



# Media Release

## Senator Alan Eggleston

### Liberal Senator for Western Australia

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#### Joint marketing of WA gas best option: Eggleston

10<sup>th</sup> September, 2010

Western Australian Senator Alan Eggleston says he is pleased by the Australian Competition and Consumer Commission's decision to allow North West Shelf Project partners to jointly market and sell their WA gas entitlements until 2015.

Among his reasons for maintaining the joint marketing system, Senator Eggleston noted the relative infancy of the WA gas market, the costs that would be incurred under separate marketing arrangements as well as the inherent structure of the gas market in WA in comparison with other States and countries, which are often better suited to a separate marketing system.

"In WA we have determined it to be advantageous to continue the joint marketing arrangement as recommended by the ACCC, due to the unique structure and small size of our gas market," said Senator Eggleston.

"While in other countries separate marketing arrangements have pushed down gas prices, given the logistics of gas exploration, storage and transportation in WA, it is wise to continue to allow the North West Shelf Project partners to jointly sell their gas entitlements.

"The Senate Standing Committee on Economics released a Report in December 2008, investigating the joint marketing arrangements in relation to North West shelf projects, which found there was sound evidence to continue the joint marketing arrangement," said Senator Eggleston.

Senator Eggleston said that because investment in the WA gas market required vast amounts of capital expenditure and also contained a large element of risk, it is essential to provide some certainty to encourage continued investment in the industry.

"Until the WA gas market evolves to include a greater number of customers, suppliers, transportation and storage options, the ACCC's decision to allow the continuation of joint marketing will continue to be the best option for WA," said Senator Eggleston.

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