

QUEENSLAND'S DOMESTIC GAS POLICY PROVIDING CRITICAL SUPPLY FOR LOCAL MANUFACTURERS

The announcement of a new domestic gas tenement in Queensland, awarded to a JV between Australian Pacific LNG and Armour Energy, provides another boost to local manufacturers who rely on gas to make their products and is welcomed by the Energy Users' Association of Australia (EUAA).

"Queensland gas policy is keeping local manufacturers afloat with new gas supplies which are desperately needed," said EUAA Chief Executive Officer, Mr Andrew Richards.

"Securing large contracts for gas, especially in the southern states of Australia, is difficult and so this announcement has come at the right time for local manufacturers who are under increasing strain."

Gas is a critical fuel used to make many essential goods used by Australians including toilet paper, food, building materials such as bricks, as well as plastics and other packaging, fertiliser and explosives. There is no current commercially available and affordable alternative to gas in many cases and, for companies who require very large volumes of gas to make their products, the lack of availability is an ongoing pressure.

"Queensland gas policy has made a material difference for local manufacturers. We encourage other state and federal jurisdictions to consider how they can also play a role in supporting critical local industries," said Mr Richards.

Numerous ACCC reports have highlighted the many challenges in gas policy on Australia's East Coast. While increasing supply will not solve all the issues in gas markets, it creates greater competition and is part of the solution.

While Australia is investing in developing gas alternatives, they are unlikely to be available at prices that are commercially acceptable for at least a decade. In the interim, affordable gas supply to ensure we can continue to produce the goods we need is imperative.

"We congratulate the Queensland Government on this important policy that is making a real difference to Australians," said Mr Richards.

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, storage, renewable energy, demand response and many other measures with the aim of reducing energy consumption and costs.

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