pipeline.