FEDERAL COALITION GIVES CERTAINTY TO GOVE

29 July 2013

The Northern Territory Government has welcomed a commitment from the Federal Coalition that it will support underwriting the financing of the pipeline to get gas to Gove if it wins the next election.

“This is a major commitment from the Federal Coalition that offers certainty to the people of Gove. It should reassure Gove residents that the gas offer that is now on the table is a viable solution to the town’s energy needs,” Chief Minister Adam Giles said.

Deputy Chief Minister Dave Tollner travelled to Gove with the Shadow Energy and Resources Minister Ian Macfarlane today for the announcement that a Federal Coalition Government would support a proposal to underwrite the financing of the pipeline and facilitate negotiations for a commercial operator to build and run the pipeline.

This is subject to a commitment from Pacific Aluminium that the refinery will stay open for 20 years.

“The NT Government has offered 195PJ of gas to Pacific Aluminium over 15 years under a dual fuel model. Federal underwriting of the pipeline from Katherine to Gove is the key to its success,” Mr Tollner said.

The Northern Territory Government made this new offer to get gas to Gove after a due diligence process revealed the original proposal would expose Territory taxpayers to $3.2 Billion in financial risk, power price hikes and potential energy shortages.

“Accepting the original request would have been financially irresponsible, threatening our credit rating and driving up power prices,” Mr Giles said.

“Mr Macfarlane has made the Federal Coalition’s support for our new plan and the people of Gove clear. Now it’s time for Kevin Rudd to step up and give the same level of commitment to the town. The Federal Government’s refusal to underwrite our risk in the original proposal scuppered the plan. We’re calling on Kevin Rudd not to let the same thing happen again.”

While Mr Tollner was in Gove today, he updated locals on progress with the proposal.

“We are taking this issue very seriously. Today, I assured the people of Gove that we are working hard to find a long term solution to the town’s energy needs,” Mr Tollner said

“We’re keen to make sure Gove residents understand why we have chosen to pursue the dual fuel option which we are confident is a better, longer-term solution for the town.”

“We understand the importance of the refinery to the local community and the Federal Coalition’s commitment to underwrite the pipeline financing proposal should give Gove residents peace of mind that this process is moving forward.”

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