

Media Release

Gas Statement of Opportunities: a major concern for WA industry

The Australian Energy Market Operator's (AEMO's) 2022 Gas Statement of Opportunities, released today, points to a serious shortfall in the supply of gas to the Western Australian domestic market from 2024 to 2027, and again from 2030 onwards.

DomGas Alliance Chairman, Richard Harris, said that the gas shortfall would hurt major industries in WA, including those that employed thousands of workers in mineral processing, fertiliser manufacturing and chemical production, and the resources sector generally.

"The gas shortfall will not only cause major disruption to the WA economy, but will hamper the transition to net zero emissions, because additional gas is needed to transition away from coal without compromising the stability of the South West Interconnected System," Mr Harris said.

"Already, we are seeing impacts on the electricity system in the south west of the State because of coal supply issues, which force gas-fired peaking generators to run at full capacity when they are only designed to provide short term back up to the existing baseload system."

Mr Harris said that the emerging crisis required government to act to ensure gas supplies to the domestic market were increased to avoid the shortfall and to avoid the severe impacts on industry and households that were currently occurring on the east coast.

"There is no shortage of gas in WA and the domestic gas reservation policy should be able to ensure we have enough supply to avoid any future shortfall, but currently the domestic market is being neglected as producers are lured away by the very attractive export prices for LNG at the moment."

Mr Harris said that while the domestic gas reservation policy aimed at 15 per cent of gas production being reserved for the domestic market, the DomGas Alliance understands only about 10 per cent is currently being supplied to WA customers.

"Government needs to ensure compliance with the policy and call on LNG producers to bring forward gas that has been set aside for the domestic market to fill the gap between 2024 to 2027."

Mr Harris said that the shortfall from 2030 onwards was even more severe and meant that government had to do everything possible to fast-track approvals for those major gas fields in the Perth Basin which have been held up by recent delays in processing, and beyond that continue to encourage gas exploration.

The WA domestic gas reservation policy, first formalised in 2006, has served this state well in making energy secure, stable, and affordable for Western Australian households and businesses.

DomGas Alliance

The DomGas Alliance is a member-driven industry body representing natural gas users and infrastructure investors in Western Australia. Members include Alcoa of Australia, Coogee Chemicals, CSBP, Wesfarmers Chemicals, Energy and Fertilisers and Yara – they account for approximately 50 per cent of the gas consumed by large gas users in Western Australia.

Formed in 2006, the Alliance seeks to ensure a reliable, affordable, and diverse supply of natural gas for industry and households in Western Australia.

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