

## **ENERGY USERS WELCOME STEPS TO REDUCE ENERGY COSTS, PROTECT RELIABILITY AND ENHANCE ENERGY SECURITY**

The Energy Users' Association of Australia (EUAA) welcomes announcements from the Federal Government that will increase availability of gas for domestic users, reduce energy costs over time while protecting grid reliability and energy security in the National Electricity Market (NEM).

“By implementing the Australian Domestic Gas Security Mechanism (ADGSM), a measure that seeks to ensure sufficient domestic gas supply, energy users will have some cause for hope in what has been a very difficult 18-months for many companies,” said EUAA Chief Executive Officer, Mr Andrew Richards.

“While more needs to be done to increase competition in domestic gas markets, we see the ADGSM as an important piece of a bigger plan to bring gas prices down over time.”

Australian business has been buckling under the weight of unprecedented increases in the cost of gas with many seriously considering downsizing their local operations. The gas crisis coincides with a rapid increase in electricity costs brought about by a decade of policy uncertainty, creating an energy cost pincer movement that has trapped domestic business.

“We are also encouraged that the Federal Government has recognised the costs of poles and wires is now a significant portion of the energy bill. In the absence of improving the process, the abolition of the Limited Merits Review (LMR) is a positive step to ensure energy users only pay fair and reasonable costs,” said Mr Richards.

“Lastly, the move to implement a key Finkel Report recommendation that will see variable output generation play its proportional role in maintaining system security and reliability is an important move but must be balanced with the need to maintain energy affordability.”

The EUAA have been calling for action to address issues in energy markets as member companies grapple with limited gas supply, less energy security and enormous price increases across their energy bills. Many of the issues raised by energy users are outlined in the recently released Finkel Report and we encourage all stakeholders to give the report's recommendations due consideration.

“We look forward to working with the Federal Government on the details of today's announcements to ensure the best outcomes for all energy users. “

Members of the EUAA include many large businesses responsible for producing essential items that include food, packaging, raw materials and medical supplies that are used in the Australian community every day.

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