



Australian Government

# UNLOCKING THE BEETALOO

*The Beetaloo Strategic Basin Plan*



© Commonwealth of Australia 2021

**Creative Commons**

**Attribution 4.0 International Licence**

**CC BY 4.0**



Unless otherwise noted, copyright (and any other intellectual property rights, if any) in this publication is owned by the Commonwealth of Australia.

All material in this publication is licensed under a Creative Commons Attribution 4.0 International Licence, save for content supplied by third parties, logos, any material protected by trademark or otherwise noted in this publication, and the Commonwealth Coat of Arms.

Creative Commons Attribution 4.0 International Licence is a standard form licence agreement that allows you to copy, distribute, transmit and adapt this publication provided you attribute the work. A summary of the licence terms is available from <https://creativecommons.org/licenses/by/4.0/>.

The full licence terms are available from <https://creativecommons.org/licenses/by/4.0/legalcode>

Content contained herein should be attributed as *Unlocking the Beetaloo; The Beetaloo Strategic Basin Plan*, Australian Government Department of Industry, Science, Energy and Resources.

**Cover images:** background and inset left; Empire Energy Group.

#### **Disclaimer**

The Australian Government as represented by the Department of Industry, Science, Energy and Resources has exercised due care and skill in the preparation and compilation of the information and data in this publication. Notwithstanding, the Commonwealth of Australia, its officers, employees, or agents disclaim any liability, including liability for negligence, loss howsoever caused, damage, injury, expense or cost incurred by any person as a result of accessing, using or relying upon any of the information or data in this publication to the maximum extent permitted by law. No representation expressed or implied is made as to the currency, accuracy, reliability or completeness of the information contained in this publication. The reader should rely on their own inquiries to independently confirm the information and comment on which they intend to act. This publication does not indicate commitment by the Australian Government to a particular course of action.

## MINISTER'S FOREWORD



Australia's natural resources have never been more important to our nation's fortunes than now. They deliver hundreds of thousands of reliable, high-paying jobs. They deliver significant export revenue, taxes and royalties. These help to pay for our schools, hospitals and way of life.

Australia's gas resources and reserves, in particular, have an important role to play in our path out from COVID-19. Through our Gas-fired Recovery Strategy, the Australian Government will ensure that we maximise the benefits of our gas resources to

- provide more reliable and cheaper energy,
- deliver a stronger manufacturing sector, and
- support our role as one of the world's leading LNG exporters.

A key aspect of our commitment to deliver more gas is the Strategic Basin Plans Program. This program will establish plans for the Beetaloo Sub-basin and four other strategically important basins. These plans will focus on producing additional gas from basins across Australia.

The \$224 million Beetaloo Strategic Basin Plan sets out bold, innovative and cooperative actions to accelerate gas development and seize the opportunities presented by the natural resources in the Beetaloo.

The Beetaloo Sub-basin in the Northern Territory (NT) has the potential to be a world-class gas province. The gas produced from large-scale Beetaloo development could supply a variety of gas markets, including downstream gas industries in the NT, the east coast domestic gas market and potentially LNG exports.

Development of the Beetaloo would transform the NT economy by

- creating local jobs,
- generating revenue, and
- providing a springboard for many downstream industries in the NT.

These benefits would also flow to communities in the surrounding region, providing an opportunity to address long-term disadvantage.

We commit to ensure that Beetaloo development is safe and sustainable. This includes ensuring that development benefits locals, Territorians and the broader Australian community.

The government cannot do it alone. This plan sets out a framework for all interested parties to take responsibility for development in the Beetaloo. It recognises the crucial, but varying roles of industry, local communities and the Australian and NT Governments.

Through delivery of this Plan, the government is acting to realise the benefits of Beetaloo development.

A handwritten signature in blue ink, appearing to read 'K. Pitt', written over a light blue horizontal line.

January 2021

The Hon Keith Pitt MP

Minister for Resources, Water and Northern Australia



*Image: Empire Energy Group*

## **CONTENTS**

<b>MINISTER'S FOREWORD</b>	<b>1</b>
<b>THE PLAN AT A GLANCE</b>	<b>4</b>
<b>THE BEETALOO SUB-BASIN</b>	<b>7</b>
Infrastructure	9
Beetaloo gas resources	9
Gas industry activity	10
Hydraulic fracturing	11
<b>THE BEETALOO STRATEGIC BASIN PLAN</b>	<b>12</b>
Action 1: Building a clear picture of the Beetaloo	14
Action 2: Regulating efficiently and effectively	16
Action 3: Enabling infrastructure	18
Action 4: Sharing regional benefits	20
<b>NEXT STEPS</b>	<b>23</b>

## THE PLAN AT A GLANCE

The Beetaloo Sub-basin's resource potential is a significant opportunity for the economic recovery of the Northern Territory (NT) and Australia. Industry analysis projects that Beetaloo development could produce 6,000 jobs by 2040. Economic activity could increase between \$18.0 billion and \$36.8 billion over the same period.

The Commonwealth, in partnership with the NT Government, will act to realise these opportunities. These actions deliver on the government's Gas-fired Recovery Strategy.

The opportunities of the Beetaloo also present serious challenges that could prevent it reaching its full potential. These challenges include

- overcoming the Beetaloo's vast and remote nature in order to better understand its resources,
- establishing the required supporting infrastructure from the ground up,
- developing the Beetaloo's gas in time to meet the expected window of maximum gas demand and potential declining production in southern states, and
- ensuring local communities and Traditional Owners can realise the benefits of development.

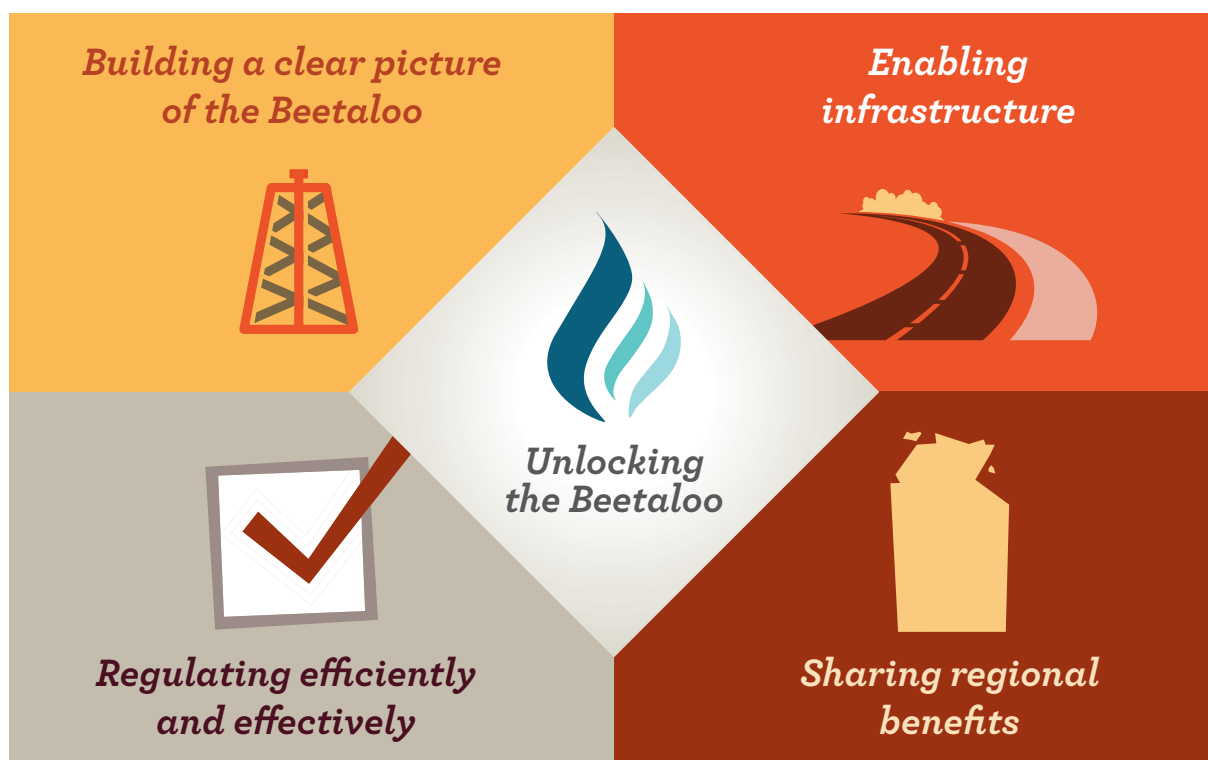
To meet these challenges, the government has developed the Beetaloo Strategic Basin Plan (the Plan). The Plan encompasses more than \$220 million in new funding to support Beetaloo development.

The Plan draws on targeted economic, engineering and scientific studies commissioned by the Australian and NT Governments.

Through the Plan we will create the conditions to grow the onshore gas industry in the NT. We will do this by

- encouraging industry to speed up resource exploration,
- creating an efficient but rigorous regulatory environment,
- investing in the critical infrastructure required for development, and
- collaborating with regional communities to ensure benefits from the Beetaloo's development are widely shared.

The government is already working together with the NT Government, local and Indigenous communities and gas operators. A collaborative approach will ensure the NT and Australia are best positioned to realise the vast benefits from Beetaloo development.



## Vision

*Realising the Beetaloo's full potential as soon as possible. Using this opportunity to create jobs and drive economic growth in the Northern Territory (NT) and Australia.*

## Actions

## New investments: \$220 million+

### Action 1: Building a clear picture of the Beetaloo

Exploration support	Establishing a new \$50 million Beetaloo Cooperative Drilling Program to support \$200 million of exploration activity before 30 June 2022.
Resource analysis	Commissioned a \$0.7 million Beetaloo Development Study. Co-funded (with the NT Government) a \$0.5 million Infrastructure Requirements Analysis.
Government and industry collaboration	Reinvigorating the Memorandum of Understanding with the NT Government (signed 2018). Working with gas operators to address practical barriers to exploration and appraisal.

### Action 2: Regulating efficiently and effectively

Environmental assessments	Committed \$36.2 million through the government's Geological and Bioregional Assessment Program. The program produces geological and environmental data, tools and knowledge. This investment includes an approximate \$16.9 million allocation to Beetaloo projects through to June 2021.
Social and environmental research	Committed \$19.2 million to support CSIRO's Gas Industry Social and Environmental Research Alliance (GISERA) research efforts across Australia. Of the funds committed as at 30 June 2020, Beetaloo related projects received \$1.6 million with more to be allocated by GISERA over the next few years.
Timely environmental approvals	Working with the NT Government to establish new bilateral agreements, including single touch environmental approvals, under national environmental law.
Energy and emissions reduction	Negotiating a Bilateral Energy and Emissions Reduction Agreement with the NT Government. This will have a clear focus on collaboration to drive development in the Beetaloo.
Project facilitation	Working with proponents and the NT Government through the Australian Government's Major Projects Facilitation Agency to ensure regulatory pathways are clear.

### Action 3: Enabling infrastructure

Public road funding	Establishing a new \$173.6 million Roads of Strategic Importance corridor, the NT Gas Industry Roads Upgrades. These upgrades will be required for commercial development.
Midstream infrastructure	Working with the NT Government and gas operators to deliver midstream gas infrastructure, including pipelines.
Infrastructure project financing	Opening up more opportunities for Beetaloo infrastructure financing. This will be through the recent reforms to the Northern Australia Infrastructure Facility.

### Action 4: Sharing regional benefits

Indigenous economic development	Invested \$1.9 million to develop a Beetaloo Aboriginal Economic Development Strategy.
Indigenous business support	Building a \$2.2 million Barkly Business Hub. This will support local companies to realise the benefits of gas development and other opportunities in the region.
Supporting Traditional Owners	Working to identify the resource requirements needed to ensure positive outcomes to Traditional Owners from the development of the Beetaloo.
Regional development	Delivering, with the NT Government, a Regional Development and Benefits Strategy.



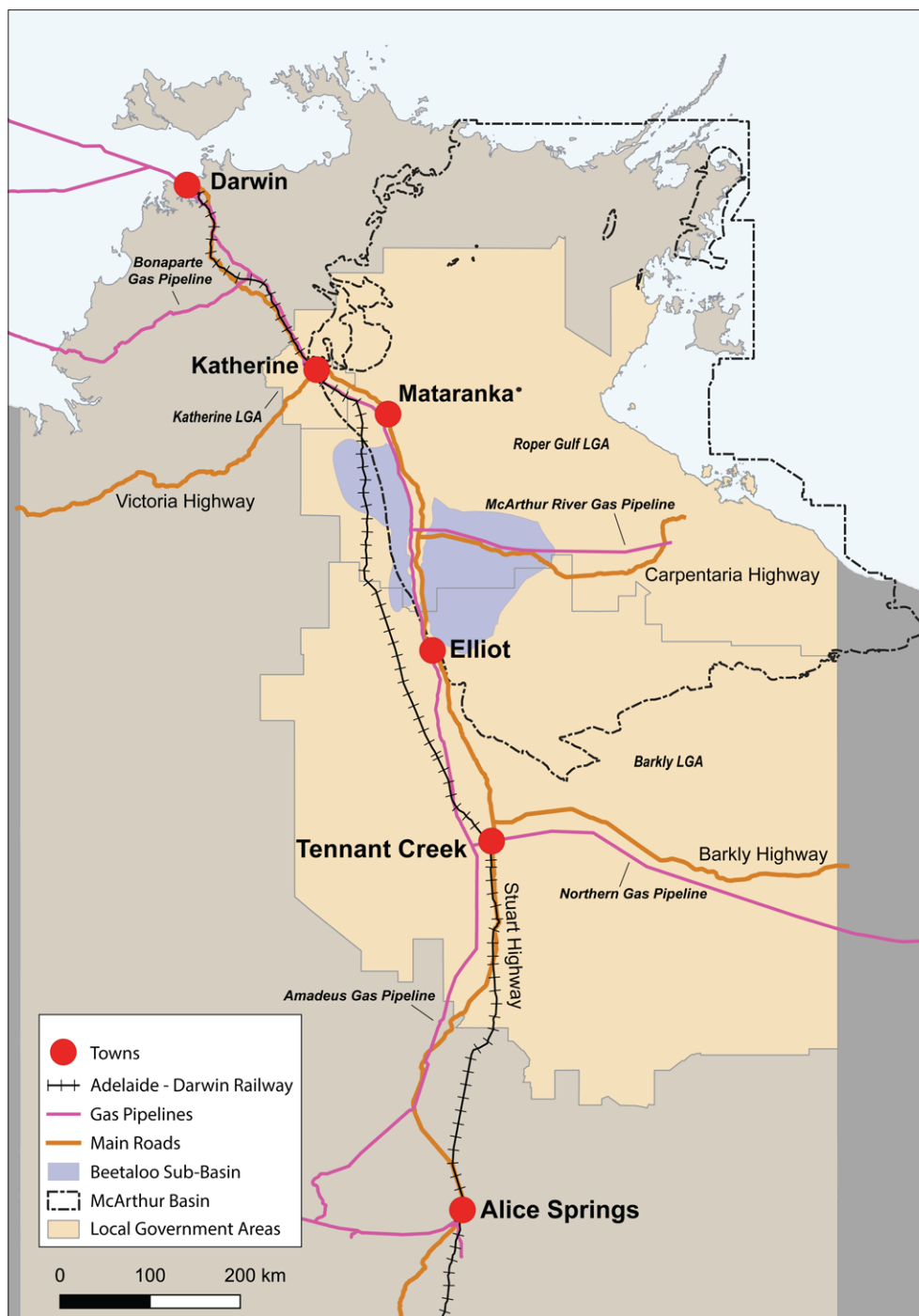
*Image: Empire Energy Group*

## THE BEETALOO SUB-BASIN

The Beetaloo Sub-basin is approximately 500 km south-east of Darwin in the NT. It lies between Katherine, 100 km to the north, and Tennant Creek, 250 km to the south. The Stuart Highway bisects the sub-basin from north to south (Figure 1).

The sub-basin covers 28,000 km<sup>2</sup> and comprises mainly of vast, rolling plains. It sits within the larger 180,000 km<sup>2</sup> McArthur Basin which covers the majority of the north-east of the NT.

**Figure 1:** Beetaloo Sub-basin



Source: Department of Industry, Science, Energy and Resources.

The population is relatively sparse. Fewer than 1500 people reside in the rural communities which border or lie within the Beetaloo. These communities include Mataranka, Jilkminggan, Larrimah, Daly Waters, Newcastle Waters and Elliott.

The majority of land in the Beetaloo is used for cattle grazing and Indigenous land practices. Perpetual pastoral leasehold covers most of the Beetaloo region. Native title exists for the majority of these leases. The rest are under application.

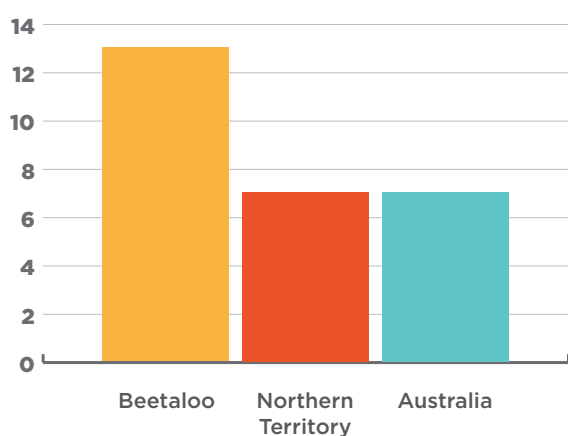
There are a number of Aboriginal Land Trusts within the region.

Approximately 10,000 people live in Katherine, which is north of the Beetaloo Sub-basin. Of these people, 25 per cent are Indigenous. Katherine is the gateway to the region from the north and Tennant Creek from the south. Katherine has a strong tourism sector, and several education and health facilities. The Tindal RAAF Base is just outside Katherine.

Tennant Creek is the key service centre in the Barkly region. With a population of 3200, the town has a long history of mining and cattle grazing. Tennant Creek has a strong Indigenous presence, comprising 51 per cent of the population.

Historically there have been few labour market opportunities outside of the pastoral industry in the Beetaloo region. In 2016, the region's unemployment rate was almost double the Territory's rate (Figure 2). This likely understates the real jobless rate in the region with only half of all people of working age in a job or actively looking for one.

**Figure 2: Unemployment rate**



Note: Beetaloo refers to the Barkly, Katherine and Roper Gulf Local Government Areas.

Source ABS 2016 Census





## Infrastructure

There is currently a low infrastructure base in the Beetaloo.

The region is accessed by the Stuart, Barkly, Roper and Carpentaria Highways. Some smaller public roads and private access roads also service the area. The road network includes unsealed sections that are unsuited to supporting gas development, especially during the wet season. Much of the road network is subject to seasonal closure because of flooding.

The Adelaide-Darwin railway passes through the Beetaloo providing freight links north and south. There are regional airports in Katherine and Tennant Creek.

The region's communities are remote and dispersed. The only hospitals are in Katherine and Tennant Creek. Schools outside these towns are small and isolated. There is also very limited access to government services.

Three key gas pipelines cross or lie near to the region. The Amadeus Gas Pipeline links Alice Springs to Darwin. The McArthur River Gas Pipeline links the McArthur River Mine to the Amadeus Gas Pipeline. The Northern Gas Pipeline passes to the south of the Beetaloo and links the Amadeus Gas Pipeline to the Carpentaria Gas Pipeline at Mt Isa. This provides a link to the east coast market, albeit with a limited capacity.

Any future development is likely to rely on new or enlarged gas processing and pipeline infrastructure. Any new pipeline routes will depend on the Beetaloo's realised gas potential.

## Beetaloo gas resources

The Beetaloo Sub-basin has the potential to be a world-class gas province.

Estimates of the gas resource in the region vary but the results from preliminary exploration are encouraging. The NT Government estimates that there are over 200,000 PJ of gas in place in the sub-basin (NT Geological Survey Record 2017-003).

Not all of this gas will be recoverable. However, even at a very conservative recovery rate of 10 per cent this is more than ten years' worth of domestic gas demand. This resource would be capable of servicing a range of markets for decades into the future.

Results to date also show the presence of liquids-rich gas and potential oil resources. If present in sufficient volumes, these liquids would improve development prospects by providing additional revenue streams for producers.



## Gas industry activity

Explorers first identified Beetaloo oil and gas development prospects in the 1980s. Observations of surface oil shows and intermittent exploration activity have occurred since then.

Operators have drilled several wells in the Beetaloo to begin to understand the extent of gas in the region. Results to date suggest that the Beetaloo is one of the world's most exciting gas resources. However, understanding the exact nature of the resource in the sub-basin requires more exploration activity.

In 2016, the NT Government introduced a moratorium on unconventional gas development in the Territory. This stopped exploration activities such as hydraulic fracturing in the Beetaloo. The NT Government established an independent inquiry to investigate the environmental, social and economic risks and impacts of hydraulic fracturing.

The latest and best-available scientific data from a wide range of sources informed the inquiry. It found that stakeholders could manage any challenges and risks associated with unconventional gas development.

Following the inquiry, in 2018, the NT Government lifted the moratorium. Exploration in the Beetaloo recommenced.

Exploration for oil and gas within the Beetaloo requires a petroleum exploration permit. Companies tender for a permit through acreage released by the NT Government.

Successful applicants receive permits after the applicant, the pastoralist and the land manager reach an agreement.

Within the Beetaloo, this includes agreement between the Northern Land Council (NLC) and the permit applicant. The NLC is the statutory representative body for the Traditional Owners of the land.

These processes require full consultation with Traditional Owners. They must give their free and informed consent to any activities on their land.

Several companies hold petroleum exploration permits across the Beetaloo and the adjoining McArthur Basin. Companies who are active in the Beetaloo have an important role to play in its development.

The following companies, or their subsidiaries, hold or have interests in petroleum exploration permits in the region:

- Armour Energy
- Empire Energy Group
- Falcon Oil and Gas Australia
- Hancock Prospecting
- Origin Energy
- INPEX Oil and Gas Australia (under application)
- Pangaea Resources
- Santos
- Tamboran Resources
- The Energy and Minerals Group

## Hydraulic fracturing

Gas extraction from shale requires hydraulic fracturing of the rock, known as fracking, to release the gas.

The fracking process injects a mixture of water, sand and chemicals into the rock. This requires very high pressure and happens deep below the Earth's surface.

This opens up cracks and fractures within the rock, releasing the gas. The sand grains keep the cracks open.

Each gas well uses a vertical drillhole into the shale rock, with a horizontal well drilled off the main vertical shaft. Each horizontal well is then 'fracked' and the gas then flows to the surface. Figure 3 shows a geological cross section schematic of a shale gas well.

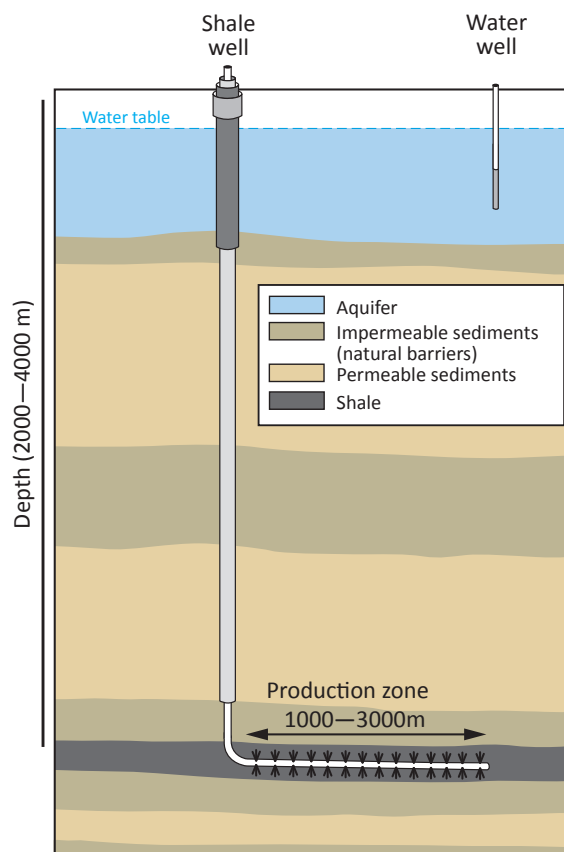
A typical horizontal well is fracked in stages. Contemporary horizontal wells may require 30–40 fracturing stages.

Water use is around 1–2 million litres (ML) for well drilling, and 1–2 ML for each hydraulic fracturing stage. Up to 50 per cent of the injected water returns to the surface as flowback water. This flowback water is either reused or transported and treated offsite for safe disposal.

The Beetaloo's rock formations and the distance between the shale resources and groundwater provide natural barriers that make it highly unlikely that there will be any movement of the petroleum resource into groundwater systems.

In addition, the casing of wells through the aquifers provide further barriers between the recovery of petroleum resources and the groundwater systems.

**Figure 3:** Simplified shale gas well



Source: CSIRO report into the shale gas well life cycle and well integrity (2017)

## THE BEETALOO STRATEGIC BASIN PLAN

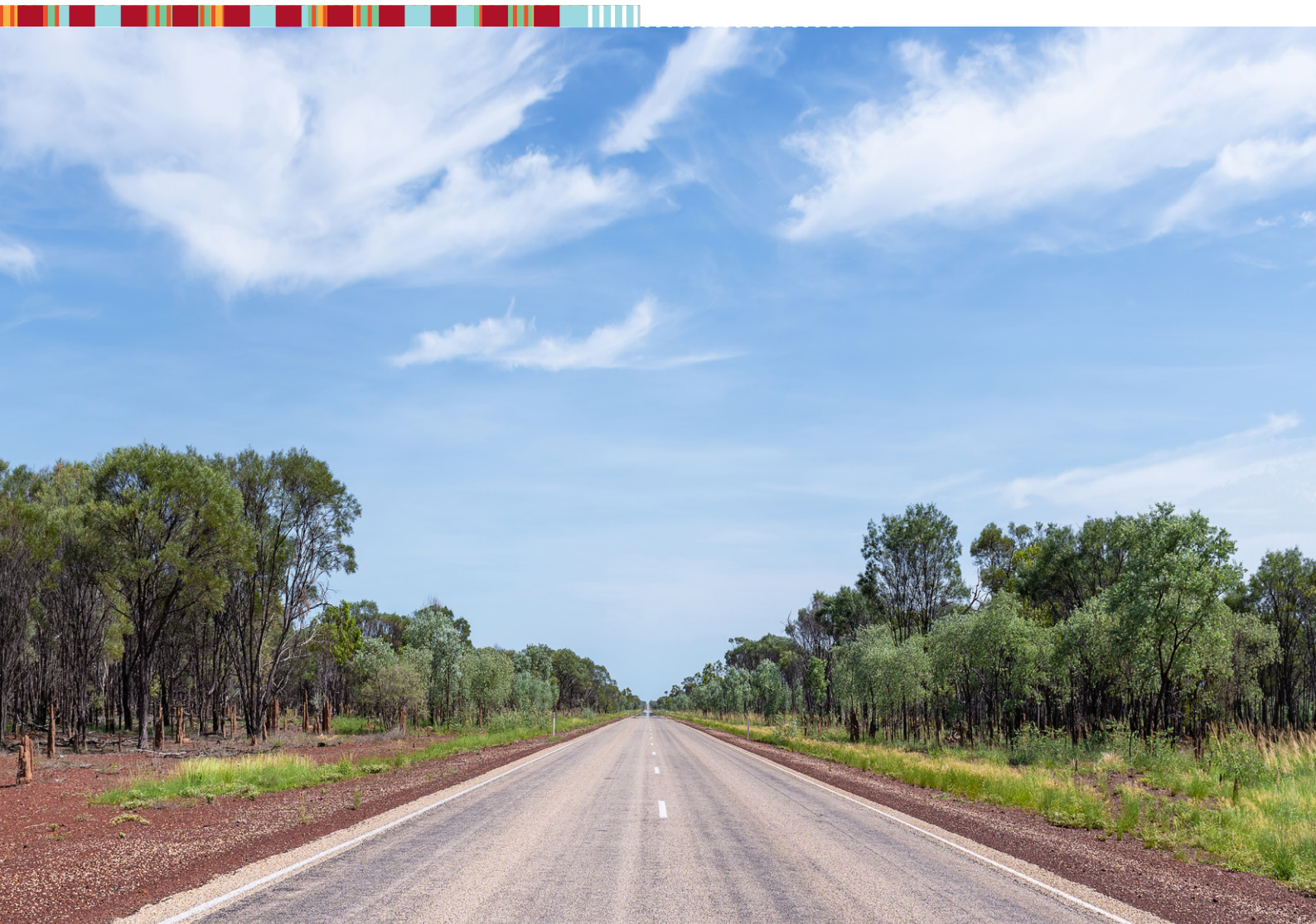
The Beetaloo Sub-basin has the potential to rival the world's biggest and best gas resources.

Developing the resource could create thousands of jobs, and drive significant economic growth in the NT. It could

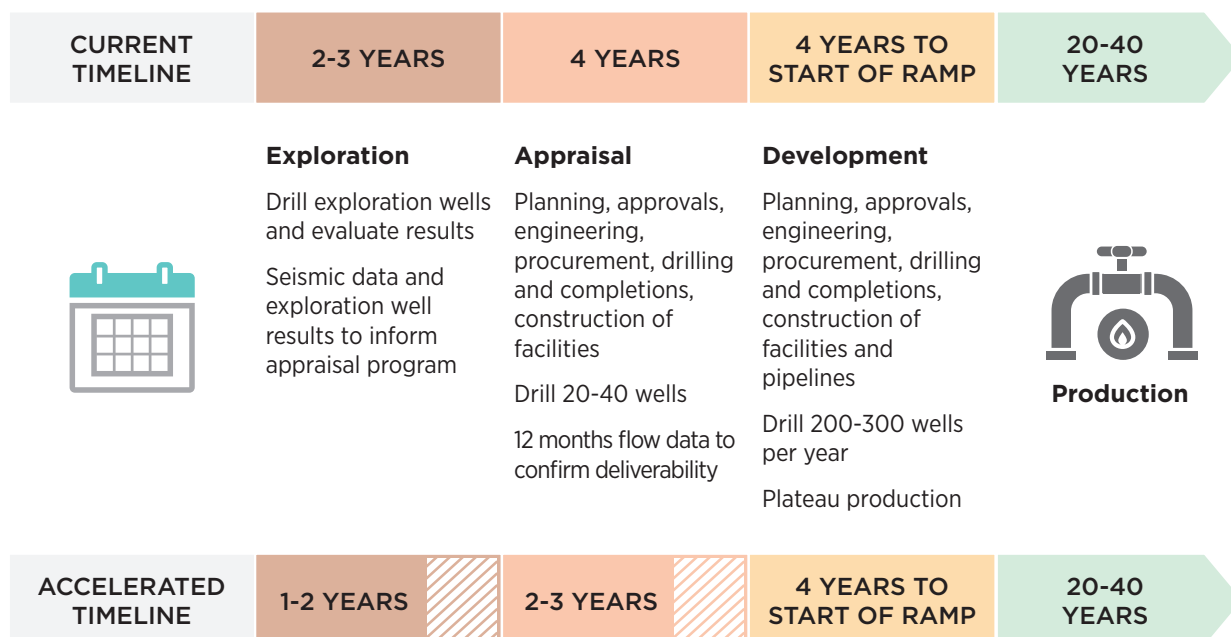
- spur significant downstream manufacturing opportunities,
- deliver cheaper and more reliable gas to households and industry, and
- provide an additional source of gas for Liquefied Natural Gas (LNG) export facilities.

The opportunities of the Beetaloo also present serious challenges that could prevent us realising its full potential. These challenges include

- overcoming the Beetaloo's vast and remote nature in order to better understand its resources,
- developing supporting infrastructure from the ground up,
- starting production by 2025 (or earlier) to meet the expected window of maximum gas demand and potential declines in production in southern states, and
- ensuring local communities and Traditional Owners can realise the benefits of development.



**Figure 4:** Expected impact of the Beetaloo Strategic Basin Plan on the timing of Beetaloo gas development



The government has developed this Plan to ensure we meet these challenges and make the most of the opportunities.

Current industry analysis indicates that most Beetaloo exploration will be finalised by 2023. Four years of appraisal will follow. Final investment decisions will be made once the appraisal phase is completed, there is increased confidence in resource estimates, and environmental and other planning approvals are in place.

Our Plan aims to accelerate these development stages. Our objective is to bring forward the final investment decisions of Beetaloo development to 2025 or earlier (Figure 4).

Harnessing the potential of the Beetaloo is a shared responsibility between all levels of government. It also must involve industry and the local community.

The Australian Government's and NT Government's roles are to ensure that development of the Beetaloo is safe and sustainable. It must benefit the NT and wider Australian communities.

Governments can coordinate activity across multiple players. They can facilitate industry-community collaboration. This will ensure all stakeholders share the benefits of resource development.

Industry will undertake the exploration and appraisal work that will lead to a better understanding of the Beetaloo's resources. It will need to engage with local communities to secure a social licence to operate.

We will ask the local community to engage in good faith with gas operators, government and independent experts. This will ensure community members understand how Beetaloo gas development will impact their lives. They will be responsible for making informed decisions relating to the opportunities and risks associated with development.

The Plan recognises these important roles and sets out a framework for everyone to share responsibility for Beetaloo development.

## Action 1: Building a clear picture of the Beetaloo

The first step towards developing the Beetaloo resource is for gas operators to finalise their exploration activities. To accelerate this and support informed decision making, the government has already commissioned a \$0.7 million Beetaloo Development study and co-funded (with the NT Government) a \$0.5 million Infrastructure Requirements analysis.

With the new funding in the Beetaloo Strategic Basin Plan, we are:

- establishing a \$50 million Beetaloo Cooperative Drilling Program, and
- collaborating with the NT Government to address barriers to finalising exploration and appraisal activities.

Commercial investment decisions need a better understanding of the resource. However, results from recent drilling have been promising.

Exploration and appraisal efforts in the Beetaloo have experienced delays. These delays have largely been due to a moratorium on gas development and workforce restrictions associated with COVID-19.

Uncertainty in the global energy outlook is affecting green-field gas investment. The need to manage balance sheets in response to the pandemic has shifted some companies' priorities away from exploration.





*Image: Empire Energy Group*

Independent economic modelling, commissioned by the government, found that there is an optimal timeframe for Beetaloo development. Meeting this window of maximum commercial opportunity relies on speeding up resource understanding.

The Beetaloo Cooperative Drilling Program will provide a \$50 million incentive for explorers to drive accelerated exploration in the Beetaloo. This will support up to \$200 million of exploration activity. The scheme will grant operators a 25 per cent refund on eligible exploration and development expenditure. Activities must have occurred prior to 30 June 2022.

In 2018, the Australian Government and the NT Government signed a Memorandum of Understanding (MoU) to expand the NT's gas industry. It includes supporting the development of the Beetaloo as a new world-class gas province.

We commit to refreshing this MoU to reflect recent developments including the measures in this Plan.

The government will establish new MoU parameters. They will focus on identifying and addressing practical impediments to finalising exploration work. Additional resources will support implementation of this MoU.

Through the MoU, the government, in partnership with the NT Government, will facilitate regular cross government and industry forums. This engagement with gas industry representatives will help to identify roadblocks and ways to remove them. Overcoming obstacles early will help the timely delivery of exploration activities and ensure the resource potential is realised sooner.

## Action 2: Regulating efficiently and effectively

It is important that regulatory processes both protect against risks and enable development to occur.

To ensure that industry and government can efficiently navigate these processes, we are

- working with the NT Government to establish new bilateral agreements, including single touch environmental approvals, under national environmental law,
- producing geological and environmental data, tools and knowledge across the Beetaloo through the Geological and Bioregional Assessment (GBA) Program,
- supporting CSIRO's Gas Industry Social and Environmental Research Alliance (GISERA) activities,
- negotiating a Bilateral Energy and Emissions Reduction Agreement with a Beetaloo focus, and
- supporting gas operators to understand their regulatory requirements through the Major Projects Facilitation Agency (MPFA).

Operators consider the global context when making Beetaloo investment decisions. Competitive business settings and efficient regulatory frameworks will enhance the Beetaloo's appeal as an investment destination. There is a role for all governments to ensure regulations fit their purpose.

Onshore gas development in the NT has been the focus of several government-instigated reviews. The latest was the independent Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the NT (the Pepper Inquiry). It considered whether the risks of unconventional gas developments were tolerable.

The NT Government accepted all of the Pepper Inquiry's recommendations. This was part of its 2018 decision to remove the moratorium on unconventional onshore gas developments. As at 13 January 2021, 63 of the recommendations have been completed, 73 have commenced and two are yet to commence.





Implementation of these recommendations has imposed strict conditions on unconventional gas development. These conditions lie parallel with regulations under the EPBC that protect matters of national environmental significance.

Efficient and effective environmental assessment and approvals are important for resource development in the Beetaloo Sub-basin. This is why the Australian Government and the Northern Territory Government are working to establish new bilateral agreements, including single touch environmental approvals, under the *Environment Protection and Biodiversity Conservation Act 1999*.

The government's GBA Program is producing geological and environmental data from across the Beetaloo. This data helps to enforce environmental regulation compliance. This data can help to deliver faster and better regulatory decisions. It is imperative that we use this data to its fullest extent.

The government's investment in GISERA complements this work. It brings to bear the CSIRO's scientific rigour to better understand key environmental and social impacts of gas development. Critically, this research is driven by local communities and it is communicated back to those communities in a language and a format that is readily understood.

These research efforts have improved local communities' understanding of the potential impact of Beetaloo gas development, including the impact on groundwater and methane emissions. This will also inform the regulatory frameworks administered by both the Australian Government and the NT Government.

Gas supply is crucial to the government's Gas-fired Recovery Strategy. It will be a pillar of many of the bilateral energy and emissions agreements between the government and state and territory governments.

These agreements seek to improve energy security, reliability and affordability across the country. They will also support the energy market transition to lower emissions technologies.

The Commonwealth-NT Government bilateral agreement will include elements designed to bring Beetaloo gas on line. In particular, the Australian Government will seek to implement a world-class regulatory environment that

- manages environmental and social risks,
- makes the most of available data, and
- minimises costs to operators.

A priority of this agreement is using data collected through implementation of the Pepper Inquiry's recommendations to reduce red and green tape.

Confusing or misinterpreted regulatory pathways can be a key source of delays or red tape costs. The Australian Government and the NT Government are addressing these issues through facilitation services. The MPFA, in partnership with the NT Government, will establish predictable, clear and efficient regulatory pathways for Beetaloo gas operators.

## Action 3: Enabling infrastructure

The Beetaloo region is remote, with limited existing infrastructure to support development.

To ensure optimal delivery of infrastructure, we are

- establishing a new \$173.6 million Roads of Strategic Importance corridor, the Northern Territory Gas Industry Roads Upgrades,
- working with the NT Government and gas operators to deliver midstream infrastructure, and
- facilitating Northern Australia Infrastructure Facility (NAIF) discussions to ensure that stakeholders do not miss out on Beetaloo gas development opportunities.

The region requires significant investment to be ready for gas development. This will likely include upgraded roads, rail, pipelines, waste and medical assets. Timely delivery of this crucial infrastructure at the right capacity will reduce production costs and deliver the highest benefits.

A new gas industry in the region will involve heavier traffic flows. A number of roads servicing the Beetaloo are currently of low quality. They cannot support the higher volumes of heavy traffic required for exploration and development activity.

With the new funding in the Plan, the government is committing \$174 million for the Northern Territory Gas Industry Roads Upgrades. This will provide funding to upgrade roads supporting the development of gas resources in and around the Beetaloo.





Public road upgrades will improve road safety, increase road reliability during the wet season and boost regional productivity. They will also create much needed jobs. Road upgrades will also support existing road users, including pastoralists, ensuring shared benefits.

Development of the Beetaloo will also require new gas processing and transportation arrangements. Generation of large gas volumes will require additions to the Amadeus Gas Pipeline capacity. Some developments may require expanded gas transmission routes to the east coast or additional LNG export facilities.

Independent analysis shows that poor and/or duplicative infrastructure decisions could increase the overall cost of development by over \$2 billion. As noted by the ACCC Gas Inquiry, this outcome could increase the cost of Beetaloo gas to consumers. It could also impair the commercial viability of developing some of the Beetaloo's resources.

The NT Government, working with the Australian Government and gas operators, will deliver a midstream infrastructure plan. This plan will coordinate the timely delivery and appropriate scale of Beetaloo gas infrastructure required to support multiple operators. This will avoid potential development delays and additional development costs.

The government has also announced changes to the NAIF. These changes provide more flexibility to deliver for the NT and for northern Australia. They can also support Beetaloo infrastructure developments. Project support requires financially-constrained projects to have the potential to deliver significant public benefits.

## Action 4: Sharing regional benefits

To ensure that Beetaloo Sub-basin development benefits local and Indigenous communities we

- invested \$1.9 million to develop a Beetaloo Aboriginal Economic Development Strategy (BAEDS),
- are delivering a Regional Development and Benefits Strategy under the refreshed Australian-NT Government MoU,
- are establishing a \$2.2 million Barkly Business Hub, and
- will work to identify the resource requirements needed to ensure positive outcomes to Traditional Owners from the development of the Beetaloo.

Development in the Beetaloo will result in a step change for communities in the region. It can support additional resourcing for social infrastructure like housing, education facilities and health services. However, if mishandled, there is a risk that local benefits associated with Beetaloo development may be temporary.

Maximising regional benefits is a core objective of the Australian and NT Governments' support for Beetaloo development. Reinvigorating the MoU will strengthen this commitment by establishing a Regional Development and Benefits Strategy.

This strategy will consider opportunities to

- empower local decision-making,
- strengthen planning frameworks, and
- realise the full range of economic benefits, including for Indigenous businesses and workers.

This work will build on the agenda established by the BAEDS. The BAEDS has identified opportunities to engage local and Indigenous businesses in the gas development value chain. Opportunities are strongest in the early stages of development.





To realise these opportunities, local businesses must demonstrate they can engage with large-scale gas operators. The government will establish a \$2.2 million Barkly Business Hub to help local businesses develop these capabilities. The hub will provide targeted business advice and services.

Land use agreements provide another avenue to generate benefits for local communities and Traditional Owners. These agreements compensate Traditional Owners for development activities on their land.

The Northern Land Council (NLC) has a specific statutory role in this process. They must consult with and represent the views of Traditional Owners in the Beetaloo region in land access negotiations.

Through the National Indigenous Australians Agency, the government will work with the NLC and Traditional Owners to identify how to deliver best-practice land use agreements and better outcomes from development of the Beetaloo for First Nations peoples.





## NEXT STEPS

The Beetaloo Sub-basin is still in the exploration and appraisal phase. It has so far proved promising. However, larger-scale investments require more certainty of the resource.

Gas operators expect to have an informed view of the value of the Beetaloo's resources by 2023.

Companies will consider a complex array of factors when finalising investment decisions.

The government is acting to bring forward investment decisions, increase economic benefits, and coordinate lowest-cost outcomes.

Realising the Plan's ambitions will see commercial investment decisions about large-scale development of the Beetaloo made in 2025.

The Beetaloo Strategic Basin Plan establishes a flexible strategy that will accelerate characterisation of the resource and ensure that the government can respond to the Beetaloo's evolving commercial conditions.

We remain committed over the short, medium and long term to seizing the opportunities presented by the Plan.

We will coordinate the implementation of this strategy with other government initiatives including

- our JobMaker Plan,
- our Gas-fired Recovery Strategy,
- a Commonwealth-Northern Territory Bilateral Energy and Emissions Reduction Agreement,
- the NT Gas Strategy,
- the Northern Australia Development Agenda, and
- our Modern Manufacturing Strategy.

This work supports our vision to unlock vast amounts of gas to power our long-term energy needs. It will support new manufacturing jobs, and drive the nation's COVID-19 economic recovery.



**THIS PAGE LEFT INTENTIONALLY BLANK**



