

MEDIA RELEASE

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Parliament Committee urges action on gas prices

Western Australia's peak energy user group has welcomed the report by the WA Parliamentary Committee Inquiry into the State's high domestic gas prices.

DomGas Alliance Chairman, Tony Petersen, said the Committee's findings confirmed what gas users had been saying for years – that too little gas was being made available to the domestic market and at too high prices.

The Alliance urged the State and the Commonwealth Governments to act on the Committee's findings and recommendations, including that:

- the State's 15 per cent domestic gas reservation policy be maintained;
- the State require the North West Shelf Joint Venture to commit to maintaining existing domestic gas supply levels until at least 2025;
- the State establish an independent Gas Market Monitor to oversee the local gas market, modelled on the Queensland Gas Commissioner;
- the State and Commonwealth vigorously pursue the elimination of anti-competitive joint marketing arrangements maintained by the Gorgon and North West Shelf Projects, when ACCC authorisations for those arrangements expire in 2015; and
- the State and Commonwealth stringently enforce offshore retention leases and ensure domestic gas supply is prioritised in granting or renewing retention leases.

The Committee found that in the absence of a domestic gas reservation policy it is unlikely that LNG producers would develop adequate domestic gas processing facilities.

Mr Petersen said the Committee's recommendations were practical and readily available to both the State and Commonwealth.

"If implemented, these recommendations would support jobs, investment and growth in Western Australia, while putting downward pressure on gas and electricity prices," Mr Petersen said.

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