

MUCH NEED GAS MARKET REFORM WELCOMED BY ENERGY USERS

The announcement today from the Federal Government that it will move to develop a domestic gas reservation policy is welcomed by energy users who rely on gas to produce essential goods needed in the community every day.

“Addressing the supply and price of gas along the east coast cannot come soon enough,” said Energy Users’ Association of Australia (EUAA) Chief Executive Officer, Andrew Richards. “We welcome this announcement, congratulate the government for taking action and look forward to working to support further gas market reforms.”

The EUAA represents large energy users, some of whom who are spending \$1 million per day on energy. With gas prices trebling in the last few years, many companies are under increasing pressure, and in some cases, companies have closed their Australian operations as they are unable to stay profitable.

“Companies that rely on gas for their operations include brick makers, steel manufacturers, food processors, packaging companies – these are companies that make things that the community relies on for every day living, to build homes, hospitals and public transport. These Australian manufacturers are an essential part of the community,” said Mr Richards.

The EUAA has been calling for action in gas markets for some time, releasing a National Gas Discussion Paper earlier this year aimed at promoting solution-focused discussion. Ordinarily the EUAA would be reluctant to support increasing government intervention in markets. However, in this case it sees there is no alternative due to the dire situation created through a combination of increasing LNG exports, state moratoria and a chronic lack of competition.

“Now that the Federal Government is taking action to address issues in gas markets, we hope that state governments can also be part of the solution. We would encourage them to consider putting in place a robust, scientific-based process to consider new gas projects as a replacement to moratoria,” said Mr Richards.

“Particularly in Victoria where gas is used by most people for cooking and heating. Gas will also be needed to provide flexible generation to compliment increasing levels of renewable energy. It seems hypocritical to have a blanket ban on gas extraction of any kind, especially as we are facing so many challenges.”

EUAA member companies include some of the largest gas users in the country including Qenos, Brickworks, Incitec Pivot and Australian Paper.

-ends-

Media Contact: Emily Wood 0421 042 121