Defend our Jobs and Living Standards Against Attacks

17. GAS

1. Congress notes the gas industry directly employs over 11,200 people, with more than an additional 870,000 jobs in related sectors such as manufacturing, steel, aluminium and food production.

2. Congress further notes that gas prices have risen by over 300% in the last three years alone, which has resulted in business closures and restructures that have carried significant jobs losses and that high domestic gas prices are also further driving up already hyper-inflated electricity prices, with many families struggling to pay their power bills.

3. Congress notes the distortions, particularly of price and supply, in the domestic gas market and by implication job security in many sectors that are suffering under the weight of increased costs from soaring electricity prices.

4. Congress condemns the Coalition Government’s dismal failure to provide an affordable, reliable and sustainable domestic gas supply to the tens of thousands of businesses who provide hundreds of thousands of jobs that are under threat or have been lost already.

5. Congress is alarmed that Australia is one of the world’s largest gas producers yet is unable to supply its own domestic gas needs at an affordable, reliable and sustainable way for businesses and consumers. It is absurd that Australia gas is being sold into overseas markets at cheaper rates than it is being sold in Australia.

6. Congress calls on the Government to resolve the ongoing gas crisis in Australia by:

   a) Ensuring that domestic gas requirements are met as a priority over export arrangements.

   b) Government imposing a flexible minimum gas supply requirement to be subjected to current and future projects, whereby the total expected future demand forecast by energy regulators for the East Coast is satisfied for the following year.

   c) An end to the current practice of LNG gas producers purchasing third-party gas to then sell on the international market. LNG projects should only be able to engage in this practice when granted permission by the government on an annual application basis where the government assesses eligibility based on the willingness of companies to supply project information, and indications of their intentions to withdraw or withhold gas supply from the domestic market.

   d) The introduction of ‘use it or lose it’ provisions. As is consistent with international best practice, the granting of tenements should be conditional on an intention to
invest in capital works. Undeveloped tenements should be retracted by the government. This policy should apply retrospectively.

e) Establishing the practice of LNG Producers submitting all existing contracts and contract offers to a contract hub managed by an appropriate government regulatory agency which would have the legal authority to investigate producers and monitor gas prices in real time.

f) Establishing a National Interest Test via an appropriate regulatory body (eg a Domestic Gas Review Board) to scrutinise future LNG projects to determine whether they are in the interests of all Australians.

7. Congress rejects the argument that much of the gas supply shortfall is a result of restrictions on the development of onshore gas, currently regulated by state governments.

8. Congress notes the gas supply shortfall and high gas prices was created by the unrestricted use of newly developed export terminals, as without export controls, there is no legal obligation for exporters to ensure that any increase in supply will be delivered to domestic users.

9. Any removal of gas moratoriums would increase in gas production in several years – at a minimum – from the decision being taken. This is far too late for the action that is required now, and would be well past the time frame required to secure the jobs that are currently under threat in the manufacturing sector.