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Australian wholesale gas price lowest in region

Australians are paying the lowest wholesale gas prices in the Asia Pacific region according to a new report.

The International Gas Union's *Wholesale Gas Price Survey 2016* shows that the average wholesale gas price in Australia last year of under \$4/MMBTU¹ was less than half the average price for the Asia-Pacific region.

By comparison, Australia's leading trade partners China, Japan and South Korea all paid average wholesale gas prices above or just below \$10/MMBTU. Australia also enjoyed lower wholesale gas prices than its two regional LNG export competitors, Malaysia and Indonesia.

Globally, Australia's average wholesale price ranked 30th in a survey of 54 nations.

APPEA Chief Executive Dr Malcolm Roberts said the survey showed the highest wholesale prices in 2015 were found in largely LNG-dependent countries where the industry exported LNG and earned export revenue for Australia.

"Contrary to some claims, Australian gas consumers are not paying prices above those paid in Japan or other LNG importing nations," Dr Roberts said.

"Quite the opposite is true. Australia's wholesale gas prices are 'middle of the pack', a position they have held for many years."

Dr Roberts said the IGU report supported the recent Australian Competition and Consumer Commission *East Coast Gas Inquiry* finding that: "...domestic gas prices in the east coast gas market are still generally lower than prices paid by overseas users that purchase LNG." (page 36).

"The ACCC correctly identified the urgent need for policy and regulatory changes to enhance gas supply," Dr Roberts said.

"Removing unnecessary government restrictions on exploration and development is the most effective way to boost supply, enhance competition and put downward pressure on prices, ensuring Australia retains or improves its global position, while enjoying the benefits that flow to the nation from our LNG exports."

The IGU report can be found [here](#). See page two for charts.

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¹ MMBTU = one million British Thermal Units. The BTU is a traditional unit of work equal to about 1,055 joules. It is the amount of work needed to raise the temperature of one pound of water by one degree Fahrenheit. The more usual measure of price used in Australia is gigajoule (GJ). 1 MMBTU = 1.055056 GJ.



Chart 1: Wholesale Gas Prices in 2015 by Country (source IGU)

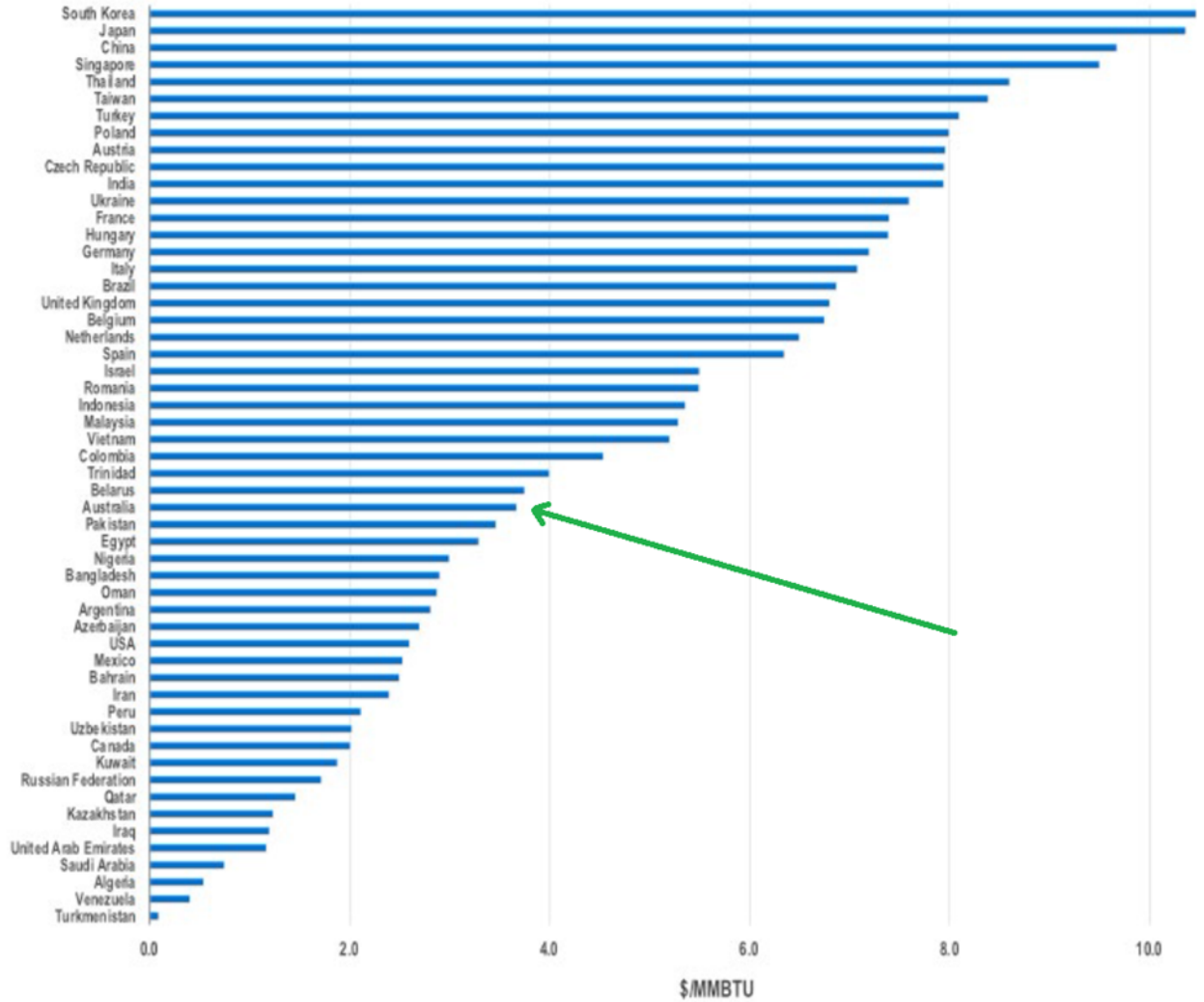


Chart 2: Asia Pacific Wholesale Prices in 2015 (source IGU)

