



Deliver a National Gas Plan – East Coast Gas Reservation	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would introduce an East Coast Gas Reservation that would require an additional 50-100 petajoules of gas - equivalent to 10-20% of current east coast gas demand - to be committed to the domestic market in the first 12 months of operation. The additional gas will be shared across the three largest east coast gas exporters.</p> <p>Detailed design of the mechanism, in consultation with industry and consumers, would occur in early 2025-26.</p> <p>The proposal would start from 1 July 2025.</p>	

Costing overview

The proposal would be expected to have an unquantifiable negative impact on the fiscal and underlying cash balances over and beyond the 2025–26 Budget forward estimates period.

The design process of the East Coast Gas Reservation would likely require additional departmental resourcing for the relevant departments to undertake policy development, stakeholder consultation, and implementation planning.

The ongoing administration of the reservation mechanism would likely also require additional funding for the relevant departments to monitor compliance, assess domestic supply contributions, and manage reporting obligations. The nature, scale, and timing of these costs all depend heavily on the detail and design of the mechanism. As this detail is not available, these costs cannot be quantified.

The reservation, once in place, would be likely to have significant broader economic impacts, including but not limited to domestic gas and energy prices, investment decisions in the gas sector, and financial performance of the gas industry. As per the Charter of Budget Honesty’s policy costing guidelines, the Parliamentary Budget Office (PBO) does not include these broader economic or ‘second-round’ effects in its analyses.¹

Table 1: Deliver a National Gas Plan – East Coast Gas Reservation – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

* Unquantifiable.

¹ [Charter of Budget Honesty – Policy Costing Guidelines | Treasury.gov.au](https://www.treasury.gov.au/charter-of-budget-honesty/policy-costing-guidelines)

Attachment A – Deliver a National Gas Plan – East Coast Gas Reservation – Financial implications

Table A1: Deliver a National Gas Plan – East Coast Gas Reservation – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Tax revenue													
Administered tax													
<i>Deliver a National Gas Plan – East Coast Gas Reservation</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses													
Administered													
<i>Deliver a National Gas Plan – East Coast Gas Reservation</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Departmental													
<i>Deliver a National Gas Plan – East Coast Gas Reservation</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

(a) This costing includes unquantifiable aspects.

* Unquantifiable.

Table A2: Deliver a National Gas Plan – East Coast Gas Reservation – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	*	*	*	*	*	*	*	*	*	*	*	*	*
Underlying cash balance	*	*	*	*	*	*	*	*	*	*	*	*	*

(a) This costing includes unquantifiable aspects.

* Unquantifiable.