

Australian average wholesale gas prices still below Asia-Pacific average

Gas Today 6 July 2017

Average wholesale gas prices in Australia remain lower compared to the average in the Asia-Pacific region, according to a new report.

The [International Gas Union's Wholesale Gas Price Survey 2017](#) shows that the average wholesale gas price in Australia last year of around \$US4.29 per million British thermal unit (MMBTU) was around one-third less than the average price for the Asia-Pacific region.

By comparison, Australia's leading trade partners Japan, South Korea and China all paid average wholesale gas prices between \$US7 and well over \$US8/MMBTU. Australia also enjoyed lower wholesale gas prices than its two regional LNG export competitors, Malaysia and Indonesia.

Globally, Australia's average wholesale price ranked 26th in a survey of 52 nations.

APPEA Director Matthew Doman has said the survey showed the highest wholesale prices in 2016 were found in largely LNG-dependent countries where the industry exported LNG and earned export revenue for Australia.

"While the Australian gas market is tight and prices for new contracts are higher than they have been historically, it remains the case that, contrary to some claims, across the economy Australian gas consumers are not paying prices above those paid on average in Japan or other LNG importing nations," Mr Doman said.

"Quite the opposite is true. Australia's wholesale gas prices remain in the 'middle of the pack', a position they have held for many years.

"Removing unnecessary government restrictions on exploration and development 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 benefits that flow to the nation from our LNG exports." Click [here](#) to read the IGU's *Wholesale Gas Price Survey 2017*.

AER seeks comment on Victoria and Albury gas network revenue decisions

Thu 6 July 2017

Gas Today 6 July 2017

The Australian Energy Regulator (AER) is seeking feedback on its draft decisions on the revenue that gas networks can collect from their consumers in Victoria and the Albury region of New South Wales through network charges for the 2018-22 period.

AER Chair Ms Paula Conboy said implementation of the draft decisions would lead to an estimated fall in the networks component of an average annual gas bill in Victoria and Albury of between \$9 and \$23 from 1 January 2018.

"The draft decisions released today aim to achieve value for money for these gas customers whilst enabling the pipeline businesses to invest in and deliver long-term safe, secure and reliable gas supplies," Ms Conboy said.

"Gas transmission and distribution pipeline costs in Victoria and Albury make up around 20-25 per cent of residential customers' bills and around 14-18 per cent of small business customers' bills.

"While the impact of these decisions would be relatively small, any reduction in network charges avoids adding further pressure to household and business budgets when many Australians are concerned about rising energy costs," Ms Conboy said.

"Australia's changing gas market is driving significant investment by some pipeline operators. While in many cases this investment is necessary, it is important we ensure these investments are appropriate so pipeline costs aren't adding unreasonably to gas bills.

"We are also strengthening incentives for gas network businesses to find more efficient ways to operate and maintain their networks. [Read full article here](#)



**Gas Appliance
Manufacturers
Association of
Australia**

**GAS
Connections**