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## **MEDIA RELEASE – ACCC Report confirms more supply and lower prices**

The voice of Australia's oil and gas industry said the Australian Competition and Consumer Commission (ACCC) has reaffirmed for the tenth straight time there is no shortfall in Australia's domestic gas market.

The ACCC's latest *Gas Market Inquiry 2017-2025* interim report found '*Sufficient supply is forecast to be available to meet demand in 2022*' and that minor concerns around supply are already being addressed.

APPEA Chief Executive Andrew McConville said, "Our members are constantly working with customers to meet their energy needs. This includes signing more than 100 gas supply agreements and other commercial arrangements since 2012 including just last month Senex signing a long-term domestic gas sales agreement with Adbri Limited to supply up to 11 petajoules (PJ) of natural gas to support Adbri's South Australian manufacturing operations to 2030.

"They are also meeting the requirement-under the 2021 Heads of Agreement to offer equivalent volumes of uncontracted gas (spot cargoes) with reasonable notice on competitive market terms to the Australian domestic gas market before they are offered to the international market.

'Members continue to bring more supply online for domestic customers.

"This includes billions of dollars in new investment to bring more gas into the domestic market such as the announcement by Senex today of an expansion at Atlas which will supply a total of 18 petajoules of gas a year entirely for domestic use – which is more than five times the energy needed to run all the homes in Toowoomba.

Mr McConville said the ACCC's report also confirms that the market is working and again – as the IGU and others have makes it clear - domestic customers do not pay more for Australian gas.

"One of the great myths is that Australian customers pay more for their gas than overseas, that is simply a fabrication," Mr McConville said.

"Our industry is providing secure supplies of competitively priced gas to customers all over Australia.

"In 2020-21 the industry produced record volumes of gas while average spot prices remained low. The ACCC report found that prices for contracted gas in the east coast market through to February 2021 remained at the lower levels observed during 2020. The ACCC observed that price offers for supply in 2022 trended from \$6-11/GJ at the start of 2020 to a low \$6-8/GJ in the second half of 2020.

"Australia has abundant gas resources and the real answer to more supply and competitive prices is safely developing more gas resources close to customers.

"That's why the NSW Government should reconsider its decision to effectively lock up most of the state from gas exploration."

"In addition, the industry continues to work constructively with customers groups and the Australian Government on developing and finalising the gas Code of Conduct."



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oil and gas industry

# Media Release

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