

ENERGY USERS ASSOCIATION OF AUSTRALIA WELCOMES AUSTRALIAN INDUSTRIAL ENERGY GAS ANNOUNCEMENT

Reports today of the formation of a new company, Australian Industrial Energy (AIE), that will provide a new source of gas into the Australian eastern energy market is welcomed by the Energy Users' Association of Australia (EUAA).

"Gas continues to be a key pressure point for many businesses in eastern states with prices still higher than they should be. New ideas that address the supply and price challenges in gas markets, such as this proposal from AIE are welcomed," said Andrew Richards, Chief Executive Officer of the Energy Users Association of Australia (EUAA).

The EUAA and its members have been a loud voice in highlighting the challenges within the Australian eastern gas market. Some EUAA members have had no choice over the last 12 months but to sign up to new gas contracts with a trebling of prices leaving them 'working for the gas company'.

"Energy users want to run their business without the threat of a lack of gas or prices that are so high that the economics of their business are destroyed.

AIE's proposal, which could add new gas into the market by 2020, provides optimism that the crippling gas prices that have created so much pain over the past 2 years may soon come to an end," said Mr Richards.

Gas remains a critical issue in the Australian energy market despite the federal government's Australian Domestic Gas Reservation (ADGSM) policy. The ACCC continues to monitor gas markets and has highlighted the high prices of gas, which continues to be significantly above the international benchmark.

"Many large energy consumers who rely on gas in Australia are continuing to weigh up the outlook for the business. AIE's announcement will help to reassure them of the opportunities in Australia and we hope this will create an environment in which their business can continue to remain internationally competitive," added Mr Richards.

EUAA members include Qenos, Incitec Pivot, Brickworks, Asaleocare and other companies that rely on gas to produce their products such as plastics, healthcare, building materials and fertiliser amongst other essential items used by the Australian community every day.

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