

MEDIA RELEASE

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State Energy Initiative points the way on domestic gas security

Western Australia's peak energy group has strongly endorsed the Directions Paper on energy security, released as part of the State's 2031 Strategic Energy Initiative.

DomGas Alliance Chairman, Tony Petersen, said the Paper sets a clear way forward on domestic gas security.

"I applaud the Minister for Energy, the Hon. Peter Collier, and the State Energy Initiative team for their efforts on this vital issue for Western Australia."

"The Directions Paper is both pragmatic and visionary on the domestic gas policies needed to secure the State's energy future."

Mr Petersen said the Alliance supported key measures proposed by the Directions Paper to promote domestic gas supply. These include:

- tightening the State's domestic gas reservation policy, while providing sufficient flexibility for LNG producers to meet domestic supply commitments through gas swaps;
- discouraging the warehousing of gas resources under retention leases when those resources could be developed to supply the domestic market;
- tax and royalty incentives for domestic gas exploration and development;
- an open-access offshore exploration regime;
- promoting market development and transparency through a Gas Bulletin Board and Gas Statement of Opportunities;
- facilitating common-use infrastructure to cut gas development costs.

"All of these initiatives are practical and readily available for government to put in place," Mr Petersen said.

“Gas users will continue work with the State to expand on these proposals with the final Energy 2031 paper expected later this year.”

Western Australia is Australia’s most gas-dependent economy. Natural gas fuels over 50 per cent of the State’s primary energy and 60 per cent of its electricity generation. The WA gas market is bigger than NSW, the ACT and Queensland’s combined.

According to government and industry projections, WA faces a potential domestic gas shortfall of up to 600 terajoules per day over the next decade. The State currently consumes almost 1000 TJ/d of gas.

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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, Murphy Oil, 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 200,000 small businesses and 2 million West Australians.



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