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NEW REPORT SHOWS NEED TO REMOVE SUPPLY BARRIERS, IMPROVE INVESTMENT SETTINGS

A new report into Australia's east coast gas market has confirmed the need to remove barriers to new gas supply and projects, according to the voice of the nation's oil and gas industry.

The Australian Petroleum Production & Exploration Association (APPEA) today said the Australian Energy Market Operator's (AEMO) *2022 Gas Statement of Opportunities* (GSOO) showed there was no supply shortfall in the east coast gas market.

The GSOO forecast that gas supply was available under a range of scenarios to meet demand across the market until the 2030s. Mechanisms are also in place to ensure domestic supply in the event of a shortfall.

But APPEA Chief Executive Andrew McConville said state and federal governments must also make investment policy and regulatory settings more competitive to ensure ongoing energy security.

Mr McConville said the sector was working hard to ensure the production and delivery of gas, including announcing over \$27 billion of investments in supply and decarbonisation last year and another \$400 million this month.

"Australia's gas industry is essential to support Australia's economic recovery and ensure energy security to households and businesses," he said.

"But new supply for Australia will only come from new investment in exploration, development, construction and operation.

"At a time of growing international competition for capital, the industry needs policy certainty to make investments. In fact, the last wave of industry investment came at a time of greater regulatory stability.

"There is a massive economic opportunity for Australia to boost our economy and create thousands of new jobs with a new wave of investment – but the policy and regulatory settings have got to be right to facilitate that.

"The report out today by AEMO underscores that need. We look forward to working with state and federal governments to encourage more investment and bring more gas supply into the market, including in responding to any short-term challenges that might, under extreme circumstances, affect part of the market in 2023."

Mr McConville said the report showed that while a range of future scenarios were possible, natural gas remained a much-needed part of the future cleaner energy mix given its firming role for renewables, as a replacement for coal, as a feedstock for hydrogen and an ongoing source of heat and power for hard to replace uses in manufacturing.

"Gas, as a cleaner form of energy, is a reliable and stable fuel and demand shows it will be a key plank of our power mix for decades to come as we decarbonise and deliver our commitment to reduce greenhouse gas emissions to net zero by 2050," he said.

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