

KEY GAS MARKET REFORMS STILL A WORK IN PROGRESS

The latest ACCC Gas Inquiry Report, released today, shows that while some progress is being made to build a workably competitive gas market, key reforms like the Gas Industry Code of Conduct are very much a work in progress, noted leading advocate for commercial and industrial energy users, the Energy Users' Association of Australia (EUAA).

“While we are observing some improved outcomes for gas customers, the results are still patchy with some EUAA members reporting improved pricing and fairer contract negotiations while others are not,” said EUAA Chief Executive Officer Andrew Richards.

This is clearly shown in the data provided by the ACCC where producer offers range from \$12Gj to \$17Gj and retailer offers range from \$12Gj to \$20Gj. This aligns with anecdotal evidence being provided to the EUAA from member companies.

“While this ACCC report correctly states it is still too early to tell if the code is having the desired effect on the prices consumers pay for gas it clearly highlights that negotiating power remains firmly with sellers,” said Mr Richards.

This latest report also identifies potential shortfalls in domestic supply in southern states in 2025 and nationally from 2027 onwards and calls for governments to do more to assist additional domestic gas supply.

The report also highlights that LNG Import terminals are not a silver bullet where it states:

The use of import terminals does not obviate development of domestic sources of supply. Indeed, continued domestic gas production will be important to limit risks to Australia's energy security and market stability associated with reliance on international LNG markets.

“Both AEMO and ACCC have been ringing the gas supply warning bells for a number of years now. We just can't rely on electrification of everything or imports to solve this problem. At the very least fully electrifying homes and business will take decades so in the meantime we will continue to need gas to heat our homes, to process our food, to make building materials and to provide back-up generation for renewable energy,” said Mr Richards.

“The EUAA will continue to work on a positive agenda with governments, the gas industry and customers to ensure responsible development of additional gas supplies and a workably competitive market.”

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