



# MEDIA RELEASE

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## **Strategic Energy Initiative for WA published**

The *Strategic Energy Initiative: Achieving the Energy 2031 Vision*, launched today by the Western Australian Government supports a number of steps that will assist in the ongoing development of a more competitive energy market in WA.

Stedman Ellis, Chief Operating Officer – Western Region, APPEA said: “The WA gas market is diversifying and maturing – by 2018 six gas projects will be competing in the domestic market. At the same time, exploration has gathered pace onshore where the State may hold resources twice as large as those in offshore fields.

“Today’s publication of the SEI paper includes a welcome recognition of the importance of onshore gas in meeting increasing energy demand in Western Australia.

“While investment in onshore gas is currently at an early stage, the potential reserves are such it could be an important future source of domestic energy to meet the projected growth in demand.

“Importantly, the SEI also explicitly acknowledges the limits on government policy in attracting this investment, recognising that prices and contracts for domestic gas should be determined by the market.

“This remains vitally important to the economics of currently committed projects and onshore exploration.”

Mr Ellis said that the clarification of the State’s pre-existing Domestic Gas Reservation Policy retained the emphasis on markets to determine prices and contracts for domestic gas supply and the flexibility needed to facilitate further investment in upstream supply.

“However, the Domestic Gas Reservation Policy remains a significant intervention in a rapidly changing energy market which is at odds with long term policy settings intended to encourage further investment, attract new market entrants and deliver diversity of supply,” he said.

“The best way to ensure the growing demand will be met is to let the market operate free from intervention so it can provide Western Australians with long-term, secure supplies of affordable energy.

“APPEA also welcomes the SEI’s recommendation of consultation with industry to consider domestic gas offsets and the review of the need for a Domestic Gas Reservation Policy set for 2014-15. APPEA looks forward to further consultation with the Department of State Development regarding the reservation policy clarification, offsets proposal and review.”

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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.