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Natural gas to underpin WA's economic recovery

The 2020 Western Australia Gas Statement of Opportunities (GSOO) released today highlights the critical role natural gas will play in the economic recovery of Western Australia as the State emerges from the COVID-19 pandemic.

The report presents the Australian Energy Market Operator's assessment of WA's domestic gas market for the 10-year outlook from 2021 to 2030. The report finds, in the "base scenario", the WA domestic gas market is expected to be well-supplied until 2026, and finely balanced until 2028. A potential supply gap is forecast for the final years of the period, however options are available to alleviate this.

APPEA WA Director Claire Wilkinson said the GSOO report highlighted the need for development of prospective gas resources to ensure the market remains adequately supplied as existing fields in production start to decline.

"As with previous decades, natural gas will underpin the energy requirements of the people and major industries of Western Australia in the decade to come. Reliable, low emissions energy production has never been more important to support the recovery of WA's economy from COVID-19," Ms Wilkinson said.

From 2021 to 2030, WA domestic gas supply is expected to benefit from the development of many key projects including Scarborough, Waitsia Stage 2 and West Erregulla. Three backfill gas fields for existing gas production are also expected to support supply, including Beharra Springs Deep, Corvus, and Spartan.

"Like all gas developments, bringing projects to fruition is a complex technical and commercial challenge, and with the industry facing a double-whammy of demand destruction and low oil prices due to COVID-19, we need to ensure policies and regulatory settings continue to support responsible resource development," Ms Wilkinson said.

"The global pandemic has led to some project investment decisions being delayed, and it's critical this does not result in permanent flight of investment capital from Western Australia, and indeed from Australia, along with the all the community and economic benefits that such investment brings."

The report also forecasts gas demand to grow at an average annual rate of 0.7% in the base scenario, largely due to growth in the mining and minerals processing sectors, a major wealth-creating part of the WA economy.

For more information, see www.aemo.com.au/Gas/National-planning-and-forecasting/WA-Gas-Statement-of-Opportunities

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