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Victoria seeks to punish other states for its own policy failure

The Victorian Government is demanding other states save it from the consequences of its decision to ban local gas developments.

Australian Petroleum Production & Exploration Association (APPEA) Chief Executive Dr Malcolm Roberts said calls for tougher export controls were an attempt by the Victorian Government to evade its responsibility for helping to create a tight east coast gas market.

“For years now Victoria has chosen to ignore industry warnings of shrinking gas supply and rising prices and has refused to develop its own onshore gas,” Dr Roberts said.

“The Government has put green votes before the needs of local industry and residential customers, imposing bans and moratoriums on local gas development. It has played a short-term political game.

“Now, the policy chickens are coming home to roost. Energy costs are rising and jobs are at risk.

“The Victorian Government could decide that it needs to be part of the solution. It could support local gas development – Geoscience Australia estimates indicate that onshore gas resources in Victoria have the potential to supply Victoria’s needs for decades.

“Numerous independent scientific reviews have confirmed that gas development is safe for the environment.

“Instead, Victoria continues with its absurd position of refusing to develop its own gas but then complaining about tight supply and rising prices. It still expects other states to solve its self-inflicted problem.

“Industry will need to spend up to \$50 billion to deliver new gas supplies to 2030. The Victorian government’s approach is not to encourage investment but to create more political controls and risks.

“While short-term domestic gas prices have risen, average gas prices across the economy remain below LNG prices – this means the Victorian Government’s proposal does not meet its own test.

“If the Victorian Government truly cared about the pressures facing local businesses that rely on gas, it would unlock the gas that lies undeveloped in its own state.”

Dr Roberts said the Council of Australian Governments (COAG) meeting on Friday should strongly reject the Victorian plan and urge all states to lift unnecessary restrictions on gas development.

“The only way to put real downward pressure on gas prices is to develop more gas,” Dr Roberts said.

Media contact: Kieran Murphy – 0408 151 922 – kmurphy@appea.com.au