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Natural gas to underpin WA's economy for decades to come

The 2021 Western Australia Gas Statement of Opportunities (GSOO) released today highlights the need to develop additional gas reserves in Western Australia if the State is to meet increased demand for gas over the coming decade.

The report presents the Australian Energy Market Operator's (AEMO) assessment of WA's domestic gas market for the 10-year outlook from 2022 to 2031.

The report finds, in the "base scenario", the WA domestic gas market is expected to be well-supplied until 2024. Between 2025 and 2027, domestic gas demand is forecast to exceed supply. AEMO said part of this shortfall could be met by "developing domestic gas fields not currently in the forecasts". From 2027, the commencement of Woodside and BHP's Scarborough project is projected to return the domestic market to a surplus until 2030.

APPEA WA Director Claire Wilkinson said, "The report shows we'll need more gas to meet our electricity needs as we replace coal, while our critical mining sector will also need more gas to meet the increasing demand for WA minerals."

"Developing new gas resources is not a given and bringing projects to fruition is a complex technical and commercial challenge. The State Government needs to ensure it provides clear policy settings and an efficient regulatory system to encourage investment in responsible resource development.

Ms Wilkinson said sufficient gas supplies can also support development of new downstream industries in Western Australia such as fertilizer, ammonia and in the longer term, hydrogen manufacturing.

"The State Government has long been advocating for increased use of gas in downstream industries, creating jobs and new export opportunities for the State, so it's critical the policy settings are conducive to making Western Australia an attractive place to invest.

"Unfortunately, we are still hearing of excessively long assessment times for project approvals and regulatory duplication between government agencies and between the State and the Commonwealth. In some cases, the regulatory framework is not even in place, such as the regulations needed to undertake hydraulic fracture stimulation (HFS) processes and to which the government has committed to implement.



Ms Wilkinson said the GSOO report demonstrates the importance of implementing the recommendations from the Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in Western Australia, finalised in 2018.

“Over three years later, we are still waiting for all the recommended regulatory changes be implemented. This delay has prevented growth of the industry in the Canning Basin which would create local, regional jobs and deliver reliable energy.”

“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, affordable, low emissions energy production has never been more important to create local jobs and support Western Australian businesses, mines and manufacturers.”

The WA GSOO report also forecasts gas demand to grow at an average annual rate of 0.8% in the base scenario, largely due to growth in the mining and minerals processing sectors, a major wealth-creating part of the WA economy.

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