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oil and gas industry

Media Release

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ACCC confirms gas prices easing – time for governments to remove supply restrictions

The latest ACCC gas market report confirms that east coast gas prices are continuing to ease as the industry – in particular Queensland's LNG sector – increases supply to the local market.

"The industry is delivering on its commitments to ensure eastern Australia has sufficient gas supply," said APPEA Chief Executive Dr Malcolm Roberts.

"The ACCC finds, as it did in its December 2017 report, that producers – particularly LNG producers – have made significant volumes of additional gas available to the local market and prices are continuing to ease, with most price offers now in the range of \$8-10/GJ."

The industry notes the ACCC's decision to publish an LNG netback price series. The industry supports measures to improve transparency in the market.

"A netback price series should provide customers with useful information about trends in the international spot market," said Dr Roberts.

"However, as the ACCC recognises, regional spot prices are just one factor influencing local prices. As in other markets, point-in-time spot prices fluctuate on a daily basis and are less relevant for customers seeking long-term contracts.

"The ACCC also highlights, again, that prices in the southern states are unnecessarily higher because of the need to buy interstate gas to meet demand. Transporting gas from Queensland can add \$2-\$4 a gigajoule to gas prices for customers in southern states.

"The ongoing ACCC Inquiry process continues to underline a simple truth – the only sustainable way to place downward pressure on gas prices and to improve energy security is more gas supply and more gas suppliers. This should be the focus of all governments."

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