

Record of oral submission to the Australian Competition and Consumer Commission (ACCC)

Restriction of publication claimed in part – shaded material to be excluded

Macquarie Mereenie & Ors application for authorisation

Submission: Australian Gas Infrastructure Group (AGIG)

Date of submission: 21 September 2021

AGIG's views on the Amadeus to Moomba pipeline

- If the Amadeus to Moomba pipeline were to be built, it would [REDACTED] the current costs of transporting gas to Moomba (from around \$ [REDACTED] to \$ [REDACTED]). This cost is calculated on the basis of the gas from Mereenie otherwise going north through the Amadeus Gas Pipeline, east through Jemena's Northern Gas Pipeline, south through the Carpentaria Gas Pipeline and then backhauled to Moomba along the South West Queensland Pipeline. The applicants have a memorandum of understanding with AGIG (regarding the Amadeus to Moomba pipeline). AGIG supports the applicants marketing together, as from AGIG's perspective, it will be simpler for them to secure the gas required to underwrite the pipeline, and it might be difficult for Macquarie Mereenie and Central Petroleum to justify investment decisions to expand their drilling in the Mereenie basin if they are not marketing together.
- In terms of the gas commitment that AGIG would need to underwrite the investment, the project would need gas supply from [REDACTED]. It generally takes [REDACTED] years for projects such as the Amadeus to Moomba pipeline to achieve a return on investment.
- For the pipeline to be economic, it would need to transport around [REDACTED] terajoules per day over a minimum of [REDACTED] years. Gas supply from others would be important for the investment, such as [REDACTED].
[REDACTED]
- Government support is also required for development of the pipeline, and AGIG have been in contact with [REDACTED] about this.
- The memorandum of understanding that AGIG have with the applicants does not prevent them from speaking to others about its construction. AGIG have been in discussion with [REDACTED] about them contracting for capacity in the pipeline, however nothing is in writing. AGIG believes that these groups would be open to underwriting a project that could have a significant impact on the cost of supply NT gas to the east coast.
- In terms of timing, AGIG suspects that the pipeline could not be up and running until [REDACTED], due to the COVID-19 pandemic, however this timeline also depends on [REDACTED].

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[REDACTED]

- AGIG's view on whether the applicants jointly marketing gas is necessary for them to be able to develop the pipeline is that it is simpler for them to be joined up, rather than selling separately or to an aggregator. Also, it is easier for their capital decision making and any future interactions with retailers. For these reasons, AGIG is supportive of the applicants jointly marketing the gas.