

27 September 2019

COAG Energy Council

Submitted via gas@environment.gov.au

Dear Sir/Madam,

Re: Consultation RIS – Gas Transparency

Brickworks Building Products Pty Ltd (“Brickworks”) welcomes the opportunity to comment on the Measures to Improve Transparency in the Gas Market COAG Regulation Impact Statement Consultation.

Brickworks is a domestic manufacturer of building products producing more than 500 million bricks per annum which are retailed under our brands Austral Bricks, Bowral Bricks, Daniel Robertson and Nubrik. Brickworks east coast operations have experienced significant gas wellhead price increases of between 29-45% in 2019 compared to the prior year. On 1 January 2020, Brickworks will become a wholesale gas participant in all gas markets as a self-contracting user.

The gas contracting market is largely opaque with major information deficiencies making it difficult for large gas users to source gas and compare gas price offers. We are fully supportive of the recent announcement to extend the ACCC Gas Inquiry Reporting until December 2025 as it is providing much needed contract price transparency.

We believe the transparency measures are necessary given the current gas crisis and we are supportive of option 4. However, transparency measures alone will do little to incentivise producers to increase gas supply to domestic customers in the long term which is required to drive down gas prices. An urgent review is needed of gas moratoriums and lengthy regulatory processes in the southern states which are preventing or delaying new gas development and exploration. We support the Queensland Government’s initiative to release acreage specifically for producing gas for domestic manufacturers and the domestic market and believe that elements of this initiative could be applied in the southern states to increase local gas production. Increasing local gas production will lead to reduced wellhead costs, reduced transport costs and de-risk the growing dependence on Queensland gas to meet the gas demand of southern states.

We support the principles outlined and detailed stakeholder feedback provided in the Energy Users Association of Australia submission and welcome further discussion with the COAG or the Department of Environment and Energy on our submission.

Yours sincerely,



Melissa Perrow
General Manager Energy