



Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would establish a new Critical Gas Infrastructure Fund to support investment in high priority pipeline and supply infrastructure projects, and expand capacity where required.</p> <p>The proposal would start on 1 July 2025</p>	
<p>Additional Information: (based on further advice provided)</p> <p>The Critical Gas Infrastructure Fund would be established with a value of \$1 billion (\$500 million of new funding from the budget and \$500 million directed from the Northern Australia Infrastructure Facility (NAIF)).</p>	

Costing overview

The proposal would be expected to increase the fiscal balance by around \$13 million, increase the underlying cash balances by around \$16.5 million and decrease the headline cash balance by around \$384 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects revenue from fund earnings, partially offset by an increase in management fees and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Consistent with [Parliamentary Budget Office \(PBO\) Guidance 02/2015](#), Public Interest Debt (PDI) expense impacts have been included in this costing because the non-concessional loans provided under this proposal involve financial asset transactions.

Differences in fiscal and underlying cash balances occur due to differences in timing of accrual and cash recognition of PDI costs.

The PBO has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

Table 1: Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	0.8	2.2	3.9	6.1	13.0
Underlying cash balance	1.3	3.2	4.9	7.1	16.5
Headline cash balance	-98.7	-96.8	-95.1	-92.9	-383.5

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

(b) PDI impacts are included in the totals.

Uncertainties

The financial implications of this proposal are uncertain and particularly sensitive to assumptions on the speed at which capital is deployed, rate of return on the fund and management costs.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Fund earnings are reinvested. Principal is not repaid until the end of the loan term.
- Non-NAIF loans (those sourced from the budget allocation of \$500 million) under the fund would have a 10-year term and achieve an annual rate of return of 2% plus the 10-year bond rate (CPI).
- Projects totalling 50% of nominal funding under the fund would be eligible for NAIF funding. NAIF legislation would be modified or co-ordination with NAIF would occur so that NAIF funding could be re-directed under the new fund.
- Non-NAIF funding would be dispersed by the fund over a 5-year period, split evenly over each year.
- Fund management costs are broadly consistent with management costs for similar funds.
- Earnings from non – NAIF loans under the fund would be returned to consolidated revenue.

Methodology

The PBO uses a standard model for non-concessional loans based on established funds and using the inputs detailed in key assumptions. Departmental costs were calculated using the ratio of departmental costs to funds under administration for the NAIF and applying it to non-NAIF funds under administration.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Northern Australia Infrastructure Facility (2024) [Annual Report naif-annualreport-2023-24-digital](#). accessed on 23 May 2025.

Northern Australia Infrastructure Facility (2024) [Portfolio Budget Statement \(2023\)](#) accessed on 23 May 2025.

Reserve Bank of Australia (2025) [Capital Market Yields – Government Bonds – Daily – F2](#). Reserve Bank of Australia, accessed 26 May 2025.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund – Financial implications

Table A1: Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund – Fiscal 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
Revenue													
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Fund earnings</i>	5.4	11.2	17.2	23.6	30.3	32.0	33.7	35.5	37.5	39.5	41.7	57.4	307.6
Expenses													
Departmental													
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Departmental</i>	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-9.6	-26.4
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Management fees</i>	-0.1	-0.2	-0.3	-0.4	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.8	-1.0	-5.7
Total – expenses	-2.5	-2.6	-2.7	-2.8	-3.0	-3.0	-3.0	-3.1	-3.1	-3.1	-3.2	-10.6	-32.1
Total (excluding PDI)	2.9	8.6	14.5	20.8	27.3	29.0	30.7	32.4	34.4	36.4	38.5	46.8	275.5
PDI impacts	-2.1	-6.4	-10.6	-14.7	-18.8	-20.6	-20.1	-19.6	-19.0	-18.3	-17.5	-33.8	-167.7
Total (including PDI)	0.8	2.2	3.9	6.1	8.5	8.4	10.6	12.8	15.4	18.1	21.0	13.0	107.8

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund – 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
Receipts													
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Fund earnings</i>	5.4	11.2	17.2	23.6	30.3	32.0	33.7	35.5	37.5	39.5	41.7	57.4	307.6
Payments													
Departmental													
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Departmental</i>	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-9.6	-26.4
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Management fees</i>	-0.1	-0.2	-0.3	-0.4	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.8	-1.0	-5.7
Total – payments	-2.5	-2.6	-2.7	-2.8	-3.0	-3.0	-3.0	-3.1	-3.1	-3.1	-3.2	-10.6	-32.1
Total (excluding PDI)	2.9	8.6	14.5	20.8	27.3	29.0	30.7	32.4	34.4	36.4	38.5	46.8	275.5
PDI impacts	-1.6	-5.4	-9.6	-13.7	-17.8	-20.1	-20.2	-19.8	-19.2	-18.4	-17.7	-30.3	-163.5
Total (including PDI)	1.3	3.2	4.9	7.1	9.5	8.9	10.5	12.6	15.2	18.0	20.8	16.5	112.0

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund – Headline 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
Receipts													
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Fund earnings</i>	5.4	11.2	17.2	23.6	30.3	32.0	33.7	35.5	37.5	39.5	41.7	57.4	307.6
Payments													
Administered													
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Initial capital</i>	-100.0	-100.0	-100.0	-100.0	-100.0	-	-	-	-	-	-	-400.0	-500.0
Departmental													
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Departmental</i>	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-9.6	-26.4
<i>Deliver a National Gas Plan – \$1 billion Critical Gas Infrastructure Fund - Management fees</i>	-0.1	-0.2	-0.3	-0.4	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.8	-1.0	-5.7
Total – payments	-102.5	-102.6	-102.7	-102.8	-103.0	-3.0	-3.0	-3.1	-3.1	-3.1	-3.2	-410.6	-532.1
Total (excluding PDI)	-97.1	-91.4	-85.5	-79.2	-72.7	29.0	30.7	32.4	34.4	36.4	38.5	-353.2	-224.5
PDI impacts	-1.6	-5.4	-9.6	-13.7	-17.8	-20.1	-20.2	-19.8	-19.2	-18.4	-17.7	-30.3	-163.5
Total (including PDI)	-98.7	-96.8	-95.1	-92.9	-90.5	8.9	10.5	12.6	15.2	18.0	20.8	-383.5	-388.0

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.