

## **GOVERNMENTS AND INDUSTRY MUST COOPERATE TO DRIVE BETTER OUTCOMES IN GAS MARKETS**

Today's seventh Gas Inquiry report released by the Australian Competition and Consumer Commission (ACCC) confirms what many members of the Energy Users' Association of Australia (EUAA) have been saying, that more action in gas markets is needed to increase competition and supply.

"The ACCC report confirms what we are hearing from our members – while gas contract offers are being made, they seem to be impacted by volume and location," said EUAA Chief Executive Officer, Mr Andrew Richards.

"Importantly, the bright spark in gas markets is the impact of the Queensland government's approach to prospective gas reservation which is bringing new supply to the domestic market and delivering positive outcomes for gas users. We hope all governments will review their policies and consider playing a similar role in delivering more supply for domestic users."

The EUAA represents large energy users, some of whom who are spending \$1 million per day on energy. Large gas users include those who produce many essential goods used in the community every day including food, building materials, paper, plastics and raw materials. Many of these companies cannot switch to another fuel source although all companies are investing in a range of measures to improve efficiencies and reduce cost.

While the Federal government recently announced that it would consider introducing a gas reservation policy, it relies on the states to collaborate with the commonwealth in order to enact such a scheme.

"Energy users are doing all they can to innovate and improve efficiencies in their processes and operations. But they need governments and the gas industry to also act to ensure additional supply and sufficient competition in the domestic market to drive better price outcomes as well as supply," said Mr Richards.

"We urge all stakeholders to cooperate and review their policies and approach to ensure we can maintain a thriving manufacturing industry in Australia that can remain competitive.

EUAA gas user members include O-I, Kagome, Australian Paper, AlSCO, Gouge, Brickworks, Simplot, Incitec Pivot and Air Liquide. Together large energy users require around 50% of all the gas used in the domestic market.

"As well as the essential jobs created by these businesses, many in regional areas, they are producing items that are essential and used every day in the community."

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