

# MEDIA RELEASE

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**Number of Pages: 1**

**6 November, 2008**



## **Gas price increases not justified by condensate subsidy removal**

The DomGas Alliance has rejected claims by oil and gas producers that the financial impact of removing the Federal condensate excise tax exemption should be passed on to domestic consumers.

“There is no basis for requiring consumers to compensate Woodside and its joint venture partners for the removal of this concession,” Alliance Chairman Stuart Hohnen said.

“Producers believing they can pass on these costs through increased prices underlines the serious lack of competition in the West Australian domestic gas market.”

The condensate excise exemption was a historical concession given to the North West Shelf Project to support its initial development in the 1970s. Other oil and gas projects in WA have been required to pay the excise, and have done so for many years.

“Given that the excise is payable on the production of condensate, not natural gas, there is no basis for raising natural gas prices for WA consumers,” Mr Hohnen said.

“Producers have also not threatened to pass on costs to overseas LNG customers – where a competitive market exists – but only to local consumers.”

Under a joint selling arrangement, the North West Shelf Joint Venture producers sell to local consumers through a single entity. The arrangement is currently being examined by the Senate Economics Committee and the Australian Competition & Consumer Commission.

“I call on the Federal and State Governments to support the efforts of consumers to remove joint selling and promote a competitive upstream gas market in Western Australia,” Mr Hohnen said.

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