

Gas Service and Supply Plan

2023 update

THE
TERRITORY



We have a vision that by 2030 the Territory will be a world class gas production, manufacturing and services hub.

Supporting this, we have a five point plan to:

1. Expand Darwin's LNG hub
2. Grow the service and supply industry
3. Establish a gas-based processing and manufacturing hub
4. Grow local research, innovation and training capacity
5. Contribute to Australia's energy security

Growing the Territory's gas service and supply industry and maximising local content is key to building a vibrant and resilient economy.

The Gas Service and Supply Plan is about delivering jobs, growth and benefits for all Territorians.

We have a goal that by 2025 local participation in the gas industry supply chain will be at least 50%.

This has the potential to add an additional \$1 billion to the Territory economy over the next ten years.

Delivering for Territorians

The Gas Service and Supply Plan was first launched in 2019. At that time, the Territory supported three LNG projects. Related service and supply work was worth an estimated \$400 million per annum and local businesses were capturing around \$100 million of this work annually¹.

In 2021 related service and supply work was estimated to be \$630 million per annum with local businesses capturing approximately \$95 million of this work².

While the overall size of the industry has grown between 2019 and 2021, the amount accessed by Territory businesses has remained around the same.

The Northern Territory Government is working with industry to increase the share to Territory businesses.

Onshore exploration and appraisal of the Beetaloo Sub-basin is underway and based on interstate experience³, the size of the opportunity for Territory business could be substantial in coming years as onshore projects move into construction and operation phases.



FID = Financial Investment Decision
capex = Capital Expenditure

Onshore

Amadeus Gas Pipeline
1658km Central Australia to Darwin

Bonaparte Pipeline
287km Wadeye to Ban Ban Springs

Northern Gas Pipeline
682 km Tennant Creek to Mt Isa;
First connection to East Coast Transmission Network

Tanami Gas Pipeline
440km

Onshore exploration and appraisal

Construction and production

Offshore

Darwin LNG First Cargo
capex US\$4B

Blacktip First Domestic Offshore Gas

Ichthys LNG First Cargo
capex US\$37B

Prelude FLNG First Cargo

Darwin LNG life extension
FID, est. US\$600m capex

Barossa field development
FID, est. US\$3.5B capex

Middle Arm Sustainable Development Precinct
construction of enabling infrastructure to start (subject to approvals)

Potential additional LNG trains

Local participation in the gas industry supply chain



2019

24%
\$100M of \$400M



2021

15%
\$95M of \$630M



2025

OUR GOAL
50%



¹ Source: ICN Industry Capability Mapping and Gap Analysis Offshore Gas Industry 2019 ² ICN NT Industry Capability Mapping and Gap Analysis Offshore Gas Industry FY 2021
³ The scale of growth is based on modelling from Queensland - Lawrence Consulting, 2019. Economic Impact of Queensland Petroleum & Gas Sector 2011-18 (prepared for APPEA)

We will...



1 Strengthen the commitment of gas operators and contractors to local content

Actions

Strengthen self-reporting by gas operators and contractors on NT contract spend and proportion of local content

Encourage and increase the use of government-sponsored services such as ICN NT, AusIndustry, and workforce training programs

Establish an Onshore Gas Supply Chain Working Group to collaboratively increase local content

Strengthen gas operators and contractors commitment to the Territory Benefit Policy

Engage with gas operators and contractors to improve procurement practices that increase local content

Leverage the advantages of the Offshore Supply Chain Working Group, focused on increasing local content



"Our focus has been on providing a practical solution to ensure opportunities come our way."

Max Nicholson, General Manager
Winnellie Hydraulics



2 Grow local workforce and business capability

Actions

Support and empower business to strengthen their strategy, planning and systems

Provide business avenues to develop tendering strategies and approaches for success

Partner with training organisations to build the Territory's workforce capacity to increase workforce participation

Build on ICN offshore study, initially focusing on contracts where NT capacity exists and can compete

Build on ICN onshore study, focusing on businesses that have capacity to deliver

Support and empower NT service and supply businesses to be 'export ready'

Partner with Federal Government (e.g. AusIndustry) to deliver programs that build NT business capability and competitiveness, and enable businesses to overcome barriers to local industry participation

Work with Land Councils, local governments and communities to maximise local employment opportunities that support the industry

Facilitate partnership pathways with proponents, contractors and industry bodies to strengthen business relationships



3 Strategically develop the service and supply ecosystem

Actions

Facilitate the development of Darwin's ship lift and marine industry park

Identify and promote a pipeline of potential service and supply investment opportunities (e.g., proppants and water management)

Development of infrastructure 'activation projects', working with proponents and government (e.g., NAIF support)

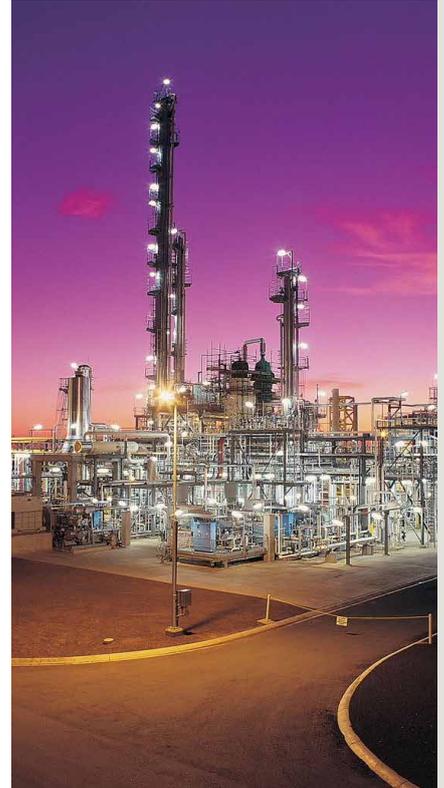
Drive the development of service and supply export opportunities in our region

Identify and facilitate investment opportunities in enabling infrastructure (e.g., common-user facilities)

Drive Middle Arm Sustainable Development Precinct planning to facilitate the establishment of a gas-based manufacturing sector

Promote successful infrastructure case studies to build the NT brand and reputation

Investigate policy, regulation, strategy and marketing strategies to support the development of the oil and gas industry



To help Territory businesses capture opportunities, government continues to facilitate and invest in enabling infrastructure including:



Ship Lift



Marine Industry Park



Roads



Renewable energy supply



Middle Arm Sustainable Development Precinct



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For more information

