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Keeping the cost of gas in Victoria down

Australia's 4.5 million gas customers face unnecessary supply uncertainty due to unclear development arrangements for the development of unconventional gas resources, the Energy Networks Association (ENA) said today.

Responding to the release of the Victorian Parliament's *Inquiry into onshore unconventional gas in Victoria* Energy Networks Association CEO John Bradley said that it is vital that unnecessary barriers to supply gas to the Australian domestic gas market are removed.

"Australian gas customers and Australian jobs depend on gas resources being developed in a timely way under robust regulatory frameworks," Mr Bradley said.

"Policy certainty and predictable regulation puts downward pressure on the cost of gas – with benefits to consumers and the Victorian economy.

"It is also an important instrument to support Australia's carbon abatement goals, natural gas from a distribution network delivers energy which is one-quarter to one-sixth of the carbon intensity of mains electricity.

"Victoria's 2 million gas customers rely more on gas for their household energy needs than any other State in Australia - it's vital to everyday conveniences such as heating, cooking and hot water.

"In contrast to the Victorian parliamentary inquiry, COAG Energy Council recently released its Gas Supply Strategy recognizing the importance of bringing more gas supply to market and encouraging more suppliers," Mr Bradley said.

The Committee was unable to come to a position on two proposed options: a ban on the unconventional gas industry in Victoria or a five year extension of the current moratorium.

"Neither option provides certainty to the gas sector to invest in exploration and development of unconventional gas reserves in Victoria under appropriate environmental regulation" said Mr Bradley.

"It also undermines secure long-term contracts for Australia's big gas customers whether they rely on gas for industrial processes or retailing to end use customers."

The ENA notes that the Victorian Government will now be considering its response, with a gas policy to be announced in 2016.

"The ENA looks forward to working constructively with the Victorian Government to reestablish a regulatory environment in the interests of gas customers with robust environmental and access regulation," Mr Bradley said.

The final report of the Inquiry into unconventional gas in Victoria was released on 8 December.

ENDS.

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ENA is the peak national body for Australia's energy networks; and represents gas distribution and electricity network businesses on economic, technical, environment and safety regulation as well as national energy policy issues.