



9 July 2021

More proof Australians pay less for our gas than overseas

The voice of Australia's oil and gas industry said the latest international survey of wholesale gas prices by the International Gas Union (IGU) shows Australia's average natural gas prices remain competitive.

The 2021 IGU's Wholesale Gas Price Survey shows the average wholesale gas price in the AsiaPacific last year was around 27 per cent higher than in Australia (which was \$US5.28/MMBTU*).

The average wholesale price in the Asian region was also around 20 per cent higher than the average Australian wholesale price.

The IGU survey again showed the highest wholesale gas prices in the world were found in the main LNG importing nations of Chinese Taipei, South Korea, Japan and Singapore – at between \$US8-9/MMBTU. Australia's other major gas export market, China had the fifth highest prices in the survey.

"Our gas is competitive, reliable and helps reduce emissions in Asia. The myth perpetuated by vested interests that Australian gas is more expensive domestically than in our major trading partners is simply not true," said APPEA Chief Executive Andrew McConville.

"The statistics also show countries with the highest gas prices including Chinese Taipei, South Korea, Japan, Singapore and China – well above Australia – all have successful major manufacturing sectors."

The IGU said the lowest prices were found in countries with regulated markets where producers often sold gas below the cost of production and transportation. Those low-cost producers included Turkmenistan, Algeria and Venezuela.

Mr McConville said Australia does face higher wholesale gas prices than other leading gas producers, including the United States, Canada, Russia and in the Middle East.

"This in large part reflects the high cost of doing business in Australia, and ongoing impact of restrictions on the development of natural resources," he said.

"We need more gas closer to major population centres but we can only do this by removing unnecessary government restrictions on exploration and development as it is the most effective way to boost supply, enhance competition and put downward pressure on prices, ensuring Australia retains or improves its global position while enjoying the substantial and ongoing benefits from our LNG exports.

"At present, our industry faces the higher cost of transporting to major manufacturing centres because of the ongoing impact of restrictions on the development of new supplies close to market."

The IGU report can be found [here](#).

** MMBTU = one million British Thermal Units. The BTU is a traditional unit of work equal to about 1,055 joules. It is the amount of work needed to raise the temperature of one pound of water by one-degree Fahrenheit. The more usual measure of price used in Australia is gigajoule (GJ). 1 MMBTU = 1.055056 GJ.*

Media contact: Shaun Rigby on 0438 021 936.