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Gas supply warning a result of flawed state policies

The Australian Energy Market Operator's warning of severe gas shortages in eastern Australia as early as next summer is the consequence of many years of policy failure by successive state governments in Victoria and New South Wales.

APPEA Chief Executive Dr Malcolm Roberts said the Gas Statement of Opportunities released today was the latest in a long list of credible warnings that eastern Australia was racing towards a gas supply cliff.

"For years now, politicians in Victoria and New South Wales have wilfully ignored these warnings," Dr Roberts said.

"AEMO, the ACCC, APPEA, gas producers and their customers have all been demanding urgent action to increase gas supply.

"But the response has been policy indecision, restrictive regulations and politically motivated bans and moratoriums that have stymied exploration and development of local gas supplies.

"Only this week, the Victorian Parliament passed legislation that effectively bans all onshore gas development in that state. Clearly, the Andrews Government cares more about Greens preferences than it does about jobs and cost of living pressures on families.

"Gas customers have watched with dismay as new projects – such as those proposed by Metgasco at Bentley, AGL at Gloucester and Santos at Narrabri in New South Wales, and Lakes Oil and Gippsland projects in Victoria – have been either blocked, withdrawn or delayed.

"These projects would have added significantly to east coast gas supply.

"Fortunately, there is activity in other jurisdictions. Project Charlie and the Western Surat Project in Queensland, the Sole Project in Commonwealth waters offshore from Victoria and the Southern Cooper Basin Gas Project in South Australia are all moving forward.

"Several east coast gas producers have also confirmed as recently as today that they have available gas that they can and do sell into the domestic market."

Dr Roberts said onshore exploration was at its lowest level in more than three decades. Recent Australian Bureau of Statistics data showed onshore exploration expenditure falling by 64 per cent in the past year.

"Australia has more than enough gas to meet its export and domestic needs. It just needs the political will to develop it," he said.

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