

# PRESS RELEASE

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## Prime Minister's Gas Crisis Meeting Announcement: A Ray of Hope or False Dawn?

"Reports from Canberra that the Prime Minister has gained guarantees from a number of LNG exporters to ensure sufficient domestic gas supply is a welcome development," said Energy Users Association of Australia (EUAA) Chief Executive Officer, Andrew Richards.

While details are yet to fully emerge, it is encouraging that the federal government and at least some LNG exporters understand the gravity of the current gas crisis and appear committed to preserving domestic gas demand.

"We would like to think this is a turning point and we will see greater access to gas at fair and reasonable prices for all energy users," said Mr Richards.

"Member companies of the EUAA have been reporting unprecedented increases in gas contact prices over the last 12 months that would either flow through to higher prices for consumers or would put many manufacturers out of business," added Mr Richards. "However the prelude to this crisis actually began two to three years ago."

"We will be watching gas markets very closely and engaging with member companies over the coming months to see if today's meeting results in a material change."

"If prices being offered in contracts do not come down to a reasonable level and if longer term deals are not being put on the table then further action by government may be needed."

EUAA has been calling for market reform for some time and its recent submission to the Finkel review laid out a number of recommendations for medium and longer term solutions.

"In welcoming the attempt to resolve the immediate crisis, it's important to recognise that this should not be seen as the fix-all. Market reform is required in the form of short, medium and long-term solutions," added Mr Richards.

The EUAA is a member organisation representing large energy users that include the production of raw materials, packaging, food, transport and other daily essential items that are used across the Australian community every day.

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