


## New gas supply central to net zero

By JOE KELLY

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Resources Minister Madeleine King says the strategy would help underpin Prime Minister Anthony Albanese's Future Made in Australia agenda. Picture: NCA NewsWire / Naomi Jellicoe

Gas will be a key energy source “[through to 2050 and beyond](#)” and play a critical role in helping Australia meet its net zero target while [providing cheap and reliable power](#), according to a new reform blueprint aimed at cementing its role in the future energy mix.

The future gas strategy being released on Thursday urges the federal government to take a series of steps ensuring supply over the next three decades, including the examination of mechanisms that will force energy companies into more swiftly developing gas reserves.

After the Federal Court last year found that an approval issued for a seismic survey at [Woodside's \\$16.5bn Scarborough project](#) was invalid due to inadequate consultation with an Indigenous campaigner, the strategy will also seek to clarify engagement requirements with First Nations groups.

[Resources Minister Madeleine King](#) said the strategy would help underpin Prime Minister Anthony Albanese's Future Made in Australia agenda while retaining the nation's reputation as a reliable trading partner.

The gas sector has called for the strategy to recognise the role of Australian gas domestically and in the region, with [INPEX chief executive Takayuki Ueda](#) last year sounding the alarm on market interventions that he said would “choke investment” – warning that Australia was “quietly quitting” the LNG business.

The strategy urges the government to support households and business through the transition to net zero, including through the management of “pricing impacts” and gas market code.

Ms King said it was clear Australia needed “continued exploration, investment and development in the sector to support the path to net zero for Australia and for our export partners, and to avoid a shortfall in gas supplies.”

Carbon capture and storage (CCS) will also be elevated in the strategy as central to achieving Australia's climate targets, with Ms King saying on Wednesday that the new technology would be “essential for the world to get to net zero because of the challenge ahead”. Ms King said she hoped this view was “shared by all the cabinet”.

“Gas plays a crucial role in supporting our economy, with the sector employing 20,000 people across the country, including remote and regional communities,” she said. “The strategy makes it clear that gas will remain an important source of energy through to 2050 and beyond, and its uses will change as we improve industrial energy efficiency, firm renewables and reduce emissions.”

“Ensuring Australia continues to have adequate access to reasonably priced gas will be key to delivering an 82 per cent renewable energy grid by 2030, and to achieve our commitment to net zero emissions by 2050.

“It is clear we will need continued exploration, investment and development in the sector to support the path to net zero for Australia and for our export partners, and to avoid a shortfall in gas supplies.”

EY modelling commissioned last year by Australian Energy Producers – the nation’s peak oil and gas group – suggested that demand for Australian gas could increase by 30 per cent on current levels by 2050 in a scenario where the rollout of renewables was more limited.

A key proposal in the future strategy being released on Thursday urges the government to consider tough “use it or lose it” powers that would compel energy giants to more swiftly develop gas assets or risk losing their title holdings.

West Australian Premier Roger Cook has urged oil and gas companies with licences to develop their gas fields to help shore-up the state’s energy security. But companies face about a 10-year lead time from exploration to production for the development of offshore gas assets.

When gas is found, energy companies will declare the location to the National Offshore Petroleum Titles Administrator for either a production licence if the gas can be produced within five years, or if the gas cannot be produced within five years, either for technical or commercial reasons, a retention lease for 15 years with consideration for five year extensions.

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Joe Kelly is the National Affairs Editor. He joined The Australian in 2008 and since 2010 has worked in the parliamentary press gallery, most recently as Canberra Bureau chief... [Read more](#)

