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No gas for WA industry and jobs from floating LNG.

The DomGas Alliance says a landmark Parliamentary report has highlighted the threats posed to Western Australian industry and jobs by the use of floating LNG technology to develop our offshore gas resources.

The Alliance says the inquiry into the economic implications for WA of floating LNG technology by the Economics and Industry Standing Committee has produced a credible, considered and substantial report.

The report has made a number of findings that are consistent with the concerns expressed by the DomGas Alliance including that floating LNG will:

- Deliver no gas for domestic industry in Western Australia and the jobs it generates;
- Reduce opportunities for local content and the jobs it generates;
- See the loss of tens of thousands of potential Western Australian jobs in the construction industry;
- Generate more tax income for Canberra but will lead to a “serious loss of revenue” for Western Australia, with a loss of up to \$1.7billion in income for the State government on the Browse project alone;
- Potentially lead to lower resource recovery, leaving larger amounts of gas in the ground; and
- Reduce development and economic opportunities for indigenous communities.

The report has highlighted the importance of gas for Western Australia’s future, stating, *“without certainty of supply, economic development in the state will be negatively impacted”* and *“a restricted supply of domestic gas will severely impact on economic development and energy demand in Western Australia.”*

The Committee has also called for the State’s domestic gas reservation policy to be retained and strengthened and has strongly rejected claims by oil and gas producers that the policy has a negative impact on investment.

The Committee’s report also echoes the ongoing concerns of gas users that the Commonwealth is not managing the retention lease process effectively and is allowing the warehousing of resources which could be used for domestic supply.

The DomGas Alliance has backed the Committee’s call for the implications of floating LNG to be addressed in the Commonwealth’s Energy White Paper.

DomGas Alliance Executive Director Matt Brown says the report should be a wake-up call to Canberra that there is a looming crunch-point for Western Australian industry and jobs.

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“Canberra is showing a strong interest in gas supply issues on the East coast where jobs are at risk but to date has taken a hands-off approach to the issues faced by Western Australia where our jobs are threatened,” Mr Brown said.

“This report is telling us that has to change. Canberra must get involved in these issues before industry and jobs are put at risk.

“If we accept that the use of floating LNG technology is inevitable, lets make sure we have in place a policy framework which overcomes or addresses these negative impacts.

“We can’t do that if Canberra simply sits back and does nothing.

“Just over a month ago we had a Senate election where a range of candidates said they would stand up for a better deal for Western Australia. Here is their big chance to show they meant it.

“An independent FlashPoll just prior to the Senate election found that, on being told that most of WA gas reserves fall within Commonwealth waters under Canberra’s control, 96% of respondents said that the Commonwealth should ensure that a share of this gas is supplied to the local economy.”

The DomGas Alliance has thanked the Economics and Industry Standing Committee and its Chair, Mr Ian Blayney MLA, for their ongoing work on the issue.

For further comment contact Matt Brown on 0419 813 171.

Note: The DomGas Alliance represents the major industrial users of natural gas in Western Australia; companies that provide thousands of jobs, generate regional development and support local communities.