

QUEENSLAND GAS EXPLORATION LICENCES FOR DOMESTIC USE CREATE GLIMMER OF HOPE FOR GAS USERS

For domestic energy users struggling to access reasonably priced gas supply, today's announcement that new exploration licences in Queensland have been granted solely for domestic use is welcomed, says the Energy Users Association of Australia's Chief Executive Officer (CEO).

"The biggest issue for large industrial gas users along the east coast is access to an affordable supply of gas, so this announcement from the Queensland government, even though it is likely to deliver small quantities of gas, provides some hope," said CEO, Andrew Richards.

Large energy users who rely on gas have seen enormous price rises of around 200% in energy supply since the LNG industry has been in operation. Despite numerous reports continuing to detail the high price of gas and limited supply despite the introduction of the federal Australian Domestic Gas Security mechanism (ADGSM), the Queensland government is the only state government to respond to the issues by releasing a specific area of land for domestic gas exploration.

"For large gas users who have no other fuel choice, this situation is dire," said Mr Richards.

"We hope that actions such as today's announcement will help to relieve the price and supply pressures being faced by large energy users and could make the difference for industrial gas users who are having to make very difficult decisions about their Australian operations."

The EUAA recently released a gas discussion paper which highlights a broad range of policy ideas. Some of the ideas include significant government intervention, demonstrating just how bad the situation has become.

"We implore governments up and down the east coast to focus their mind on finding solutions to the gas crisis before it is too late for these essential businesses that we rely on for everyday goods."

Large energy users such as businesses who manufacture health care products, paper, plastics, produce food and building materials, use gas as their primary fuel. The issues they face in energy are more complex than residential customers as they have no alternative fuel source and the volumes they require are very large. Their combined energy bills total hundreds of millions of dollars a year, they employ thousands of Australians as well as supporting many thousands of indirect jobs.

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