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EUAA
Energy Users Association of Australia

SENATE REPORT BACKS ACTION TO SECURE AFFORDABLE GAS FOR AUSTRALIAN INDUSTRY AND HOUSEHOLDS

The Energy Users' Association of Australia (EUAA) welcomes the findings of the Senate Economics Legislation Committee on the Domestic Gas Reservation Bill 2026, saying the report reinforces the need for meaningful reform to ensure Australian households and industry have access to reliable and affordable gas.

EUAA Chief Executive Officer, Mr Andrew Richards, said the committee's recommendation to proceed with the legislation was an important recognition that Australia's domestic gas market needs to deliver better outcomes for Australian consumers.

"Reliable and affordable gas is essential to Australian manufacturing, household budgets and the broader economy. This legislation represents an opportunity to ensure Australians benefit more directly from the natural resources we produce," said Mr Richards.

The EUAA represents large commercial and industrial (C&I) energy users responsible for manufacturing many of the essential products Australians rely on every day, including bricks, glass, steel, aluminium, cement, paper, food and beverages – all that require gas. For many of these businesses, energy is one of their three largest operating costs. When energy prices rise, the impacts flow through to households, weaken the competitiveness of Australian manufacturers and undermine confidence in future investment.

The Senate inquiry heard extensive evidence about the challenges domestic gas users have faced over the past decade, including persistently high prices, difficulties securing long-term supply agreements, concerns about producer selling practices and growing exposure to international LNG market volatility.

"The EUAA supports the committee's conclusion that the proposed reservation framework has the potential to increase domestic gas availability, support longer-term contracting and place downward pressure on prices, while allowing Australia to remain a significant LNG exporter," added Mr Richards.

Importantly, the committee recognised that the success of the scheme will depend on retaining its key design features, including meaningful domestic supply obligations, the proposed 'must sell' framework and mechanisms to ensure the domestic market remains adequately supplied.

"Simply requiring producers to offer gas is not enough. Australian manufacturers need gas to actually be available in the market, on terms that allow them to remain competitive," said Mr Richards.

The EUAA also acknowledges the committee's consideration of concerns raised by gas producers about future investment and supply development. The association believes the final framework must strike the right balance between improving affordability for domestic users and supporting efficient investment in new supply.

The proposed legislation already incorporates significant concessions to support this balance, including calibrating obligations against forecast demand and taking account of existing contracts and physical constraints. These provisions help manage compliance obligations while ensuring the domestic market is supplied and future gas development is supported.

As the legislation progresses, the EUAA urges policymakers to maintain four key principles:

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- **Affordability:** Domestic gas must be available at prices that support international competitiveness and reflect Australia's resource endowment. Supply alone will not preserve manufacturing capability if prices remain unaffordable.
- **Additionality:** The scheme must deliver genuinely additional gas into the domestic market, rather than simply generate administrative compliance outcomes that do not improve supply for Australian customers.
- **Transparency and predictability:** Regulatory decisions, modelling assumptions and market obligations must be transparent, evidence-based and predictable enough to support long-term investment by producers and consumers.
- **Enforceability:** Compliance arrangements must be credible, practical and capable of delivering the intended outcomes. Flexibility mechanisms should address genuine operational requirements, not create opportunities for avoidance.

However, a reservation policy alone will not deliver the best outcomes for consumers. Rather, a reservation policy must be supported by complementary reforms including adequate transmission capacity, storage infrastructure and access to longer-term supply contracts are all important in ensuring the benefits of the scheme deliver for all consumers including C&I.

"For large energy users, this is fundamentally about restoring confidence that Australian industry can secure the reliable, competitively priced gas it needs to operate, invest and employ Australians.

"Affordable energy is critical to producing essential goods, supporting national economic resilience, easing cost-of-living pressures and maintaining Australia's sovereign manufacturing capability."

The EUAA thanks the Senate committee for its consideration of the evidence and looks forward to continuing to work constructively with policymakers to ensure the final framework delivers lasting benefits for Australian households, consumers and industry.

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, cement, cloud services, 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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