

ALP Gas Policy Could Provide Much Needed Price Relief.

Today, the Federal ALP have laid out a national gas plan that could decouple domestic gas prices from international LNG prices if thoughtfully implemented and well managed. In particular, the introduction of a permanent gas export control trigger could play a central role in lowering domestic gas prices and is a step beyond current Federal measures, which primarily seek to ensure sufficient gas supply.

“While this type of government intervention is not without its issues, today’s announcement reflects the dire situation that Australian gas consumers continue to face. So, while some may see this proposal as a step too far, we think its worth serious consideration,” said Chief Executive Officer of the Energy Users Association of Australia (EUAA), Mr Andrew Richards.

The very real possibility that future domestic gas prices will force the closure of large parts of Australia’s manufacturing base looks to be a key driver behind today’s gas policy announcement by the Federal ALP.

“Major commercial and industrial gas users are struggling to stay competitive due to rising energy costs so we welcome the Federal ALP’s willingness to consider new approaches to the gas crisis. In particular we welcome their focus on developing a new Federal measures that are based on cost not just supply.”

Several years ago, Australia commenced exporting Liquefied Natural Gas (LNG) from Gladstone in Queensland, effectively linking domestic and international gas prices. This has resulted in significant increases in the price Australian consumers pay for gas with some commercial and industrial customers reporting increases of between 100% to 200%.

In addition to the LNG export issues, gas moratoria rules out new sources of supply while much needed reform of the gas market itself is progressing well but needs to gather pace. It will take a number of these moving parts to be nailed down if we are to see lasting price relief for major gas users.

“We think all options to increase supply and reduce costs for consumers should be on the table so we look forward to further discussions with politicians and regulators on how this can be achieved.”

Combined, EUAA members employ over 1 million Australians, pay billions in energy bills every year and are desperate to see a national energy and climate change plan that puts downward pressure on electricity and gas costs.

-ends-

Media Contact: Emily Wood 0421 042 121