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Australian average wholesale gas prices still below Asia-Pacific average

Average wholesale gas prices in Australia remain lower compared to the average in the Asia-Pacific region, according to a new report.

The International Gas Union's *Wholesale Gas Price Survey 2017* shows that the average wholesale gas price in Australia last year of around \$US4.29/MMBTU¹ was around one-third less than the average price for the Asia-Pacific region.

By comparison, Australia's leading trade partners Japan, South Korea and China all paid average wholesale gas prices between \$US7 and well over \$US8/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 26th in a survey of 52 nations.

APPEA Director Matthew Doman said the survey showed the highest wholesale prices in 2016 were found in largely LNG-dependent countries where the industry exported LNG and earned export revenue for Australia.

"While the Australian gas market is tight and prices for new contracts are higher than they have been historically, it remains the case that, contrary to some claims, across the economy Australian gas consumers are not paying prices above those paid on average in Japan or other LNG importing nations," Mr Doman said.

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

"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 chart of Wholesale Gas Prices in 2016 by Country.

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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 2016 by Country, \$US/MMbtu (source IGU)

