

PRESS RELEASE

FOR IMMEDIATE RELEASE – Wednesday, February 08, 2017



Door Slammed Shut on Victorian Gas Users

The leading advocate for large energy users, the Energy Users Association of Australia (EUAA) is disappointed that both the Victorian government and opposition have slammed the door on Victorian energy users by supporting a statewide ban on new gas exploration.

“While we recognise there continues to be community concern over fracking, a blanket ban on all gas exploration will prohibit additional conventional gas being brought to market to the detriment of all energy users” said EUAA CEO Andrew Richards.

“Gaining sufficient supply of gas at fair and reasonable prices continues to be a key concern for all gas users so any additional pressure on supply will only make a difficult situation even worse.”

The supply of gas, especially in the southern states, is already very tight. When combined with significant increases in the cost of gas since the commencement of LNG export from Gladstone, major users are under extreme pressure.

It is also apparent that gas fired power stations will need to play an increasing role in national electricity markets as the penetration of renewable energy continues to increase.

“In addition to being a critical input for many manufacturing and food processing industries, gas is set to play a central role in energy market transformation.”

“Reports today claim that significant quantities of onshore conventional gas could be extracted but will be left in the ground if the current situation continues, that puts industries at risk and clouds the future of the entire energy market”

The EUAA recognises there are varying opinions regarding unconventional gas and respect the concerns of communities. However, blanket bans are such a blunt instrument and clearly rule out opportunities to access gas in a way that protects the interests of farmers, communities and the environment.

“We are supportive of a case by case approach provided rigorous planning and assessment regimes are put in place so that all parties have confidence in the outcome.”

“At the moment the options for increasing gas supply appear to be shrinking at a time energy users are desperate for expanding supply and greater price competition.”

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