



**SENATOR THE HON ARTHUR SINODINOS AO
MINISTER FOR INDUSTRY, INNOVATION AND SCIENCE**

**THE HON. JOSH FRYDENBERG MP
MINISTER FOR THE ENVIRONMENT AND ENERGY**

**SENATOR THE HON MATT CANAVAN
MINISTER FOR RESOURCES AND
NORTHERN AUSTRALIA**

27 March, 2017

Statement on meeting with gas and energy users

Some of Australia's largest industrial gas and energy users today explained to the Australian Government first-hand how the cost pressures from rising gas prices are threatening their businesses and the jobs of their employees.

In a forum chaired by Industry Minister Arthur Sinodinos, and supported by the Ministers Frydenberg and Canavan, representatives from industry warned there is an urgent need to tackle the barriers to supply which are helping drive up prices.

Industry representatives, included Manufacturing Australia, Australian Industry Group, the Energy Users Association of Australia and Major Energy Users Association as well as representatives of large gas users, Incitec Pivot, Adelaide Brighton, Qenos, Australian Paper and BOC.

Industry noted that following the Prime Minister's meeting on 15 March, they were seeing the early signs of movement in the market, with some indicating that they were now beginning to receive more meaningful offers.

The Ministers reaffirmed the Government's concern for businesses facing large

increases in gas prices.

Echoing the Prime Minister's warnings to the gas industry on 15 March, 2017, the Ministers reiterated the warnings that if gas companies fail to guarantee supply and improve the market through greater transparency and competition, the Government will act to protect our domestic industry and jobs.

Australia's manufacturing industry representatives gave examples of critical gas pricing and supply issues both as energy users and as essential inputs to manufacture. High prices, or onerous conditions on contract threatened international competitiveness.

They said gas producers must engage in meaningful negotiations and that governments across the country should do more to encourage new production and new producers.

The Government will continue to work with all parties to find immediate and longer term solutions to this crisis.

Ministers will meet with pipeline operators this week ahead of further talks with LNG producers and will continue to work with all parties to ensure that our industries and communities are supplied with reliable supplies of gas at a fair price, at a time when we become the world's largest producer of LNG.

Media Contacts:

Minister Sinodinos: Nat Openshaw 0409 049 128

Minister Frydenberg: Kane Silom 0438 225 175

Minister Canavan: Kylie Barron 0438 493 114