

MEDIA RELEASE

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State affirms domestic gas reservation

Western Australia's peak energy user group has welcomed the announcement by Premier Barnett that the State will retain the domestic gas reservation policy.

DomGas Alliance Chairman, Tony Petersen, said the reservation policy was the single most important instrument available to ensure domestic supply.

"Western Australia depends on gas for 60 per cent of its energy and 70 per cent of its electricity," Mr Petersen said.

"Ensuring affordable supply of gas to local business and households should be part of LNG producers' licence to operate."

The announcement came in response to a WA Parliamentary Inquiry Committee warning that LNG producers are unlikely to develop adequate supply for the domestic market in the absence of reservation obligations.

The Committee also found no evidence to support claims that domestic gas reservation obligations have deterred LNG producers from investing in Western Australia.

The Alliance welcomed Premier Barnett's announcement that the State had approached the Federal Government to include a domestic gas supply requirement in the conditions for granting or renewing offshore petroleum leases in Commonwealth waters.

"I urge the Federal Government to support the State's reservation policy and help put downward pressure on energy prices," Mr Petersen said.

"Governments around the world are acting to secure energy and domestic gas supply is vital for jobs, investment and growth."

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The DomGas Alliance

The DomGas Alliance is Western Australia's peak energy user group and represents natural gas users, infrastructure investors and prospective domestic gas producers. The Alliance promotes security and affordability of gas supply.

Members include: Alcoa of Australia, Alinta, DBP, ERM Power / NewGen Power, Fortescue Metals Group, Gold Fields Australia, Horizon Power, Newmont Australia, Synergy and Verve Energy.

Alliance members represent around 80 percent of Western Australia's domestic gas consumption and transmission capacity, and supply gas and electricity to 800,000 households and 200,000 small businesses.

