



30 October 2026

Domestic Gas Reservation Bills 2026

Senate Economics Legislation Committee

Opening Statement, Brett Woods, MD & CEO, Beach Energy Limited

Chair and Senators, thank you for the opportunity to appear.

Beach Energy is an Australian company headquartered in Adelaide. We've been producing energy for Australians since 1961. We directly employ almost 500 people and support thousands more jobs through contractors, suppliers and customers. We supply approximately 20 per cent of East Coast gas demand and all our East Coast gas goes to Australian households, manufacturers and power generators. None is exported.

As drafted, the Bill will fundamentally change how our business can operate. It will reduce investment in the southern gas supply it is meant to protect by requiring exporters to oversupply the market, displacing domestic producers who are already serving Australian customers.

To illustrate: Consider demand of 400 PJ. A 10% oversupply lifts required supply to 440 PJ. If domestic-only producers are forecast to supply 200 PJ, exporters must supply 240 PJ. If exporters deliver in full, as they will be legally required to do, and demand is unchanged, domestic-only producers can sell only 160 PJ, 80% of their forecast supply.

If domestic-only supply falls to 100 PJ, with demand still 400 PJ, the exporter obligation rises to 340 PJ. Full delivery leaves demand for just 60 PJ from domestic-only producers, 60% of their forecast supply. These are illustrations, not specific market forecasts, but they demonstrate how the oversupply mechanism could displace domestic production and undermine its commercial viability.

Less gas sold means less revenue for drilling and development to replace declining fields. Mandated volumes today must not come at the expense of investment in the southern supply Australians need tomorrow.

The risk of the scheme extends beyond gas. Liquids-rich southern basins also produce feedstock for domestic fuel production. Displacing that gas with dry gas from Queensland does not replace the associated liquids. Undermining southern production therefore materially risks weakening Australia's liquid fuel security as well as gas security.

Domestic production supports more than energy security. Beach has contributed approximately \$2 billion to Australian governments over the last five years and we have invested more than \$6 billion across Australia over the past decade. Sustaining that contribution requires continued investment as fields decline. Last year the Cooper Basin Joint Venture drilled 67 wells and made five gas

discoveries. Today's investment delivers tomorrow's gas and sustains the jobs, government revenue and downstream businesses our industry supports.

That includes Australian manufacturing. Beach wants the sector to thrive, and reliable gas supply is essential to its success. But manufacturers already pay less for energy than their counterparts in 75 per cent of OECD nations. The question is whether forcing prices lower today justifies putting tomorrow's supply at risk.

The Bill must serve Australia's national interest—not producers or customers alone. That means balancing immediate affordability with the investment needed to sustain domestic supply. Of the 31 manufacturing companies accessing the wholesale gas market, 27 are multinationals or foreign-owned. Their interests deserve to be heard, but they are not the whole national interest.

Australia needs a thriving domestic gas sector, competitive LNG exports and productive manufacturing. Instead of balancing these interests, the Bill sacrifices domestic production, gouges LNG exports and subsidises manufacturing. That is government picking winners.

We support action on genuine supply risks, not deliberate, sustained oversupply combined with a 'must sell' obligation. Making gas available is different from forcing its sale when customers cannot absorb it. Good faith alone does not address buyers delaying contracts or rejecting reasonable offers. Producers should not face unsustainable terms or penalties for purchasing decisions outside their control. That uncertainty delays contracts and investment.

Over the past 12 months, Beach's share price has fallen by about one third, primarily due to concerns over the Scheme's impact. Australians represent most of our shareholder base: that equates to about \$700 million in Australians' savings lost due to protracted policy uncertainty. Beach is only one example.

Kroll's June modelling estimates Australian GDP could be A\$205 million to A\$416 million lower in 2028 under effective gas reservation rates of 15 to 20 per cent, compared with no reservation. These reflect lower export returns, displaced southern production and extra transport costs. Our amendments require evidence for the buffer, recognise investment bringing additional gas to market, and count deferred deliveries towards current requirements, not on top.

Exporters facing penalties have an incentive to place gas locally while retaining overseas markets beyond their obligations. Excess Queensland gas can leave southern producers facing both lower prices and fewer sales, weakening reinvestment and risking more costly supply. Oversupply is not energy security.

Making domestic investment uncommercial could push companies such as Beach towards exports or investment offshore; the opposite of the Scheme's purpose, and our strategy. We are an Australian company, and our preference is to invest in Australia for Australia. Policy must support that choice.

To address these risks, Beach is asking for three practical changes.

- No forced oversupply: Set default oversupply at zero and increase supply by up to an additional 10% of forecast demand only when evidence demonstrates it is needed.

- No must sell: The scheme must not deter investment in new domestic supply by forcing gas sales at sub-economic prices.
- New supply is incentivised: recognises investment that creates new supply as additional gas.

Beach backs Australian manufacturing, regional jobs and a successful export industry. Get these settings right and Australia can secure affordable gas today and the investment to supply it tomorrow.

Thank you. I welcome your questions.