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APPEA welcomes West-East Gas Pipeline study

APPEA welcomes the Commonwealth Government's announcement today that successful tenderers have been selected to conduct a pre-feasibility study on the West-East Gas Pipeline.

The study will be conducted by ACIL Allen, in conjunction with GHD, and is due to report back to government in March 2018.

APPEA Chief Executive Dr Malcolm Roberts said the gas industry supported rigorous cost-benefit studies for new pipeline infrastructure.

"Provided the business case stacks up, APPEA welcomes more interconnection and further steps towards a larger, more integrated national market," Dr Roberts said.

"But it must be acknowledged that west coast gas is likely to be an expensive solution to east coast supply concerns.

"The reality is local gas will always be cheaper gas.

"The Australian Consumer and Competition Council (ACCC) recently advised that customers in Victoria and New South Wales were already paying a 25 per cent premium for importing gas south from Queensland.

"Transportation charges alone would mean gas travelling across the continent would carry an even greater premium."

Dr Roberts said developing local gas supply was the logical solution to supply concerns in the eastern Australian market.

"Victoria and NSW cannot continue to rely on other states to solve their gas supply issues. These states have abundant local onshore resources but would rather import gas from other states or, incredibly, from overseas," Dr Roberts said.

"It's time the Victorian and NSW governments recognised that the cheapest gas available to homes and businesses in their states is the gas they are standing on. They need to get on and develop it."

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