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## Independent review confirms abundant gas supply in WA

An independent review of Western Australia's gas market confirms the State has more than enough gas to meet its future export and domestic requirements.

The Australian Energy Market Operator's (AEMO) annual Gas Statement of Opportunities (GSOO) released today forecasts an excess of available gas over the next decade.

However, AEMO says its forecast is dependent on continuing investment in new exploration and development. It has also warned that exploration in WA is currently at its lowest level since 1990.

APPEA Chief Operating Officer Western Region Stedman Ellis said the GSOO confirmed WA had enough gas to meet its current export and domestic needs for more than a century.

"The entry of new supply from projects such as Gorgon, Waitsia and Wheatstone is clearly good news for the many homes, businesses and industries that rely on gas for their energy needs," Mr Ellis said.

"Confidence in domestic supply is also reflected in AGL Energy's recent announcement that it intends to enter the WA retail gas market and Woodside's plans to promote LNG as a transport fuel in the Pilbara."

Mr Ellis said the GSOO reinforced the need for policies that encouraged exploration and development of new gas supply.

He said policy-makers needed to recognise the risks faced by companies from policy instability and investment uncertainty.

"WA needs to rethink its approach to energy security. The existing reservation policy is clearly not sustainable," Mr Ellis said.

"A policy that relies only on export projects to supply domestic gas cannot meet the state's future needs when there are no new export projects on the horizon.

"As the GSOO shows, the best prospects for developing new sources of future domestic gas supply in WA lie in encouraging investment in near-shore and onshore projects that are aimed exclusively at the domestic market.

"The evidence shows, however, that gas reservation discourages this investment."

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