

MEDIA RELEASE

FOR IMMEDIATE RELEASE
5 November 2009



ACCC fails consumers over Gorgon gas prices

Western Australian consumers are dismayed by the ACCC's decision to allow Shell, Chevron and ExxonMobil to combine together to sell Gorgon gas, including by setting prices, terms and conditions.

DomGas Alliance Chairman Tony Petersen said the ACCC's decision was taken in the face of overwhelming opposition by industry, power generators, infrastructure operators and gas consumers.

"The ACCC ignored the views of consumers and relied exclusively on the claims made by Shell, Chevron and ExxonMobil," Mr Petersen said.

"As a result, every business and household will be paying more for their gas and electricity."

The ACCC's own commissioned Allen Consulting Group report warned that authorisation for joint selling will lead to higher prices for consumers. Separate selling would instead force Shell, Chevron and ExxonMobil to compete with each other, resulting in lower prices for consumers.

"It is illogical for the ACCC to conclude that three of the world's biggest oil and gas companies need the protection of joint selling arrangements to sell their 5 per cent of Gorgon gas to Australian consumers," Mr Petersen said.

"They sell separately and compete with each other when marketing 95 per cent of Gorgon gas to overseas LNG customers."

"The ACCC's decision means the biggest companies in China and India will enjoy the benefits of competition, while this was denied to Australian consumers."

"WA domestic gas prices are already among the highest of any gas producing or exporting economy in the world and now the ACCC has decided that less competition will be good for consumers."

Media contact: Gavin Goh
Tel. 0403 310 897