GAS WATCH 242.

AGL ignores existing data and commissions new report in an attempt to have the Government abandon its exclusion zone protection of residential areas and critical industry clusters from CSG operations.

In yet another scare campaign AGL, clearly attempting to discredit the findings of the economists at the Australia Institute, said yesterday that we will have cheaper gas if coal seam methane exclusion zones are lifted.

In this new campaign, in a series of campaigns, AGL:

- Ignores the fact that NSW is not a single entity in the gas market but is simply a part of the whole *"Eastern & Southern Australia"* market.
  (See *"Eastern & Southern Australia – Existing Gas Reserves & Resources"* prepared by Core Energy Group in April, 2012 on behalf of the Australian Energy Market Operator http://www.appea.com.au/wp-content/uploads/2014/07/Eastern-Southern-Australia-Existing-Gas-Reserves-Resources.pdf);
- Says that CSG extracted in NSW will be used in NSW and not exported. Hard to believe when the big profits are in export;
- Claims that "economic modelling" shows new gas supplies developed in NSW will reduce wholesale gas prices in 2025 by 12%, after just putting up gas prices 18%. Can you believe it? Certainly the Australia Institute doesn't believe it. "Economic modelling" gives a result dependent upon the input.
- Ignores the fact that the gas industry is now throwing itself into the export market, and that links local prices into world prices, the main reason for current increases in gas prices.
- Ignores the Senior Economist at the Australia Institute who said in 2013: *"It's not the lack of supply that is going to drive up gas prices. It's the introduction of CSG as a new form of supply. Gas prices in Eastern Australia are low by world standards because at the moment they are not linked to prices in the rest of the world. This will change next year with the completion of the first of three large LNG facilities near Gladstone. After this the Eastern Australian gas market will be linked to the world market and the world price."*
- Ignores the further findings of the Senior economist at the Australia Institute, Matt Grudnoff, who said further in 2013 *"Many in the gas industry would like us to believe that public opposition to CSG is the reason for impending price increases. But it's the determination of the gas industry to sell to the highest bidder."*
- Has no regard for existing, sustainable agricultural and tourism industries such as the wine industry, the wine tourism industry and the thoroughbred breeding industry, which industries it could destroy with its gas fields. The gas fields will be gone in a few years destroying existing industries which have been sustainable for 200 years and which could go on for another 200 years without the threat to the amenity, to the water supplies, and without the risk of depositing thousands of tonnes of salt onto hitherto perfectly productive soil.
- Has no regard for the health of affected communities, for land values or for businesses.

Finally, AGL wants to keep its options open for another 100 years. Surely the current Government, or the incoming Government next March, will put a stop to this madness.

HUNTER VALLEY PROTECTION ALLIANCE

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