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## ACCC calls for moratoriums on onshore gas to be lifted

The release today of the Australian Competition and Consumer Commission's (ACCC) latest *Gas Market Inquiry 2017-2020* report confirms that east coast gas prices remain below 2017 peaks, due largely to new supply entering the market.

"The ACCC finds that prices have eased since early 2017, with most offers in the range of \$8-11/GJ. Producers – particularly the LNG projects – are delivering more gas to the local market," said APPEA Chief Executive Dr Malcolm Roberts.

The September 2018 agreement<sup>1</sup> between LNG producers and the Commonwealth ensures that uncontracted gas is offered to domestic customers first.

"In the past year, we have seen significant announcements from Arrow Energy, Shell Australia, Senex, Cooper Energy, Strike Energy, GLNG, Australia Pacific LNG, Origin Energy, Santos, ExxonMobil, and BHP to bring on new gas supply," Dr Roberts said.

The latest ACCC report confirms, yet again, that customers in New South Wales and Victoria are paying more for their gas because of state government restrictions on developing local gas resources. Importing gas from Queensland adds \$2-\$4/GJ to retail prices in the southern states.

As the ACCC noted in releasing the report:

*The most material pricing benefits for domestic gas users are likely to come if additional lower-cost gas is produced in the Southern States ...*

And, very importantly:

***For this reason, we continue to urge state governments to adopt policies that consider and manage the risks of individual gas development projects, rather than implementing blanket moratoria and regulatory restrictions.***

"Governments wanting lower gas prices, more investment and more diversity of supply have the solution to hand – follow the Northern Territory's lead and support the safe, responsible development of the resources in their State.

"As we look to 2019 and beyond, it is time to shift the focus back to where it belongs – the need to ensure more gas supply and more gas suppliers. This should be the focus of all governments."

**Media contact: Matthew Doman – 0421 888 858 – [mdoman@appea.com.au](mailto:mdoman@appea.com.au)**

<sup>1</sup> Available at [www.industry.gov.au/sites/default/files/heads-of-agreement-2018-prime-minister-and-east-coast-lng-exporters.pdf](http://www.industry.gov.au/sites/default/files/heads-of-agreement-2018-prime-minister-and-east-coast-lng-exporters.pdf).