



Canberra must act on gas hoarders: DomGas Alliance

The DomGas Alliance says the Federal government can no longer ignore evidence that oil and gas companies are warehousing natural gas resources under retention leases.

Media reports have confirmed that BHP Billiton will focus on its shale business in the US, relegating the development of gas fields off the Western Australian coast to a lower priority.

The move means gas reserves that could profitably supply the domestic industry in Western Australia will be effectively warehoused for future supply at an unknown time to the export market.

The Federal government had previously said it would crack down on producers warehousing reserves with a tougher “use it or lose it” approach to retention leases.

DomGas Alliance Executive Director Matt Brown says it is time for the Federal government to deliver on that commitment.

“BHP has made its intentions perfectly clear,” Mr Brown said.

“In their own words they have said they won’t push forward with the Western Australian projects if there are better returns to be had from projects in their US portfolio.

“The Federal law is perfectly clear in regards to retention leases. There is no scope whatsoever for a company to put Australian resource projects on hold because they think they can make more money elsewhere.

“An independent report by Deloitte Access Economics has confirmed that reserves off the Western Australian coast can be supplied to the domestic market while providing an appropriate rate of return to producers.

“That is the sole test under our Federal retention lease laws.

“Oil and gas producers have no right to say they want to hold these reserves until some time in the future when they can make greater returns from LNG exports.

“The Federal government and its advisers should stop making excuses and start ensuring the law is implemented as the Parliament intended.

“This gas could and should be supplied into the domestic market to grow the Western Australian economy, create and protect jobs and support regional development.”

For further comment contact Matt Brown on 0419 813 171.

08/09/14