



Energy White Paper Taskforce
Department of Industry
GPO Box 9839
CANBERRA ACT 2601

Dear Sir/Madam,

The DomGas Alliance welcomes the opportunity to provide comment and feedback on the Federal Government's Energy Green Paper.

The DomGas Alliance was established in 2006 and represents major industrial users of gas in Western Australia; companies which help generate economic growth, promote regional development and provide employment for thousands of Western Australians.

The Alliance believes the Green Paper represents yet another missed opportunity by our Federal government to ensure Australian industry and Australian jobs benefit from our abundant natural gas resources.

The paper makes repeated references to the importance of Australian industry of having access to "secure, affordable and reliable energy" but it does not spell out a vision or a strategy that would actually deliver this, particularly in relation to natural gas.

If the Green Paper is anything to go by, the final document would be more accurately titled the *Energy Export White Paper*.

Energy exports are vital to Australia's economic prosperity. The DomGas Alliance recognises the importance of the LNG export industry and we support the continued growth of the LNG sector.

We strongly believe, however, that this growth should be balanced with the need to ensure that Australia's domestic industry has fair access to Australia's energy resources.

It comes down to a fairly fundamental question: do we want Australia's national energy policy to ensure Australian industry has access to the energy it needs to grow and employ more Australians, or do we simply want it to facilitate the accelerated export of our energy resources to other nations to drive their industry and protect their jobs?

The DomGas Alliance believes the Green Paper delivers the wrong answer to this question and we fear that this will simply be repeated in the final White paper, to the detriment of Australia's national interest.

There is no dispute that Australia's LNG export sector will deliver employment growth but why should we sacrifice existing jobs and potential jobs from new developments in our domestic industry?

A sensible national energy policy would work to strike the balance to ensure that Australia achieves the best of both worlds with LNG growth and energy security for Australian industry and jobs.

While APPEA, oil and gas producers and even the Federal government itself have championed the “all or nothing” LNG approach, the real world Western Australian experience has shown that sensible government policy intervention to protect local industry and local jobs has not destroyed investment in the LNG sector.

In fact, after almost eight years of a formalised domestic gas reservation policy in Western Australia, our State achieved yet another record year of investment in oil and gas exploration in 2013 coupled with yet another record year of LNG exports. Indications to date are that 2014 will again set new records in exploration investment and LNG exports.

We would urge the Federal government to reassess its opposition to supporting local industry and local jobs before it is too late.

There are a number of areas in the Green Paper that the DomGas Alliance strongly supports. These include the need for continued streamlining of regulations and approvals for new gas projects, an increased commitment to skills training and the need for governments and industry to work together to ensure the timely development of unconventional gas sources.

There is, however, a range of further measures the Federal government could consider to ensure Australian industry has secure access to Australia’s natural gas resources. These include:

- Domestic gas reservations;
- A tougher stance on the issuing of retention leases;
- Support for the removal of competition-destroying joint marketing arrangements;
- Provisions for access to third party infrastructure; and
- A realistic assessment of the negative impacts of Floating LNG and the development of a policy framework to mitigate these impacts.

The DomGas Alliance provides the following comments in the hope that final White Paper redresses the imbalance apparent in the Green Paper.

If you require further information I can be contacted via matt@domgas.com.au or on 0419 813 171.

Yours sincerely

MATT BROWN
Executive Director