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JOINT MEDIA RELEASE

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GOVERNMENT ACTION ENSURES MORE GAS SUPPLIES AND LOWER PRICES

The Turnbull Government's intervention in the market to ensure more gas for domestic use before it is shipped offshore has averted a previous projected shortfall according to the latest Gas Statement of Opportunities (GSOO) released by the Australian Energy Market Operator (AEMO) today. This follows the Australian Competition and Consumer Commission (ACCC) finding in April that gas prices have fallen by up to 50 per cent.

AEMO forecasts no gas supply gaps in the most likely scenario for the domestic gas market out to 2030.

Adequate gas supply above domestic demand is forecast for 2019. This is largely due to reductions in forecast demand for gas-powered generation and a small increase in domestic gas supply including the connection of the Northern Gas Pipeline between the Northern Territory and Mt Isa in Queensland.

While the gas market remains finely balanced, the gas market on the east coast continues to improve since the volatility of 2016–17. Prices are lower, with a fall from a peak of \$20 a gigajoule in early 2017 to around \$8–10 a gigajoule, as shown by the ACCC in April.

AEMO and the ACCC have both noted that the institution of the Australian Domestic Gas Security Mechanism and the October 2017 Heads of Agreement signed between the Prime Minister and LNG exporters has ensured gas is available to Australian domestic consumers. The Heads of Agreement will remain in place for 2019.

The Turnbull Government is delivering on its promise to gas consumers to ensure gas supply and to bring down its price.

The increase in the domestic gas supply has also helped to drive a 30 per cent decrease in the wholesale price of electricity.

Longer term, with AEMO forecasting declines in existing reserves, it is clear that new gas reserves and resources need to be explored and developed.

This is why the Government continues to call on states and territories to remove blanket bans and moratoria on conventional and unconventional gas exploration which numerous inquiries have shown can be undertaken safely, responsibly and sustainably.

The Government has invested \$90 million to improve gas security, reliability and affordability for Australian gas users including delivering \$26 million in grants through the Gas Acceleration Program to bring on further new gas supplies out to 2020.

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