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## Another nail in the domestic gas reservation coffin

The Council of Australian Governments (COAG) Energy Council's firm dismissal of possible gas market interventions via a 'gas reservation' policy or 'national interest test' is clear recognition such calls present no viable way to securing gas supply and putting downward pressure on gas prices.

APPEA Chief Executive David Byers said: "Such policies should rightly be consigned to the dust bin. Advanced economies underpinned by competitive markets, such as Australia, should not rely on one industry to subsidise another.

"The benefits of freer markets and freer trade have been accepted by successive Australian governments and indeed by all developed economies.

"Western Australia, the only Australian state with reservation in place, should now abolish the policy as the costs imposed on the economy far outweigh any perceived benefits.

"The gradual removal of market distortions has delivered significant economic benefits to the nation. The COAG Energy Council should be congratulated on its stance as interventions such as domestic gas reservation or a national interest test would only serve to reverse those gains.

Mr Byers said removing regulatory burdens restricting exploration and production of natural gas, particularly in Victoria and NSW, was the clear pathway forward to bringing on more gas supply.

"That goal should override all other considerations in an already open and competitive market."

Other announcements in the meeting communique will require further consultation and consideration. These include:

- Before imposing further information provision requirements on the industry, governments should undertake a stock take of the information already provided to different jurisdictions under various regulatory regimes and conduct a thorough cost-benefit analysis of the need for additional regulatory burdens on the upstream oil and gas industry.
- In relation to the call for increased market transparency, it must be acknowledged that the gas market already has abundant information available to it. Now is the time not for further reviews, but to remove regulatory restrictions and allow gas exploration and development to proceed.



- The commitment to streamline regulations recognises that governments at all levels have the opportunity to add considerable value through ensuring inconsistent and duplicative regulations are removed as a matter of priority. A harmonised approach to operations management and safety regulation across jurisdictions should be an immediate priority.

Mr Byers said: "APPEA is ready to work constructively with all jurisdictions to ensure the oil and gas industry, one of Australia's star performers, can continue to develop and provide ongoing benefit to all Australians."

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