

DELIVERING A DOMESTIC GAS MARKET THAT WORKS FOR BOTH BUYERS AND SELLERS MUST BE ONE OF THE CRITICAL MEASURES OF SUCCESS OF THE GAS MARKET REVIEW

[In their submission to the Gas Market Review](#) the Energy Users' Association of Australia (EUAA) calls for a raft of changes including a regulatory framework that can stand the test of time, be adaptive to future market changes and, produce an outcome that appropriately balances the interests of both buyers and sellers.

"The Gas Market Review comes at a critical time for Australia's large commercial and industrial energy users as they deal with multiple threats, including the difficulty in sourcing competitively priced gas, offered on fair and reasonable terms," said Andrew Richards, Chief Executive Officer for the leading advocate for commercial and Industrial energy users.

"Unfortunately, the market has failed to supply gas at competitive prices or with fair terms and conditions despite well-meaning government intervention over many years, most recently with the Heads of Agreement and Mandatory Code. The Gas Market Review gives us a shot at fixing this before the dire gas situation in Australia gets any worse."

In its submission, the EUAA outlines a set of principals or criteria for what the Review's success should look like:

1. Establishing a lasting policy and regulatory framework that is consistent with the long-term interests of consumers.
2. Delivering a domestic gas market that works for both buyers and sellers
3. Developing a unified intent and purpose of the ADGSM, HoA and Code of Conduct
4. Establishing the basis for a government framework to support a material increase in domestic supply
5. Establishing the basis for a prospective domestic gas reservation policy
6. Establishing the basis for an LNG export licence in anticipation of existing LNG contracts expiring from 2030 onwards

The EUAA submission also details a range of critical changes required to achieve these outcomes, that include:

- Updates to contracting and bargaining power imbalances to ensure that producers respond to buyer EOIs if they have gas which is not yet committed for sale
- Require a market maker obligation on large gas producers and sellers to enhance long-term liquidity and contracting.
- Fundamental reform to market transparency that improves transparency and genuine price discovery
- Delinking domestic gas from international prices which was one of the aims of the Mandatory Gas Code but has not been achieved.
- Fundamental reform in wholesale markets.

"There is no shortage of low production cost gas on the east coast. The problem for domestic users is that it is mostly committed to the LNG market," said Mr Richards.

The EUAA looks forward to continuing to work with the Review to deliver outcomes that are in the best interests of all domestic gas consumers.

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, paper, food and beverages. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

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