

**5 July 2022**

## **ADGSM EXTENSION CONSULTATION SHOULD FOCUS ON MAINTAINING GLOBAL INVESTMENT CONFIDENCE**

Australia's oil and gas industry will work constructively with the government during consultation over an extension to the Australian Domestic Gas Security Mechanism (ADGSM).

The Australian Petroleum Production & Exploration Association (APPEA) today said the policy settings for the sector needed to maintain investment confidence in Australia.

APPEA Acting Chief Executive Damian Dwyer said: "The oil and gas industry will work with the government as part of the consultation on extending the ADGSM.

"Australian natural gas has a critical and ongoing role to play in the cleaner energy future mix, both domestically and internationally, but to do that it needs investment certainty.

"Australia needs to be conscious of the signal any consultation sends to our longstanding trade and investment partners who have invested in the Australian economy because of our investment stability and purchase our gas at great benefit to the Australian people.

"Just look at the \$6 billion in royalties over five years Queensland recently forecasted from the state's LNG projects.

"These foreign investors and trading partners are the same partners Australia will work with to build our future hydrogen export industry, so it is important to demonstrate consistency, certainty and market stability now."

Mr Dwyer said it was important any policy changes in response to recent east coast energy market pressures focused on the now well-established problems – coal-powered generation outages and renewables dropping out of the grid, resulting in an extraordinary demand for gas in a very short period.

"There was no gas shortfall – the ACCC has said that 11 straight times – but there was a rapid call on gas, with little notice, due to failures elsewhere," he said.

"EnergyQuest research shows east coast gas users paid lower prices than overseas customers and gas exports weren't to blame for pricing pressures.

"Gas price rises in March, April and May were found to be related more to the increase in gas stepping up to help rather than anything to do with LNG exports. During the period of rising spot prices, CSG production from the LNG projects exceeded exports by 8.1 PJ."

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