

LIFTING CONVENTIONAL GAS MORATORIUM IN VICTORIA WELCOMED BY LARGE ENERGY USERS

Today's announcement that the Victorian Government will lift the conventional gas moratorium, with a directive that all new gas will be prioritised for the domestic market, is welcomed by the Energy Users' Association of Australia (EUAA).

"This is a sensible, pragmatic, science-based decision that will deliver benefits to the entire community and we congratulate the Victorian Government," said EUAA Chief Executive Officer, Mr Andrew Richards.

There are many benefits of encouraging a domestic gas industry.

"Affordable natural gas is a key input for the manufacture and processing of many essential, everyday items including food, packaging, and building materials," said Mr Richards. "Gas fired power stations are also likely to play a key role in the transition to a cleaner energy system and will be a key aspect of maintaining system reliability as old coal fired power stations close."

"With stronger environmental controls, a fairer framework for landowner compensation and community engagement as well as a focus on ensuring local gas stays local, today's announcement balances the needs of farmers, regional communities, manufactures and the gas industry and is welcomed by the EUAA."

For many manufacturers in Victoria there is no commercially viable and affordable alternative to gas for the manufacture of their products. While research into biofuels and hydrogen alternatives are ongoing, it is estimated that there is at least a decade before these options may be available at a competitive price.

"While just supplying more gas isn't a silver bullet that will solve all the issues in our gas markets, the increased competition and availability of supply is a critical step in the right direction," said Mr Richards.

"State and Federal Governments must now move quickly to accelerate development of Victorian conventional gas reserves. We encourage them to work proactively together to ensure we not only get more gas flowing but enhance competition by supporting diversity of suppliers."

Australian gas is a critical input into many local manufacturing processes such as building materials including steel and bricks, food manufacture, paper, plastics, linen services for hospital and hotels as well as aiding the transition to renewable energy in our electricity market.

Large energy users that produce essential goods services used in the community every day are acutely aware of their energy consumption which, in some cases, adds up to \$1 million a day. These companies have invested billions into a range of programs including energy efficiency, system upgrades, storage, renewable energy, demand response and many other measures with the aim of reducing energy consumption and costs. The EUAA represents around 100 very large energy users operating across Australia.

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