

PRESS RELEASE

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Domestic Gas Security Mechanism a Positive Step for Industry and Households

Australia's leading advocate for energy users, the Energy Users Association of Australia (EUAA), has welcomed today's announcement by the Federal Government of the Australian Domestic Gas Security Mechanism that will give it the power to limit gas exports.

"We are heartened to see the Government recognising there are critical domestic gas supply and cost issues that must be addressed," said EUAA CEO Andrew Richards.

"With the introduction of the gas security mechanism the Government has given themselves a bigger stick to ensure the gas industry balances the needs of their international customers and their obligation to supply the domestic market with gas at a fair price."

The EUAA has been warning government and the gas industry that if the current gas crisis is not resolved in the near future we are likely to see significant job losses as Australian business seek to offset spiralling costs. Ultimately these costs will also result in increased consumer prices for everyday goods as business seek to remain viable.

"The gas security mechanism does not guarantee the Government will intervene in the market and we hope it doesn't have to come to that. We would much prefer that the gas industry itself develops a solution to the current crisis that allows Australian business and households access to gas at fair and reasonable prices."

The EUAA has proposed short, medium and long-term solutions to the current crisis. Short-term options include gas swaps and other market mechanisms that could be utilised by the gas exporters to avoid direct Government intervention.

"The role of regulatory bodies like the ACCC, AEMO and AER will also be critical over the coming years as they play the role of independent watchdogs. We support the role these organisations are set to play as getting more domestic gas supply is one thing, getting it at a fair and reasonable price is another."

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