



Government of **Western Australia**
Department of **Jobs, Tourism, Science and Innovation**

WA Domestic Gas Policy

Energy in Western Australia Conference

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Infrastructure and Major Projects, Strategic Policy
Department of Jobs, Tourism, Science and Innovation

Three pillars – *WA Domestic Gas Policy*

- The *WA Domestic Gas Policy* secures the state's long-term energy needs by ensuring LNG export projects also make gas available in the domestic market.

Reservation

Reserve domgas equivalent to 15% of LNG production.

Infrastructure

Develop and maintain access to domgas supply infrastructure.

Marketing

Show diligence and good faith in marketing gas to WA consumers.

North West Shelf State Agreement

Gorgon State Agreement

Pluto Domgas Arrangements & formalisation of policy

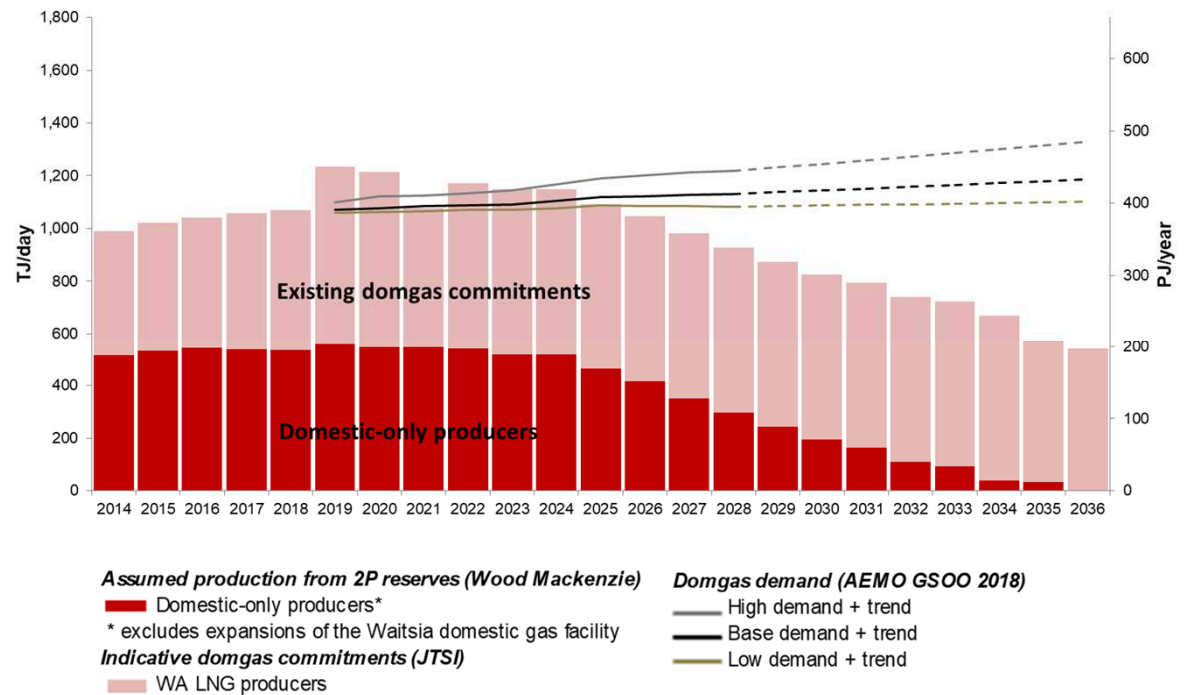
Wheatstone State Development Agreement & clarification of policy

North West Shelf State Agreement Variation



Implementation of the policy and gas market outlook

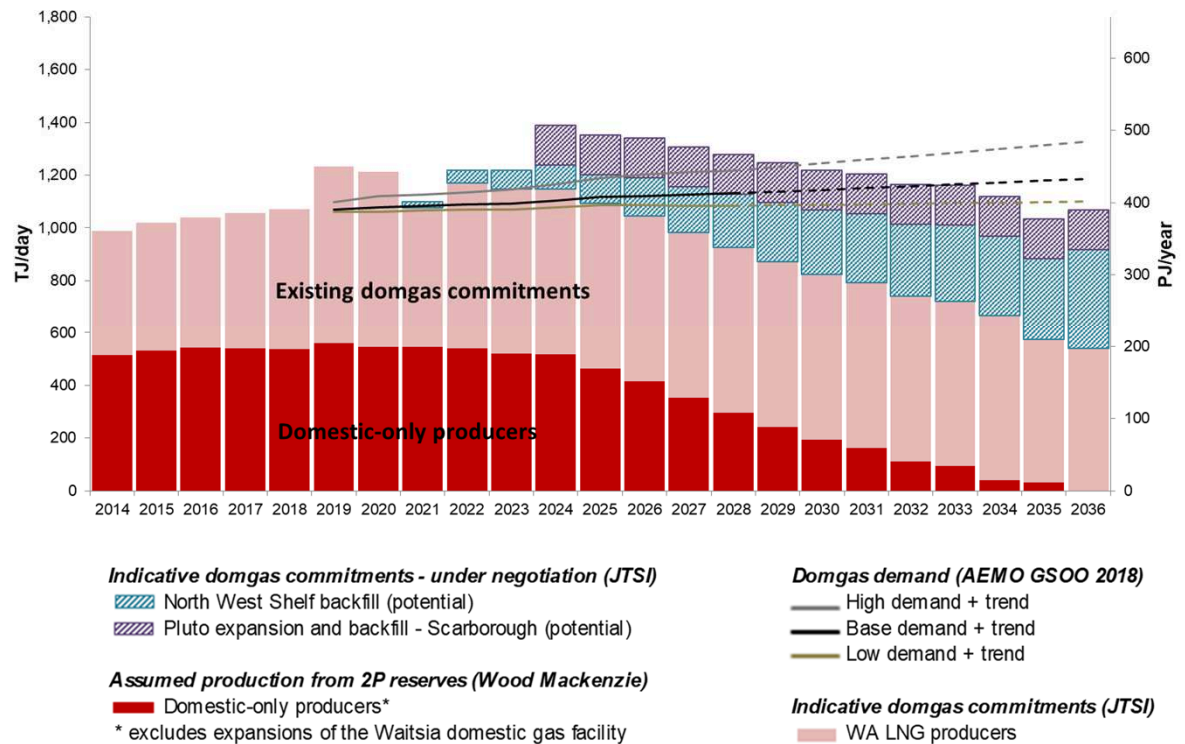
- Existing gas supply sources are likely sufficient to keep the domestic market well-supplied into the mid-2020s.
- Domgas infrastructure at Gorgon, Wheatstone and NWS LNG projects will meet half the current market's needs over the next two decades.
- Gas prices in WA are low: less than half the prices on the east coast.



Implementation of the policy and gas market outlook

Next phase of LNG development

- NWS and Pluto LNG facilities will process third party gas.
- Domgas arrangements apply to third party users.
- New commitments create opportunities for new industry.



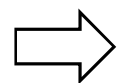
Emerging domestic gas market issues

Gas for downstream processors?

- Proponents considering WA for large-scale investment, regional development and job creation.
- Large gas volumes, internationally competitive prices, long lead times.
- Mixed reports of engagement with this sector by gas suppliers.

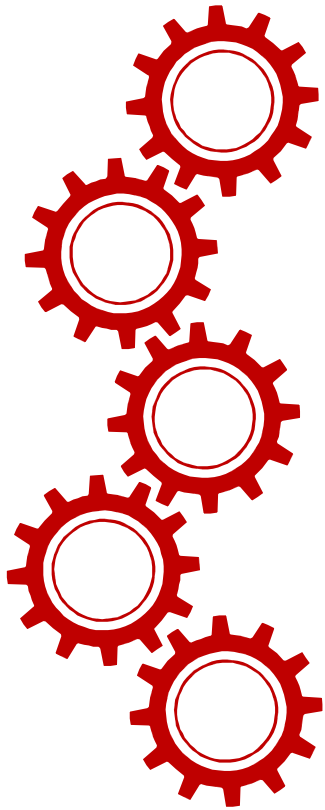
What happens if pipeline gas is used for LNG export?

- Closer integration of domestic and international gas markets.
- Opportunities and risks for WA.



Better understanding once there is clarity on the market outlook.

Government priorities



- Apply policy through robust commitments agreed as part of LNG project approvals.
- Ensure third party users of spare LNG plant capacity have access to domestic supply infrastructure.
- Facilitate flexibility as long as Government has clarity on where commitments lie and confidence they are being given effect.
- Standardise reporting on LNG producers' domestic gas commitments to assess compliance with the policy.
- Communicate commitments and gas availability to the market.

Contact us

WA Domestic Gas Policy Website

<http://www.jtsi.wa.gov.au/economic-development/economy/domestic-gas-policy>

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