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## Newcastle Industries Urge Access to Affordable Gas Supply

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Industries in the Hunter Region are urging government action to ensure a reliable and affordable supply of natural gas, warning that rising energy costs are threatening local jobs, investment, and Australia’s manufacturing base.

Newcastle, a hub of manufacturing, defence, energy, and agriculture, remains dependent on natural gas to power key industrial processes. Industry leaders stress that while the shift to renewables is important, gas remains an essential part of Australia’s energy transition particularly in the short to medium term.

Companies like Orica, operating its ammonia production plant on Kooragang Island, require natural gas not only for energy but also as a chemical feedstock. Despite ongoing efforts to decarbonise, Orica says it cannot simply switch to renewables, as powering the site entirely by clean energy would consume the full capacity of New South Wales' current renewable supply.

Tomago Aluminium, the largest aluminium smelter in the country, uses about 10 per cent of NSW's electricity. It too relies heavily on a stable energy mix, with current renewable sources unable to meet its constant power demands.

Brickworks, Australia's top brick manufacturer, reports paying up to three times more for gas in Australia compared to its U.S. operations. With no current renewable alternative for kiln firing, the company warns that energy costs are pushing up construction material prices and affecting housing affordability.

Industry leaders say a decline in access to competitively priced gas could mirror past industrial losses, such as the closure of Newcastle's steelworks or Adelaide's car manufacturing sector industries that have never returned. The knock-on effects would reach beyond energy firms, impacting universities, research, and regional employment.

The University of Newcastle is working closely with these sectors, helping drive innovation in sustainable fuels, green hydrogen, and carbon capture. Projects include converting organic waste to fuel and developing low-emission jet fuel from hydrogen and CO<sub>2</sub>. A key collaboration with Orica, through the university's spin-off MCI, aims to reduce emissions by producing building materials from captured carbon.

Leaders are calling for a national gas reservation policy to prioritise Australian industry, alongside long-term energy research investment. They argue that gas and renewables must work together to safeguard economic and environmental goals.