

QB25-000002

## NORTH WEST SHELF EXTENSION

### Issue

In mid-December 2024, the Western Australian Environment Minister approved extension of the life of the North West Shelf Karratha Gas Plant until 2070. The Minister for the Environment and Water, the Hon Tanya Plibersek MP, is required to make a decision about the proposed extension on or before 28 February 2025.

### Key Talking Points

- The Minister for the Environment and Water, the Hon Tanya Plibersek MP, is considering her decision about the proposed North West Shelf Extension.
- It would be inappropriate to provide any further comment until the Minister makes a decision about this proposal.

### *If asked about the Government's gas policy*

- Last year I released the Albanese Government's Future Gas Strategy – and the findings were clear that under all credible net zero scenarios, natural gas is needed through to 2050 and beyond.
- The Albanese Government's Future Gas Strategy also identified that we will need to keep producing more gas in Australia to ensure a stable and orderly energy transition at home and in our region.

Contact: s 22(1)(a)(ii), Offshore Development  
Ph: s 22(1)(a)(ii)  
Cleared by: Cliff Weeks General Manager Offshore Resources  
PH: s 22(1)(a)(ii)

Min ID: QB25-000002  
Division: Oil and Gas  
Created: 17 January 2025  
Updated: 6/16/2025 10:20 AM

**QB25-000002**

- This means Australia will remain a reliable trading partner for energy, including Liquefied Natural Gas (LNG).
- Where we continue to need gas we must also ensure the emissions associated with that gas are reduced and abated.

**Contact:** s 22(1)(a)(ii) , Offshore Development  
Ph: s 22(1)(a)(ii)  
**Cleared by:** Cliff Weeks, General Manager, Offshore Resources  
PH s 22(1)(a)(ii)

**Min ID:** QB25-000002  
**Division:** Oil and Gas  
**Created:** 17 January 2025  
**Updated:** 6/16/2025 10:20:00 AM

**QB25-000002****Background**

- The A\$34 billion North West Shelf (NWS) Project is Australia's largest operating oil and gas development. It commenced domestic gas production in 1984 and Liquefied Natural Gas (LNG) exports in 1989.
- The Project has a nameplate LNG capacity of 16.9 Mtpa across five trains and a domestic gas plant with a capacity of 630 TJ/d, which is currently running well below capacity.
- The NWS Project is operated by Woodside on behalf of a joint venture that includes BP, Chevron, Japan Australia LNG (MIMI), and Shell.
- Woodside as operator of the NWS Project and the Browse Project is also seeking primary environmental approvals for two related proposals: Browse to North West Shelf Development (EPBC 2018/8319); and Browse Carbon Capture and Storage (CCS) Project (EPBC 2024/10028)
  - The Browse reservoirs are high in carbon dioxide (between 8 to 12 per cent).
- In December 2024 Woodside announced it would swap its interest in the Wheatstone LNG project, including its upstream Julimar-Brunello fields, for Chevron's stake in the NWS project, including NWS oil and the Angel CCS project.
  - The transaction is expected to close in 2026.

QB25-000002

## NORTH WEST SHELF EXTENSION

### Issue

The Opposition and industry stakeholders have criticised the Government for further extending the period for the decision of the Minister for the Environment and Water about environmental approval of the extension of the life of the North West Shelf Karratha Gas Plant, to 31 May 2025. The Western Australian Environment Minister agreed to approve the extension in mid-December 2024.

### Key Talking Points

- The Minister for the Environment and Water, the Hon Tanya Plibersek MP, is considering her decision about the proposed North West Shelf Extension following the decision of the Western Australian Government to agree to this extension in December last year.
- The Western Australian Government has had this decision for six years and Woodside changed their plans in the meantime.
- The Minister's department is obliged to go through all the information they've been provided by the Western Australian Government.
- It's only reasonable that the Minister's department has adequate time to assess the extraordinary amount of material provided to them.

**QB25-000002**

- If decisions are made in a hasty manner without due consideration they are eminently challengeable by the courts.

***If asked about the Government's gas policy***

- Last year I released the Albanese Government's Future Gas Strategy – and the findings were clear that under all credible net zero scenarios, natural gas is needed through to 2050 and beyond.
- The Albanese Government's Future Gas Strategy also identified that we will need to keep producing more gas in Australia to ensure a stable and orderly energy transition at home and in our region.
  - This means Australia will remain a reliable trading partner for energy, including Liquefied Natural Gas (LNG).
- Where we continue to need gas we must also ensure the emissions associated with that gas are reduced and abated.

## QB25-000002

## Background

- On 24 March 2025, the Department of Climate Change, Energy Efficiency and Water extended the period for the decision of the Minister for the Environment and Water about the North West Shelf Extension (EPBC 2018/8335) to 31 May 2025. This decision was published on 25 March 2025 and reported in the media on 26 March 2025.
- The A\$34 billion North West Shelf (NWS) Project is Australia's largest operating oil and gas development. It commenced domestic gas production in 1984 and Liquefied Natural Gas (LNG) exports in 1989.
- The Project has a nameplate LNG capacity of 16.9 Mtpa across five trains and a domestic gas plant with a capacity of 630 TJ/d, which is currently running well below capacity.
- The NWS Project is operated by Woodside on behalf of a joint venture that includes BP, Chevron, Japan Australia LNG (MIMI), and Shell.
- Woodside is also seeking primary environmental approvals for its proposed Browse gas project, which would backfill the Karratha Gas Plant: Browse to North West Shelf Development (EPBC 2018/8319); and Browse Carbon Capture and Storage (CCS) Project (EPBC 2024/10028).
  - The Browse reservoirs are high in carbon dioxide (between 8 to 12 per cent).

**QB25-000002**

- In December 2024 Woodside announced it would swap its interest in the Wheatstone LNG project, including its upstream Julimar-Brunello fields, for Chevron's stake in the NWS project, including NWS oil and the Angel CCS project.
  - The transaction is expected to close in 2026.

**Contact:** s 22(1)(a)(ii) , Offshore Development  
Ph: s 22(1)(a)(ii)  
**Cleared by:** Cliff Weeks, General Manager, Offshore Resources  
PH s 22(1)(a)(ii)

**Min ID:** QB25-000002  
**Division:** Oil and Gas  
**Created:** 17 January 2025  
**Updated:** 27 March 2025

QB25-000002

## NORTH WEST SHELF EXTENSION

### Issue

The Opposition and industry stakeholders have criticised the Government for extending the period for the decision of the Minister for the Environment and Water about environmental approval of the extension of the life of the North West Shelf Karratha Gas Plant. The Minister is required to make a decision by 31 March 2025. The Western Australian Environment Minister agreed to approve the extension in mid-December 2024.

### Key Talking Points

- The Minister for the Environment and Water, the Hon Tanya Plibersek MP, is considering her decision about the proposed North West Shelf Extension following the decision of the Western Australian Government to agree to this extension in December last year.
- The Western Australian Government has had this decision for six years and Woodside changed their plans in the meantime.
- The Minister's department is obliged to go through all the information they've been provided by the Western Australian Government.
- It's only reasonable that the Minister's department has adequate time to assess the extraordinary amount of material provided to them.



**QB25-000002**

- If decisions are made in a hasty manner without due consideration they are eminently challengeable by the courts.

***If asked about the Government's gas policy***

- Last year I released the Albanese Government's Future Gas Strategy – and the findings were clear that under all credible net zero scenarios, natural gas is needed through to 2050 and beyond.
- The Albanese Government's Future Gas Strategy also identified that we will need to keep producing more gas in Australia to ensure a stable and orderly energy transition at home and in our region.
  - This means Australia will remain a reliable trading partner for energy, including Liquefied Natural Gas (LNG).
- Where we continue to need gas we must also ensure the emissions associated with that gas are reduced and abated.

**QB25-000002****Background**

- The A\$34 billion North West Shelf (NWS) Project is Australia's largest operating oil and gas development. It commenced domestic gas production in 1984 and Liquefied Natural Gas (LNG) exports in 1989.
- The Project has a nameplate LNG capacity of 16.9 Mtpa across five trains and a domestic gas plant with a capacity of 630 TJ/d, which is currently running well below capacity.
- The NWS Project is operated by Woodside on behalf of a joint venture that includes BP, Chevron, Japan Australia LNG (MIMI), and Shell.
- Woodside is also seeking primary environmental approvals for its proposed Browse gas project, which would backfill the Karratha Gas Plant: Browse to North West Shelf Development (EPBC 2018/8319); and Browse Carbon Capture and Storage (CCS) Project (EPBC 2024/10028).
  - The Browse reservoirs are high in carbon dioxide (between 8 to 12 per cent).
- In December 2024 Woodside announced it would swap its interest in the Wheatstone LNG project, including its upstream Julimar-Brunello fields, for Chevron's stake in the NWS project, including NWS oil and the Angel CCS project.
  - The transaction is expected to close in 2026.







s 47C

ATTACHMENT A

**PROTECTED**

s 47C

**PROTECTED**

**PROTECTED**

s 47C

**PROTECTED**



**PROTECTED**

s 47C

**PROTECTED**

**PROTECTED**

s 47C

**PROTECTED**

**PROTECTED**

s 47C

**PROTECTED**

**PROTECTED**

s 47C

**PROTECTED**

# THE AUSTRALIAN BUSINESS REVIEW

BUSINESS > MINING ENERGY

## Domestic gas users should be prioritised as east coast shortfalls loom: BlueScope

By COLIN PACKHAM

3:35pm October 21, 2024. Updated 3:48pm October 21, 2024 The Australian Business Network



45 Comments

BlueScope has called for the introduction of an east coast gas reservation to ensure domestic users are adequately supplied ahead of a looming regional supply crunch.

Australia's east coast is awash with gas, but it is committed to export markets, and the country should prioritise domestic heavy users as it will achieve sizeable emission reductions.

The Australian Energy Market Operator earlier this year warned gas developments could be forced to run on diesel as soon as 2026 before a structural deficit from 2028 causes widespread economic harm.

Indicating the emerging tension between domestic users and exporters about increasingly tight supplies, Anna Matysek, head of climate change at BlueScope, said Australia is prioritising export markets and without changes to bolster supplies the company's decarbonisation plans are at threat.

"We need about 30PJ to 40PJ of gas to make our transition of Port Kembla steelwork viable. That is quite a lot of gas in the context of the east coast market which is in decline, but we see a lot of benefit in going that way. By going that way, that is 3.6m tonnes of abatement every year, which is absolutely enormous," Ms Matysek told an energy conference in Sydney.

"It is hard to see where we would get those sorts of volumes of gas from if there are potentially no new developments, I don't know if that will happen, but if there are no new developments then we should be looking at a domestic reservation. 30PJ to 40PJ

of gas is quite a lot of gas, granted. But it's less than 1 per cent of what Australia currently exports.”

To implement a domestic gas reservation, mirroring one already in place in WA, would however require export contracts being broken.

Breaking export contracts from Queensland would be extremely contentious. Exporters such as Mark Hatfield, managing of Chevron Australia, said even talk of breaking export contracts is already causing concern among some of Canberra's closest regional allies.

“If Japanese or Korean buyers think the contracts they signed to ensure their energy security are at risk, that would cause concern,” Mr Hatfield told the energy conference.

Chevron would unlikely be impacted as its operations are WA-based.

Other major users have warned doing so would dent Australia's reputation and jeopardise Asian Pacific security amid a scramble for alternative supplies.

Still, pressure is likely to grow as Australia struggles to develop new sources of supply. Energy industry figures are increasingly alarmed about the prospect of shortfalls next year.

Gas is a vital fuel source for Australian manufacturers, and increasing prices will put the viability of many under pressure.

Gas increases will also weigh on households, even if they are fully electric.

Gas plays a vital role in electricity generation, used as a so-called peaker during periods when there are insufficient supplies of renewable energy and coal or heightened and unusual demand.

While gas can often only play a limited role, abundant supplies would help lower wholesale prices.

But its limited and unpredictable role has made it extremely difficult for Australian energy companies to commit sizeable amounts of capital to build new gas power stations.

As a result, just EnergyAustralia's Tallawarra B, developed with NSW government support, remains one of the last such generators being built in recent years.

Proponents of gas have seized on the Australian Energy Regulator's quarterly wholesale price costs as an indication of why Australia must develop new power plants.

The report showed wholesale electricity prices rose in winter from the previous year across the east coast led by Tasmania which saw an increase of 240 per cent. The rise will not immediately be felt by Australian households, but it adds upward pressure on bills when annual tariffs are reset on July 1, 2025.

Australian households have endured significant increases in energy prices, leaving a record number unable to pay their bills.

Mark Collette, managing director of EnergyAustralia, on Monday warned Australians are reaching the threshold of what many can afford to pay.

"We are nearing the limit of affordability," Mr Collette told an energy conference in Sydney.

In a bid to bolster supplies, the Coalition has said it will include gas in a [revised Capacity Investment Scheme](#) that pays gas power plants to be ready should there be insufficient supplies of renewables.

The federal Labor government has rejected the calls, insisting gas cannot compete with renewables on price.

Australia's energy industry has thrown wholehearted support behind including gas in the scheme, including Origin Energy's chief executive Frank Calabria.

“For some time, I have stated that I believe gas should have been in the Capacity Investment Scheme for the very simple reason that when we look at the energy system, you are going to need something that can run for days,” said Mr Calabria.

“I think you will need gas for those times when you don’t have wind and solar.”

---

## MORE ON THIS STORY



### Queensland gas could ease East Coast crunch

By BEVIS YEO



### APA to push ahead with east coast grid expansion

By GIUSEPPE TAURIELLO



### COLIN PACKHAM BUSINESS REPORTER

Colin Packham is the energy reporter at The Australian. He was previously at The Australian Financial Review and Reuters in Sydney and Canberra.

X @Colpackham

✉ Colin Packham

---

## TRENDING





## Revealed: PM's donor drinks on day of terror attack after tennis shock

Labor donors were entertained by Anthony Albanese over drinks on the banks of Perth's Swan River, and he then played tennis with members of WA's most prestigious lawn court club as Jewish Australians prepared for a vigil near the burnt-out synagogue.

By PAIGE TAYLOR



## 'Watch our words', ASIO boss warns after synagogue attack

Mike Burgess said on Monday that politically motivated violence is now a 'principal security concern', as the national terrorism threat level 'remains at probable'.

By JACK QUAIL, DAMON JOHNSTON, MOHAMMAD ALFARES

## Senior Freehills lawyer in hot water over synagogue tweet

Herbert Smith Freehills is investigating its longstanding partner, Damien Hazard, over a 'deeply offensive' tweet concerning the Melbourne synagogue attack.

By YONI BASHAN



## Business heat on Plibersek over wind farm delay

One marginal seat; three stalled environmental decisions. Tanya Plibersek has sparked a political pile-on – including within her own party – by kicking a controversial wind farm down the road.

By MATTHEW DENHOLM

## For the sake of the young – tax the retired more

An ambitious plan to rebalance the pension system in favour of younger Australians hinges on getting those in retirement to pay more tax.

By JAMES KIRBY



## One in three Aussie jobs 'at serious risk in AI revolution'

More than 30 per cent of the workforce could be disrupted by the rapid uptake of artificial intelligence over the next five years without policy intervention, a new report warns.

By SIMON BENSON

# THE AUSTRALIAN

## COMMENTARY

### Gas reservation scheme now the only way forward

By JENNIE GEORGE

5:00am August 02, 2024



90 Comments

The recent headline “Gas shortfall expected to hit east coast in 2027” sounded an ominous warning. The ACCC brought forward its prediction of gas shortfalls by a year and called for an “urgent” development of new sources of supply. Similar warnings have been made by the market operator AEMO. The Albanese government is facing a serious structural shortfall in gas supply.

Offshore gas from the Bass Strait, the traditional bedrock of supply, is rapidly depleting while new projects like Narrabri await lengthy regulatory approvals. The warnings tell us that current mitigation efforts are insufficient to deal with emerging shortages. The ACCC advises that the use of import terminals, as some bizarrely suggest, “would not obviate development of domestic sources of supply”.

This serious predicament had its origins back in August 2012 when the Gillard government rejected a gas reservation scheme. Over the years, the ACCC reported that LNG producers were cutting back on domestic supplies to meet overseas demand. This was at odds with their previous assurances that sufficient supply and prices would not be affected by export contracts.

Commitments made were broken. Both parties must take their share of responsibility for allowing a cartel of global energy companies to control our natural gas supplies and effectively set the price of gas.

We’ve learnt the hard way. Gas has not been a cheap source of energy since 80 per cent of it was exported. Gas sets the marginal cost of electricity. When it’s used, especially in times of low renewables output, unsustainable cost increases are passed on in our bills.

With Labor conflicted and sending out mixed messages about the future of gas, solutions to shortages won't come easily. The release of Labor's Future Gas Strategy raised hopes of a change in attitude, especially on the part of Energy Minister Chris Bowen. He had rejected gas as a transition fuel and excluded it from the Capacity Investment Scheme.

It wasn't long before negativity set in and legislation was pulled in the Senate. In a radio interview, a Labor MP commented: "I didn't get into politics to be a support mechanism for the fossil fuel industry". Even the ALP president sided with the "distress" LEAN environmental activists were feeling, telling them: "I felt your pain."

Labor's failure to collectively understand that the livelihoods of many thousands of workers and their families depended on gas was dispiriting. After all, these are the people relying on the ALP to protect their interests.

The message from their union was clear. The AWU secretary explained: "Our members work across the supply chain, from extraction to transport and end users across the economy, so we understand the importance of gas to Australia as a key input to manufacturing and power generation." Will Labor's strategy actually lead to any meaningful change? Until Labor's position is clear and unambiguous, it's a question of seeing is believing.

It beggars belief that gas import terminals are seen as a solution, with one under construction by Andrew Forrest's company at Port Kembla. Relying on imported LNG would expose our economy to global energy shocks. In a troubled world, energy security is key. As one of the world's largest LNG exporters there's no justification for importing gas to deal with domestic shortages that have resulted from our policy failure.

In 2017 then resources minister Matt Canavan first raised the threat of export restrictions through the use of the "gas trigger". Since then all available levers, like price caps, gas redirections, codes of conduct and revised heads of agreement have provided useful, temporary solutions, but they are inadequate in dealing with structural gas shortages. The ACCC report suggests a range of measures that would take years before new supplies could be assured.

There's only the one option remaining to deal with this emerging energy crisis. We need a legally binding gas reservation scheme. From the start it could cover issues of supply and price for uncontracted gas. Existing long-term export contracts, set to expire from the mid-30s, would remain unaffected, eliminating arguments about sovereign risk.

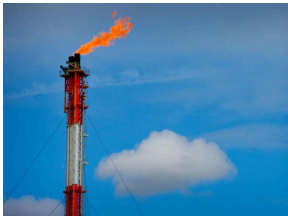
The LNG exporters need to appreciate that they operate with a social licence. There are limits if the community believes there's not a commensurate public benefit from the extraction of resources. Leaving our domestic economy at huge risk doesn't pass the pub test. The commonwealth has the power to stop exports, which gives it huge leverage as a last resort. Both parties are now on notice. [Our manufacturing industry and thousands of jobs are at stake. Households and businesses cannot cope with ever increasing power bills which are driving many into energy poverty.](#)

Gas shortages are now an issue of national importance, one that demands immediate attention and bipartisan support for a legally binding gas reservation scheme.

*Jennie George is a former ACTU president and former Labor MP for Throsby.*

---

## MORE ON THIS STORY



### Gas shortfall expected to hit east coast sooner

By JOE KELLY



### Offshore gas from the Bass Strait, the traditional bedrock of supply, is rapidly depleting while new projects like Narrabri await lengthy regulatory approvals.

By COLIN PACKHAM



### Canberra to blame for gas shortfall: developer

By COLIN PACKHAM















FOI300022

FOI300022

FOI300022

FOI300022



FOI300022



FOI300022

FOI300022

FOI300022

FOI300022

FOI300022

FOI300022

FOI300022

FOI300022



FOI300022



FOI300022



FOI300022



FOI300022

FOI300022







FOI300022

FOI300022

FOI300022

FOI300022

FOI300022

FOI300022



FOI300022