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ACCC Gas Inquiry
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To whom it may concern

I am writing to correct what I consider to be a possible misstatement within my testimony on behalf of the Australian Industry Group to the ACCC Gas Inquiry on Friday 31 July 2015. In the course of my remarks I recounted the background to and results of a survey of gas using businesses conducted by Ai Group and published as the report *Energy shock: the gas crunch is here* in July 2013. This report is available at www.aigroup.com.au/policy/reports/archive2013.

In the course of discussing the difficulties reported by many businesses in obtaining what they regarded as serious offers from gas suppliers, and the prices quoted to those businesses that did receive offers, I stated:

“But for longer term contracts, contracts that were to either last for more than two years or were to commence after 2013 the average was **more than** \$9 a gigajoule that was being offered at that time, which then was at the upper end of the projections for prices [emphasis added].”

As is clear from Figure 10 of the underlying report, this statement was inaccurate. While the average of the ‘high’ offers reported by survey respondents was indeed above \$9 a gigajoule, the average of all offers for the timeframes stated was \$8.72 a gigajoule. The accurate statement would therefore have been:

“But for longer term contracts, contracts that were to either last for more than two years or were to commence after 2013 the average was **nearly** \$9 a gigajoule that was being offered at that time, which then was at the upper end of the projections for prices [emphasis added].”

I apologise for the error. I would appreciate it if you could confirm that your report will not reflect the original uncorrected assertion.

Yours sincerely,

Tennant Reed
Principal National Adviser - Public Policy