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## AWU missing the point with calls to curb gas exports

The Australian Workers' Union should be calling for the immediate removal of state government-imposed bans on natural gas development instead of demanding heavy-handed restrictions on gas exports.

APPEA Chief Executive Dr Malcolm Roberts said the gas reservation policies being pushed by the AWU would discourage investment in new domestic gas supply, drive up energy costs for businesses and families and, ultimately, cost union members their jobs.

Dr Roberts said the AWU was relying on economic modelling that is dated and ignores evidence that gas prices are falling.

"The McKell Institute report released today ignores the latest advice to the COAG Energy Council and the advice of the ACCC in its subsequent December 2017 update which shows wholesale gas prices falling in all east coast states last year," Dr Roberts said.

"The AWU is also ignoring the fact that gas producers, under an agreement reached with the Federal Government, have significantly increased supply to the domestic market.

"This was done without tearing up existing export contracts as advocated by the AWU, a move that would seriously undermine Australia's investment reputation and threaten future investment in new supply.

"If the AWU genuinely cares about gas prices and jobs, it should join with industry in calling for the immediate removal of all state-based bans and restrictions on onshore gas development.

"It is no coincidence that Victoria, which has banned all onshore gas development, now has the most expensive wholesale gas in the market.

"The ACCC warned last year that southern states would continue to pay a premium for relying on Queensland gas – up to \$4GJ in additional transportation costs.

"The obvious solution is for Victoria and New South Wales to develop their own substantial gas resources. More supply – and more suppliers – will put downward pressure on prices."

Dr Roberts said the McKell Institute report was wrong to assert Australia had the world's highest gas prices with analysis by the International Gas Union showing average wholesale domestic gas prices were below the Asia-Pacific region average.

The IGU's latest analysis showed Australia's average wholesale price ranked 26th in a survey of 52 nations.

**Media contact: Kieran Murphy – 0408 151 922 – [kmurphy@appea.com.au](mailto:kmurphy@appea.com.au)**