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WA gas report warns of declining exploration

An independent review of Western Australia's gas market highlights the urgent need for more exploration to secure future supply.

The Australian Energy Market Operator's annual WA Gas Statement of Opportunity (GSOO), released today, warns of a gas shortage in the west if new supply is not developed in the next five to seven years.

The report shows exploration in WA in 2017 was at its lowest level since 1990.

APPEA Chief Operating Officer WA Steadman Ellis said there was an urgent need for Government policies to encourage exploration given new gas projects could take up to five years to be developed.

Mr Ellis said the GSOO showed why banning a new source of gas supply – shale gas – puts at risk WA's future energy security.

"Exploration for shale gas has stopped in WA due to the existing moratorium on hydraulic fracturing. If the Government was to impose a permanent ban the impact on future gas supply could be significant," Mr Ellis said.

"Shale gas has the potential to become an important new energy source for WA, providing jobs and investment in regional communities and a new source of revenue for the State.

"The GSOO estimates there could be 295,864 PJ of shale and tight gas in the west – double the state's conventional gas resources."

Mr Ellis said given the concerns raised in the GSOO, it was important the current scientific inquiry into hydraulic fracturing in WA be completed without delay.

"The draft final report of the Northern Territory's independent fracking inquiry has just concluded that any risks can be safely managed by effective regulation," Mr Ellis said.

"We expect the current WA inquiry – the fourteenth review of fracking in Australia – to reach the same conclusion.

"It makes no sense to continue to lock away a potentially massive resource of onshore natural gas which could help secure WA's energy future and deliver significant economic benefits."

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