

## ACCC REPORT CONFIRMS GAS CRISIS STILL HERE

Representing some of the largest gas users in the country who produce many essential goods and services used by the community every day, the Energy Users' Association of Australia (EUAA) is not surprised by the latest from the Australian Competition and Consumer Commission (ACCC) out yesterday (Feb 18) that identifies many issues remain in the east coast gas market.

"While LNG netback prices have fallen, domestic contract prices remain high," said EUAA Chief Executive Officer, Mr Andrew Richards.

"In our view, uncertainty about future domestic supply and competition issues are still major concerns for gas users. This will require significant and sustained attention by governments and the gas industry if we are to avoid demand destruction and thousands of lost jobs."

Large energy users are under increasing pressure from increased gas costs as well as gas availability. Gas is an essential input for a number of everyday items, goods and services including, foods, building materials, paper, plastics and raw materials. Many shelves in the supermarket would be empty without gas.

"While the LNG export industry is undoubtedly an important part of the Australian economy, so too are many of our gas intensive manufacturing and food processing industries. With intelligent policy, careful implementation and good will demonstrated by all parties involved, we should be able to have a booming LNG export industry and strong domestic manufacturing."

"At the very least, lifting the moratorium on new conventional gas production in Victoria would be a good start while approving and Narrabri gas field in NSW, which Santos has committed to the domestic market, and approval of the AGL LNG import terminal would also be beneficial."

The EUAA represents large energy users, some of whom who are spending \$1 million per day on energy. Many large energy users are seeking solutions to rising energy costs and have invested billions into energy efficiency, system upgrades, energy switching, storage, renewable energy, demand response and many other measures with the aim of reducing energy consumption and costs. But many of the issues in our energy markets are difficult to overcome without government policies and support.

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