



MEDIA RELEASE

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Sunday, 10 February 2013

Alarmism no fix for gas supply crisis

Weekend press reports suggesting that Australia's looming gas supply crisis could be even worse than currently predicted should focus attention upon the consequences of any failure to develop much-needed new supplies.

The reports come at the end of a week in which the NSW natural gas industry was at the centre of a confected political brawl that had much to do with electoral opportunism and very little to do with science or fact.

The hyperbole and baseless alarmism on whether gas production may somehow cause land subsidence in western Sydney has real consequences and inhibits the industry's ability to do what is so important to so many: produce the natural gas needed by thousands of Australian households and businesses.

APPEA's Chief Operating Officer – Eastern Region, Rick Wilkinson, said: "The fact that NSW's primary source of natural gas has safely operated in western Sydney for more than a decade has somehow been lost in recent days.

"There has been no evidence of ground subsidence over that period and the amount of groundwater extracted at Camden is extremely small. Technical reviews conducted by AGL confirm that the potential for subsidence is not a real issue.

"We need to have a much more mature discussion about natural gas, how important energy is to our businesses and community, and where our future supply is coming from.

"Development of NSW gas resources is critical as NSW currently imports 95 per cent of its gas and major supply contracts start to expire next year.

"The failure to develop new supplies will affect the cost of gas, the price of energy, the price of electricity, and the costs of doing business and living in NSW.

"Ultimately, it will cost jobs and have enormous economic consequences."

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The Australian Petroleum Production & Exploration Association represents the upstream oil and gas industry in Australia. APPEA member companies produce around 98 per cent of Australia's oil and gas.



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