

PLAN TO LIFT CONVENTIONAL GAS MORATORIUM WELCOMED

The Victorian Liberal party's plan to lift the conventional gas moratorium in Victoria is welcomed by the peak body representing large energy users in Australia, the Energy Users' Association of Australia (EUAA).

"Gas plays an essential part of Australians' lives and in many cases, there is no viable substitute for it in most of our manufacturing processes," said EUAA Chief Executive Officer, Mr Andrew Richards.

"For example, without gas, our supermarket shelves would be near empty of Australian processed foods, the materials we use to build homes and factories would be more expensive, and we would have to find less efficient ways of providing hospitals and hotels with clean linen."

The EUAA represents some of the largest gas users in the country, some of whom spend \$1 million per day on gas.

For manufacturers in the southern states, the ability to contract the large volumes of gas required has been difficult in recent times, the prices of gas when it can be contracted has increased dramatically, and the cost of transporting it south from Queensland has added to the pain.

"We welcome the announcement from the Victorian Liberal party to lift the conventional gas moratorium. Adding new supplies of gas will help to ease prices over time, and will be part of the solution to the many challenges being faced in gas markets, and by our manufacturers," said Mr Richards.

"With increasing volumes of renewables in our electricity network, we also note that gas is increasingly being relied upon to smooth our electricity system and provide a quick response when renewable energy drops production."

While removing the conventional gas moratorium provides a glimmer of hope for manufacturers, once lifted it will be some years before any new gas supplies come online.

"Large energy users are under enormous cost pressures. This is an important announcement but must be one of a number of responses from governments to ensure we do not see mass demand destruction."

Large energy users produce essential goods and services, foods, building materials, paper, plastics and raw materials.

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