

PROPOSED PORT KEMBLA LNG IMPORT TERMINAL WELCOMED BY ENERGY USERS

Today's announcement that Port Kembla has been identified as a possible site for a new LNG import terminal is welcomed by the Energy Users' Association of Australia (EUAA).

"The EUAA represents large energy users that include many who rely on gas to make the products we use every day, including bricks, plastics and fertilisers. We welcome today's announcement as an important step towards a more competitive domestic gas market," said EUAA Chief Executive Officer, Mr Andrew Richards.

Since the east coast LNG export terminals have been operating, domestic gas supply has been extremely tight and gas users have been forced to pay prices that have at times been three to four times higher than historical levels.

While prices have stabilised in recent times, they are still at uneconomically high levels which is putting pressure on many businesses who established operations in Australia based on our affordable gas.

"We welcome the investigations being carried out by Australian Industrial Energy (AIE) along with their partners, to realise a new gas supply into the east coast market and look forward to seeing ongoing progress being made," said Mr Richards.

In addition to this terminal, the ACCC continues to have a role in reviewing the domestic gas market and in its reports has highlighted the challenging situation being faced by end users. However, establishing new avenues for gas supply must be part of the solution if we are to resolve the many challenges being faced.

"Energy users are under huge pressure with gas prices skyrocketing at the same time as electricity prices. The possibility of a new gas supply brings with it optimism that additional supplies of gas from new suppliers may be coming for both industrial use and power generation," said Mr Richards.

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

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