

## **GAS MARKET REVIEW PROVIDES HOPE FOR DOMESTIC GAS USERS**

The release today of the Gas Market Review Report (the Report) by the Federal Government provides some hope for domestic gas users that a fair, efficient and well supplied domestic gas market is achievable provided all parties including producers, regulators, governments and customers can truly work together to deliver a balanced outcome that gives everyone most of what they need.

A central recommendation in the Report is to move to a domestic gas reservation scheme. The scheme will be based on a gas exporter permit model that requires LNG exporters to demonstrate they have sufficiently supplied the domestic market. These obligations will commence from 2027 and ramp up to 2030 and beyond, will involve all east coast LNG exporters equally and will preserve existing foundational contracts that underpinned LNG export terminals.

“We have all been around the block several times on gas market reforms and we truly hope that this will be the last time we have to do this, but we have to get the details right,” said Energy Users’ Association of Australia (EUAA) Chief Executive Officer, Andrew Richards.

“If these reforms don’t deliver better outcome by way of fair prices and sufficient supply for domestic gas users, we will simply find ourselves doing this all again in a few years’ time. We know this situation creates risks for gas buyers and sellers so we must grasp this opportunity,” said Mr Richards.

“Moving to a domestic gas reservation scheme is the right thing to do and should have been put in place 10 years ago before we commenced exporting LNG from the east coast. This recommendation simply puts in place a sensible regime that should have always been there.”

“As English cricket supporters have said recently, ‘it’s the hope that kills you’. So while we hope that this review leads to better outcomes, energy users will need to be engaged and vigilant throughout 2026 as the detailed design process is undertaken.”

In its submission to the gas market review some months ago the EUAA outlined a set of principals or criteria for what the Review’s success should look like. These were:

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. Establishing the basis for a government framework to support a material increase in domestic supply
4. Establishing the basis for a prospective domestic gas reservation policy
5. Establishing the basis for an LNG export licence in anticipation of existing LNG contracts expiring from 2030 onwards

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

- 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.

“We would like to thank the teams at the Department of Climate Change, Energy, the Environment and Water and the Department of Industry, Science and Resources for their engagement to date on these key reforms and look forward to working with them, gas producers, government and the EUAA membership during 2026 as the fine print is debated and agreed,” added Mr Richards.

*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.*

- ends -

Media Contact: Emily Wood 0421 042 121