

ENERGY USERS WELCOME GAS DEAL ANNOUNCEMENT

The Energy Users' Association of Australia (EUAA) welcomes the Prime Minister's announcement that he has struck a deal with the gas companies involved in LNG exports from Gladstone to supply gas to the domestic market and overcome the forecast shortages over the next two years.

"The announcement of a gas deal is a welcome relief to energy users who have been under significant pressure with energy prices and gas supply," said Chairman of the EUAA, Mr Brian Morris.

The recent ACCC and AEMO reports released this week highlighted the perilous situation domestic gas supply is in.

"The proof of these companies' offers today will be in its implementation - we note a further meeting next Tuesday to discuss details."

Included in the announcement is the ongoing role that the ACCC will have in monitoring offers.

"We look forward to the ongoing role of the ACCC in monitor the gas offers to ensure an appropriate level of transparency. The ACCC's ongoing reports have been a very valuable insight into the practices of gas suppliers and closely accords with our members' experiences," said Mr Morris.

"In particular we will be interested in ACCC monitoring of how offered prices to commercial and industrial customers compare with the ACCC determined 2018 benchmark prices they published this week (of \$5.87/GJ in Queensland and up to \$7.77/GJ in the rest of the east coast). We hope that the ACCC will include in its monitoring a focus on whether the offers include unduly restrictive non-price conditions that have the effect of substantially increasing the effective price paid."

The Prime Minister has also highlighted the costs to transport gas from Queensland to southern States. It is hoped that with the implementation of the Vertigan reforms for unregulated pipelines and the extension of these reform to regulated pipelines that this issue will be reduced.

Energy users are under huge pressure with gas prices skyrocketing at the same time as electricity prices. The successful implementation of today's agreement is absolutely essential to many businesses survival.

"The EUAA looks forward to playing a key and active role to support the ACCC's monitoring role of gas prices offered to our members. This will be the true measure of the effectiveness of the gas companies' commitments," added Mr Morris.

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.

Some energy users rely solely on gas to run their business and have no option for another fuel.

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