

## **ENERGY MINISTERS UNDERSTAND THE SERIOUSNESS OF THE GAS CRISIS. NOW IT'S TIME TO ACT.**

Energy Ministers' comments this afternoon about addressing the diabolical gas prices have brought hope to consumers, said leading advocate for large Commercial and industrial energy users, The Energy Users' Association of Australia (EUAA).

"We are encouraged that Energy Ministers' have not been hoodwinked and they understand that the gas industry is overcharging Australian consumers. It is also clear they understand the seriousness of the situation and that they need to take quick, decisive action," said EUAA Chief Executive Officer, Mr Andrew Richards.

"While today's statements from Energy Ministers is positive, we need them to be unflinching in their resolve to reign in the profiteering of the gas industry and to protect Australian households and business. We urge Ministers to work together and act for all Australians."

The EUAA has been raising alarm bells about rising gas prices for some time. In the last 10 months, prices have skyrocketed to levels never seen before, putting the viability of many business at risk. High gas prices have also pushed up electricity prices due to a complex series of issues that required additional gas for electricity generation.

"Many industrial energy users who are re-contracting for gas and electricity can testify to the spike in energy prices with many seeing a 300% increase in the price of gas compared to just 12 months ago," said Mr Richards.

"Gas is an essential input into many essential goods and services in Australia – including bricks, steel, glass and food – as well as supporting the transition to increased renewable energy in our electricity network. Without affordable gas, the cost of essential goods will continue rise along with electricity bills which is a disaster for all Australians but especially those who are already under pressure."

The Energy Ministers' comments and views are supported by numerous ACCC reports going back many years.

Former ACCC Chair Rod Sims has also stated today that 'We need to get the east coast liquefied natural gas (LNG) producers to supply sufficient gas to the east coast at prices below \$10 a gigajoule. They would continue to make a profit at those prices, albeit much less than otherwise. As it happens, the Commonwealth has the power to get such commitments, because it has the power to stop exports. That power gives it complete leverage.'

Domestic gas volumes are a fraction (less than 20%) of international sales. A temporary cap on the domestic wholesale price of gas will still deliver very good returns to the gas industry and only have a marginal impact on overall revenue and profit which are expected to remain at 'eye-wateringly good' levels for years to come.

"The EUAA is in favour of a temporary cap on wholesale gas prices as one option to solve this crisis. We stand ready to assist Ministers' in any way we can to resolve this gas crisis once and for all," said Mr Richards.

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*The EUAA is the peak body representing Australian industrial and commercial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined our members employ over one million Australians, pay annual energy bills in the many billions of dollars and support the development of a lasting national energy and climate change plan that puts downward pressure on electricity and gas costs.*

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