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## PM encouraged to guarantee gas pipeline projects

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### ■ Financial aid for new pipelines

New gas pipelines to deliver cheap supply to households and businesses should be underwritten by the federal government, an expert panel advising on the pandemic recovery, led by Nev Power, has recommended. ▶ [News p6](#)

# PM encouraged to guarantee gas pipeline projects

## Infrastructure

Tom McIlroy

The federal government should underwrite major new gas pipelines and associated infrastructure to deliver cheap supply to households and businesses, an expert panel advising on the pandemic recovery has recommended.

National COVID-19 Co-ordination Commission chairman Nev Power, the leading advocate for a gas-led economic recovery in Australia, yesterday confirmed recommendations for a dramatic increase in public support for gas infrastructure – moves he said would help support capacity growth and guarantee supply.

Federal guarantees to help connect gas resources in the Northern Territory's remote Beetaloo Basin to the east coast grid through South Australia, and to link key gas fields in Queensland's Galilee Basin with infrastructure to the south, are among plans being considered by industry.

Among projects receiving support from a manufacturing taskforce are plans by Santos to tap coal seam gas deposits in the Pilliga State Forest in northern NSW, a project awaiting federal and state government approval.

A private consortium behind plans for a \$1 billion gas pipeline from Queensland to Newcastle, which would include the Santos Narrabri project, held talks with the commission about government support.

Prime Minister Scott Morrison has highlighted the Narrabri project as one of 15 of major national significance.

The proposals to provide cheap gas through taxpayer backing were first revealed in an interview with *The Australian Financial Review* in May. Leaked

proposals from the taskforce, revealed by the newspaper, included public ownership of new gas pipelines, underwritten gas supply projects and a national gas reservation policy.

Mr Power, a former Fortescue Metals Group boss, told a parliamentary inquiry into the COVID-19 response yesterday that the report presented to Mr Morrison called for "guaranteed off-take" for new pipelines through taxpayer backing.

"Many of our gas pipelines are too small for the job that they're currently doing and that's pushing the tariffs exceedingly high and causing an increase in the cost of energy to Australian households and businesses," he said.

Mr Power said taxpayer support, not necessarily in the form of cash subsidies, would help ease high costs of transport and secure capacity, effectively "future-proofing" key infrastructure.

Australian Pipelines and Gas Association chief executive Steve Davies said the government should adopt the recommendations.

"It's very important that whatever policies are put in place to support the investment has a transparent and competitive process by which to award that support," Mr Davies said.

"We're very keen to see a process that enables consideration of the various options and to make sure the best projects go ahead."

Labor wants the report of the manufacturing taskforce, led by former Dow Chemical executive Andrew Liveris, to be released by the Coalition.

Mr Power said proponents of renewables projects had also made representations to the panel, and were seeking substantial subsidies for development.

He said business leaders had supported moves to help boost low-carbon technology, but the report did not recommend a green-led recovery.

Opposition resources spokesman Joel Fitzgibbon was quick to back Mr Power's comments.

"The quickest and most certain path to economic recovery and the revival of our manufacturing sector is more gas and more gas pipelines," he said.

### Key points

Commission head Nev Power confirms calls for dramatic increase in public support.

Santos' Narrabri coal-seam plans are among projects backed by taskforce.