

PRESS RELEASE

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Growing Calls for National Economic Interest Test

“The time is right for the federal government to embrace a National Economic Interest Test (NEIT) as one part of the solution mix in addressing the tightening of gas supply in Australia”, said Mr Phil Barresi, CEO of the Energy Users Association of Australia.

Speaking at the Australia Domestic Gas Outlook Conference in Sydney yesterday, Mr Barresi presented the findings of the EUAA’s *Upstream Gas Report*, released last year that investigated international gas policy responses. It is not a matter of transplanting the USA or Canada model but developing our own “homegrown version” with all gas sector stakeholders and government.

“A hands-off assessment of prospective gas tenements by an independent National Gas Assessment Board should be a market-based economic approach, which avoids picking winners or overriding commercial decisions of investors. Australians are an inventive lot and we can develop a NEIT that meets our needs”, said Mr Barresi.

“We welcome the growing chorus of support for a national interest test and congratulate Jemena as a major energy stakeholder for their support for such a policy. Mr Adams (Jemena MD) is correct in his statement that ‘businesses are hurting and have warned of significant job losses in the not too distant future’”, said Mr Barresi.

EUAA recently completed a *Scoping Study on the Economic Impact of High Gas Prices*. Our survey of members, representing 20% of the industrial gas user sector on the east coast (or 60PJ) shows planned job losses in the thousands, forgone capital expenditure of up to \$2b and a decline in export sales by the manufacturing sector.

“As more household brands shut down or move overseas, the effect of the tightening gas supply, high gas prices and restricted contracting opportunities must be carefully scrutinized for the uncompetitive influence it plays, together with currency exchange factors, workplace relations reforms and declining export opportunities”, said Mr Barresi.

We encourage all gas producers and suppliers to recognise that energy users support the call for more supply through the sensible addressing of environmental considerations. A forecast transition phase to stabilize supply and prices in five years time is too late.

Join us in finding solutions that meet all our expectations – a national economic interest test allows us to work that path together.

The EUAA is the peak national body assisting Australian energy users to run efficient and profitable businesses in rapidly evolving and volatile energy markets.

For interview opportunities please contact EUAA Media: Phil Barresi (03) 9894 0391