

DOMESTIC GAS MARKET CRUCIAL TO MANUFACTURING JOBS AND LEAST COST TRANSITION TO LOW EMISSIONS ENERGY

The peak body representing large commercial and industrial energy users, the Energy Users' Association of Australia (EUAA) has urged governments, the gas industry and industrial gas users to remain focussed on building a strong domestic gas market to preserve the industries that are crucial to producing many household items we use every day.

Reacting to the release of a Grattan Institute report into domestic gas, EUAA Chief Executive Officer, Mr Andrew Richards said, "The Grattan Institute says there is no future in cheap gas, we would argue that for many there is no future without internationally competitive gas."

"Remember this the next time you walk down the supermarket aisle, many of the food and beverage items we consume everyday use gas fired steam and heat in the production process while gas is central to manufacturing the glass, plastic, paper and cardboard it comes in. Without competitively priced gas for manufacturing these locally made products become more expensive and risk being replaced by imports."

"If we were to reduce or even stop processing food in Australia we would lose thousands of regional jobs while the upstream impacts on our farming communities would be significant."

Quickly switching to alternative fuel sources or moving to completely electrify manufacturing processes is just not an option for most of our manufacturing base.

"Alternative fuels like hydrogen, while promising, are still too expensive and we don't see the required volumes of renewable gas being available to satisfy demand. All of this may come in time but our immediate future relies on competitively priced gas."

The EUAA, along with many other industry stakeholders, attended a Federal Government gas industry round table last Thursday where the importance of gas to the national economy was made very clear. We were encouraged by the willingness of all stakeholders to work together to find a solution to the many of the gas market issues faced by our manufacturers.

"We congratulate the Federal Government for taking the initiative with their gas fired recovery plan. For too long many domestic gas users have felt they have been forgotten in the rush to establish the LNG export industry. The government's efforts, being led by Minister Taylor and Minister Pitt, aim to rectify this situation and we are very supportive."

Competitively priced domestic gas is set to play an important role in transitioning to a zero-emissions energy sector and net zero by 2050 targets being set by many state governments.

“There are many exciting technologies that will play an important role in the transition to net zero emissions like batteries and pumped hydro but they can’t do it alone. The availability of competitively priced gas for fast start peaking generation will be critical over the coming decades if we are to achieve a least cost transition to a low emissions energy sector.”

The EUAA is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, food and materials processing industries.

Combined EUAA members employ over 1 million Australians, pay billions in energy bills every year and expect to see all parts of the energy supply chain making their contribution to delivering affordable, reliable and sustainable energy supplies.

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