



**THE HON JOSH FRYDENBERG MP  
TREASURER**

**THE HON ANGUS TAYLOR MP  
MINISTER FOR ENERGY AND EMISSIONS REDUCTION**

**THE HON KEITH PITT MP  
MINISTER FOR RESOURCES, WATER AND NORTHERN AUSTRALIA**

**MEDIA RELEASE**

Tuesday, 16 February 2021

**RELEASE OF LATEST REPORT OF ACCC GAS INQUIRY**

Gas prices have continued to fall sharply further easing pressure on Australian households and industry, according to the latest Australian Competition and Consumer Commission (ACCC) Gas Inquiry report.

The [ACCC Gas Inquiry 2017-2025 January 2021 report](#) found prices offered by producers and retailers for 2021 supply in the domestic market fell significantly over the first half of 2020, representing a significant shift in market pricing.

Prices offered by gas producers fell sharply from \$8-10/GJ in late 2019 to \$6-7/GJ in mid-2020. Over the same period, prices offered by retailers fell from \$8-14/GJ to \$6-8/GJ.

Average prices agreed under gas supply agreements (GSAs) for commercial and industrial (C&I) customers also fell below \$8/GJ. This marks the lowest quantity-weighted average prices for GSAs since 2016.

The ACCC report also confirms that there will be sufficient supply to meet export and domestic demand through 2021.

Gas exporters are likely to produce 21 petajoules (PJ) of gas above their contractual requirements in 2021. Under the Government's renewed Heads of Agreement, this gas must be first offered to the domestic market on competitive market terms.

Despite these welcome price reductions, the ACCC remains concerned that prices offered to domestic gas users for 2021 have mostly been above the netback price, although by less than previously reported.

Treasurer Josh Frydenberg said the Government will continue to take strong action to ensure domestic gas users get the best deal.

"Affordable and reliable gas is crucial to our economic recovery from the COVID-19 pandemic and is a key plank of the Government's JobMaker plan," the Treasurer said.

"We have set firm expectations for gas producers to put Australians first and we will continue to work closely with the ACCC to ensure that is the case."

For the first time, the report includes an analysis on the factors influencing suppliers' domestic gas pricing strategies. These initial findings point to a concerning lack of competitive constraint on prices.

These findings will be utilised in the ACCC's review of the LNG netback prices series. The ACCC will release an issues paper for consultation around March 2021.

Minister for Energy and Emissions Reduction Angus Taylor said while the ACCC's pricing strategy findings are of concern, gas will continue to fuel Australia's recovery from the COVID-19 pandemic.

"The gas price reductions we saw in 2020 have been a welcome relief to Australian households and businesses. However, the ACCC findings that Australian gas users are not always receiving internationally competitive prices is not acceptable" Minister Taylor said.

“Improving the competitiveness and transparency of the gas market through our comprehensive plan will benefit the entire Australian supply chain – from the supplier to the stovetop. All industry players need to work together with us to achieve this goal.”

Minister for Resources, Water and Northern Australia Keith Pitt said developing Australia’s gas reserves will help secure our energy future as well as delivering further economic benefits.

“Investing in gas projects is an investment in Australia’s future,” Minister Pitt said.

“We’re unlocking Australia’s vast gas supplies to meet our domestic gas demand well into the future while creating thousands of jobs around the country, mainly in regional areas.”

The report also notes the Government’s ongoing work to improve the transportation sector through the first National Gas Infrastructure Plan. This is a priority area for the Government, along with unlocking supply and empowering customers.

The Plan will help identify strategic infrastructure investments and priorities for the gas sector, to ensure Australian gas can get to where it is needed and at the right price.

These measures form part of the Government’s gas-fired recovery, announced as part of the 2020-21 Budget.

**ENDS**

**Treasurer:** Annabel Clunies-Ross, 0428 295 517

**Minister for Energy and Emissions Reduction:** Liam O’Neil, 0428 113 617

**Minister for Resources, Water and Northern Australia:** Matt Dunstan, 0411 535 072