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## **Domestic gas supply debate can't be ignored**

The DomGas Alliance says momentum is building for a complete re-think of our national energy policy to ensure Australian industry has fair access to Australian gas.

The ACTU this week passed a motion supporting a national approach to domestic gas reservations. The DomGas Alliance says there is now a groundswell of community support for action on gas policy.

But Alliance Executive Director Matt Brown said multinational oil and gas producers would now mount a scare campaign to protect their own interests.

"Canberra was warned back in 2006 that the gas supply problems facing Western Australia would ultimately emerge on the East coast but they did nothing," Mr Brown said.

"Now the emergence of an LNG export industry in Queensland means domestic gas users – who employ tens of thousands of Australians – either can't find enough gas or are being priced out of the market.

"Canberra is still turning a blind eye to this emerging debacle and appears mesmerised by the large LNG projects rather than the importance of local industry and jobs.

"Our argument is simple: why not have both?

"The Western Australian experience is that you can have a growing, highly profitable LNG sector while at the same time ensuring that a small but fair share of our gas is directed into the local market to drive local industry and create new jobs.

"A sensible, flexible domestic gas reservation policy, supported by tougher stand on gas producers hoarding gas supplies, would help resolve the issue."

Mr Brown said Western Australia's experience of a successful, working domestic gas reservation policy should put paid to any scare campaign.

"They will say reservations will destroy investment – in WA exploration investment has increased five-fold on pre-reservation levels. And projects worth more than \$100billion have gone into construction," Mr Brown said.

"They will say gas will stay in the ground – in WA the Gorgon, Pluto, Wheatstone, Devil Creek and Macedon projects have all gone ahead. So both LNG and domestic focused projects have proceeded with no problem and WA is producing record amounts of gas.

"They will say it will stop Australia from being a major exporter of LNG – but WA is exporting record amounts of LNG with a four-fold increase in the value of those exports.

“They will say international companies will take their investment dollars elsewhere – but the same companies that warn against Australia looking after local industry are happy to operate in other countries that have policies in place to support domestic supply. And multi-national Chevron was faced with reservations on both its Gorgon and Wheatstone projects and still chose to stay in Australia, investing more than \$80billion in those two projects.

“They will say look at the reservation problems in Indonesia– but Indonesia’s policy in no way reflects the WA policy. And for the record, major producers like Inpex still invest significantly in Indonesia.

“They have been saying all of this and more for the past nine years – and yet we see record exploration and construction investment, new domestic gas projects and record exports of gas.

“Now the issue of East coast reservations is in play, expect the same old scare campaign.

“At the end of the day, Australia’s national energy policy should put Australia’s national interest, not the self-interest of oil and gas producers, first.”

**For further comment contact Matt Brown on 0419 813 171.**