

ACCC CONFIRMS MORE WORK TO DO ON GAS MARKET REFORM

The latest Australian Competition and Consumer Commission (ACCC) Gas Inquiry Interim Report once again details divergence between LNG netback pricing and domestic gas price offers, and confirms more work is needed on gas market reform. The peak body representing large commercial and industrial energy users, the Energy Users' Association of Australia (EUAA), shares concerns expressed by the Federal Government and ACCC that domestic gas prices are too high and said the issue demonstrates that Australia has a serious competition problem when it comes to our domestic gas market.

“Much of Australia's manufacturing and food processing industries rely on affordable gas to provide the products we all rely on every day,” said EUAA Chief Executive Officer, Mr Andrew Richards.

“If we can't solve this gas crisis, we will see costs increase for many essential items every Australian uses.”

The issue highlighted in the latest ACCC report also demonstrates that simply balancing domestic supply and demand is unlikely to improve the situation for domestic gas users.

“We need more gas to be supplied by more diverse range of providers,” said Mr Richards. “Without solving this problem we ultimately risk the slow but inevitable destruction of manufacturing and food processing in this country.”

“All stakeholders must work together to help solve this gas crisis including the gas industry, pipeline operators, governments and consumers.”

Increasingly, commercial and industrial energy users are acting to adjust their operations to reduce energy costs. Many have invested hundreds of millions of dollars into a range of programs including energy efficiency, internal system upgrades, storage, renewable energy, demand response and many other measures with the aim of reducing energy consumption, costs and emissions.

“Not only does Australia need affordable gas for manufacturing, we will continue to rely on gas fired power stations to manage the transition to a low carbon energy system. Without affordable gas, the transition takes longer and is more expensive for consumers than it needs to be.”

The EUAA represents very large commercial and industrial energy users operating across Australia who employ over one million Australians and make many essential goods used by the community each day including glass, food manufacturing, toilet paper, building materials, and packaging.

-ends-

Media Contact: Emily Wood 0421 042 121