

ENERGY PACKAGE SHOWS GOVERNMENTS WILLING TO STAND UP FOR ENERGY USERS

Energy users' welcome recent announcements from Australian governments that seek to support the national interest and stand up to gas industry bullies on behalf of domestic energy consumers.

"We congratulate Federal and State governments on developing a balanced approach to the gas crisis that looks after domestic energy users and the national interest while preserving our role as a reliable and trustworthy energy exporter," said Energy Users Association of Australia (EUAA) Chief Executive Officer, Andrew Richards.

"We all know how critical energy is to every aspect of our lives and the package of announcements demonstrates that governments have been listening to Australians and understand the issues being faced by commercial and industrial energy users who make items used by all Australians every day."

The crisis we are facing has not come about overnight. The EUAA has been calling for action in gas markets for many years and the Australian Competition and Consumer Commission (ACCC) has also been highlighting issues in gas markets since 2016. Too little has been done for too long and there is still much to be done but the announcements today will provide a good start and some short term relief.

"Extra support and powers for the ACCC with a mandatory code and a 12 month cap on gas prices at \$12Gj is an excellent start and will give manufacturers hope," said Mr Richards. "Australian manufacturing – our food processing, building materials, packaging and more – is critical for Australia and an enforceable code of conduct will provide a positive tool for the longer term."

"There will be the usual gas industry hyperbole about negative impacts but we have heard that before when both Western Australia and Queensland put in place various forms of domestic gas reservation. None of those bad outcomes occurred and investment has continued to flow."

While more details and work will be required in the proposed capacity mechanism, the drive for dispatchable renewables that meet customer needs is a good start. A plan for the orderly exit of fossil fuel generation remains unresolved as does a more equitable sharing of risks and costs, but we hope governments also have these issues on their to-do list.

"The government is showing it understands the needs of our future renewable energy system to provide reliable power when it is needed. We welcome the initiatives announced today and look forward to working with Federal and State governments as details are refined," added Mr Richards.

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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