

Media Release



Lily D'Ambrosio MP

Minister for Energy, Environment and Climate Change
Minister for Suburban Development

Wednesday, 7 June, 2017

REAL REFORMS, RIGHT NOW TO REDUCE GAS BILLS AND PROTECT JOBS

New gas market reforms proposed by the Andrews Labor Government will drive down prices, protect jobs and preserve the supply of gas to Victorian homes and businesses.

A new gas export mechanism announced today would place a cap on the total allowable gas that major companies can export in order to protect domestic needs.

Right now, it's cheaper to buy Australian gas in Japan than it is in Victoria, which is putting pressure on local businesses, jobs and household gas bills.

Local businesses are struggling to secure gas supply, despite two-thirds of the gas we produce being exported overseas. This is a major market failure.

The Turnbull Government's plan to put export controls on Australia's major liquefied natural gas (LNG) – set out in their Australian Domestic Gas Security Mechanism exposure draft – is a step in the right direction, but it doesn't go far enough, quickly enough.

To drive down prices, support local businesses and protect jobs now, the Labor Government is calling for a tough, temporary cap on the amount of gas that can be exported to first protect the needs of local homes and businesses.

The Labor Government proposal would also provide temporary subsidies and co-investment for energy efficiency measures and give the Australian Competition and Consumer Commission greater powers and market oversight.

The Labor Government is also exploring the development of a LNG import terminal in Victoria. The proposals will be put forward at this week's Council of Australian Governments meeting in Hobart.

Australia is now the world's second largest LNG exporter, with around two thirds of gas produced for the east coast market exported to Asia. Australia is expected to become the world's largest exporter of LNG by 2020.

The Labor Government continues to support Victorian businesses and manufacturers dealing with the pressures of a volatile gas market through a \$90 million support fund announced in the *Victorian Budget 2017/18*.

Quotes attributable to Minister for Energy, Environment and Climate Change Lily D'Ambrosio

"There is something seriously wrong when you can buy Australian gas in Japan for a cheaper price than what businesses in Victoria are being charged, this needs to change."

"The Commonwealth's proposed reforms don't go far enough, soon enough. We need immediate action – that's what our plan delivers."

Quote attributable to Minister for Industry and Employment Wade Noonan

"Rising gas prices are hurting Victorian manufacturers and putting jobs at risk – that's why we need a tough new cap on exports. The Commonwealth also needs to join with Victoria to support affected businesses."