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ACCC says removing supply restrictions is vital for gas market

The release today of the Australian Competition and Consumer Commission's latest *Gas Market Inquiry 2017-2020* report confirms the actions taken by the oil and gas industry to bring more gas into the domestic market will ensure domestic gas supply until at least 2023.

APPEA Chief Executive Mr Andrew McConville said the ACCC report showed the industry has increased substantially the flow of gas to the east coast domestic market and this will continue into the future.

"The ACCC finds that prices have eased since early 2017, with most price offers now in the range of \$9-11/GJ. Producers – particularly LNG producers – have made significant volumes of additional gas available to the local market," Mr McConville said.

The September 2018 agreement between LNG producers and the Commonwealth ensured that any uncontracted gas was offered to domestic customers first.

"Following announcements in 2017 and 2018, there have been a significant number of new gas supply agreements in 2019 providing gas to domestic customers," Mr McConville said.

"The oil and gas industry announced billions of dollars in new investment in 2018 and beyond, to bring more gas into the market, supporting both domestic gas consumption and the gas export projects that are underpinning much of Australia's economic growth."

In the past two and a half years, there have been significant announcements from Arrow Energy, Shell Australia, Senex, Cooper Energy, Strike Energy, GLNG, Australia Pacific LNG, Origin Energy and Santos to bring on new supply in various parts of eastern Australia.

"This means the industry continues to meet in full the commitments provided to the Australian Government in 2017 and reaffirmed in 2018," Mr McConville said.

"The report also restated the ACCC's concern that customers in New South Wales and Victoria will continue to pay more for gas because of State government restrictions on developing local gas resources. Importing gas from Queensland can add \$2 to \$4/GJ to the price paid by consumers in the southern states."

In releasing the report, the ACCC once again urged:

... State governments to play their role in providing access to gas resources by adopting policies that consider and manage the risks of individual gas development projects, rather than implementing blanket moratoria and regulatory restrictions.

"The real answer to getting gas prices down is to support safe and responsible development of resources," Mr McConville said. "Working together to make this happen should be the focus of government and industry – to support all Australian businesses that rely on sustainable gas supply."

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