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Gas producers delivering for local customers

Australia's major east coast gas producers have reaffirmed their commitment to delivering secure, competitively-priced gas to local customers.

Representatives of three east coast LNG projects and the Prime Minister, the Hon Scott Morrison MP, have signed an extended heads of agreement with the Commonwealth.

The new agreement extends the projects' commitments that, in the event of a shortfall, the east coast LNG exporters will offer uncontracted gas to the market on reasonable terms and uncontracted gas will not be offered to the international market unless equivalent volumes of gas have first been offered to the local market.

"The original heads of agreement last year was developed to address concerns of a possible supply shortfall in 2018 and 2019. Industry initiatives have helped remove this risk, with the latest government forecasts predicting supply and demand balanced across the market until 2030," APPEA Chief Executive Dr Malcolm Roberts said.

"After 12 months, the results are unambiguously good. The market is well-supplied, prices have fallen sharply, large commercial and industrial customers are receiving multiple offers from suppliers.

"The co-operative approach taken by the industry and Commonwealth has delivered great outcomes for customers."

Dr Roberts urged state and federal governments to do more to develop new gas supply.

"More supply is the only sustainable way to deliver secure, affordable gas for families and businesses. It will also maximise the return to the community from the natural gas resources owned by all Australians – LNG exports earned Australia \$31 billion in 2017-18 and are expected to reach 48.4 billion by 2019-20," Dr Roberts said.

"APPEA encourages all governments to focus on lasting solutions. It makes no sense for state governments to demand more and cheaper gas while supporting bans on local gas projects," Dr Roberts said.

"The ACCC reported that the three LNG projects in Queensland have contracted to sell 305 petajoules (PJ) of natural gas to domestic customers in 2018 – about half of east coast demand – and are likely to do the same in 2019."

Companies operating from offshore Victoria, South Australia and other Queensland gas projects supply the rest of demand.

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