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## ACCC says remove restrictions to boost gas supply

Today's Australian Competition and Consumer Commission's *Gas Market Inquiry 2017-2025* [report](#) confirms actions taken by the gas industry to bring more gas into the domestic market have ensured current domestic supply, but more investment and development is required to maintain that supply in the medium-term.

APPEA Chief Executive Mr Andrew McConville said the ACCC report showed the industry has increased substantially the flow of natural gas to the east coast domestic market and this will continue into the future.

"The ACCC finds that prices have eased since early 2017, with producers – particularly Liquefied Natural Gas producers – making significant volumes of additional gas available to the local market," Mr McConville said.

"More recent data shows prices continuing to head down. Prices for the Brisbane short-term trading market, for example, are around their lowest levels since 2016 and well below LNG netback prices, while the Australian Energy Regulator reported this week ... *wholesale gas prices continued to trend down, with prices falling for the fourth consecutive quarter .. in Victoria and Sydney.*"

The September 2018 agreement between LNG exporters and the Australian Government – which remains in place for 2020 – ensures that any uncontracted gas is offered to domestic customers first.

"To ensure the investment needed to continue to bring new supply into the market occurs, it is important governments ensure the investment regime in Australia is supportive and resists the temptation to intervene further in the market," Mr McConville said.

In releasing the report, the ACCC once again urged action by state governments to create new supply:

***We also continue to encourage state and territory governments to adopt policies that consider and manage the risks of individual gas development projects, rather than implementing blanket moratoria and regulatory restrictions.***

"The real answer to ensuring gas prices are competitive is to support safe and responsible development of natural gas resources," Mr McConville said.

"Working together to make this happen should be the focus of government and industry in 2020 – especially in Victoria and New South Wales – to support all Australian businesses and households that rely on sustainable gas supply."

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