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WA must get a fair share of Browse gas

The DomGas Alliance says Western Australia should not be shortchanged on its fair share of domestic gas from the proposed Browse project.

The State government has stated that the project will be required to commit a small but fair share of its gas to Western Australia under the domestic gas reservation policy.

The policy's 15 per cent reservation requirement ensures a balance is struck between LNG exports and ensuring Western Australia has access to the gas it needs to build industry and protect jobs.

Media reports have suggested the Browse partners will meet the commitment through developing a new field or by utilising "uncommitted LNG supply".

The DomGas Alliance supports the principle of allowing the domestic gas reservation policy commitment to be met by offsets.

But Alliance Executive Director Matt Brown says any agreement must be transparent and ensure that domestic supply is increased by an appropriate amount.

"The Premier has taken a stand on the Browse domestic gas requirement and we continue to support the government's efforts to secure a fair share of this gas for Western Australia," Mr Brown said.

"We remain concerned that the producers may try to use some creative accounting to meet the domestic commitment.

"If there is a new field which can be developed then that field would be subject to a 15 per cent reservation in its own right.

"So we need to ensure that there is no sleight of hand and that 15 per cent of the new field is captured under the policy *in addition* to the amount required to offset the Browse reservation.

"Our understanding at this stage is that the State government is of the same view."

Mr Brown said the media reports also raise significant concerns about the commitment of oil and gas producers to supply into Western Australia.

"Woodside began exporting gas from its Pluto project in 2012 but almost three years later there is still no sign as to when it will start to supply gas to Western Australia," Mr Brown said.

"Suddenly with the Browse project approval in the balance, we find media reports of new undeveloped fields and excess LNG capacity.

“We have seen a similar circumstance with Chevron’s Gorgon project which has deferred a large part of its domestic supply until 2021 because of apparent concerns about production rates.

“At the same time Chevron have pushed ahead with environmental approvals for a fourth LNG train to allow for increased supply to the export market.

“Surely supplying a small but fair share of our gas into our State should be the top priority for these companies from a social licence to operate perspective.”

For further comment contact Matt Brown on 0419 813 171.