

PRESS RELEASE

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Gas Users Continue to Experience Uncertainty on Domestic Supply

Energy users have expressed little surprise at the findings outlined in yesterday's release of the ACCC's decision regarding Shell's proposed acquisition of British Gas.

'The ACCC's conclusion that the merger wouldn't reduce competition is correct, simply by the fact that there is no existing competition to be reduced,' said Phil Barresi, Chief Executive Officer of the Energy Users Association of Australia. 'The irony is while we have Governments lauding Australia's energy resources as an export commodity, domestic manufacturers continue to face difficulty in accessing reliable, secure and affordable gas. This is in fact an issue confirmed by the ACCC in their September *Issues Paper* in considering the Shell/BG matter.'

'The ACCC's *Statement of Issues* acknowledged the years of little or no competition endured by domestic gas customers,' said Mr Barresi.

'Energy users were not opposed to the merger if appropriate undertakings were entered into to allow a competitive domestic market to coexist with a vibrant LNG export market,' said Phil Barresi.

'Yesterday's decision comes on the heels of yesterday's announcement of the preferred route for a new gas pipeline from the Northern Territory to Queensland. A gas infrastructure project desperately needed in Australia but on a route that prolong only marginally alleviates the domestic gas supply problem felt in other jurisdictions outside of Queensland.'

'This decision is a clear indication of the disconnect between a holistic industry and energy policy. We look to the Federal and State governments providing greater input into such decisions to secure national benefits for all,' said Mr Barresi.

'We now look forward to the completion of the respective AEMC and ACCC east coast gas inquiries as a sign of bringing back balance and security to the Australian domestic gas markets' said Mr Barresi.

The EUAA is the peak industry body for Australia's energy users including manufacturers, retailers and resource-based industries.

For interviews with EUAA contact Holly Cardamone on 0412 926 604