Media Release

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“Profound disappointment and a step in the wrong direction”: Energy Consumers Australia responds to the Australian Energy Market Commission’s draft determination on Gas Networks in Transition

Quotes attributable to Dr Brendan French, Chief Executive Officer, Energy Consumers Australia (ECA)

“Today’s draft decision by the Australian Energy Market Commission is a profound disappointment and a step in the wrong direction. Instead of protecting consumers, this decision would leave consumers left holding the tab for Australia’s shrinking gas networks. It would deal another blow to households and small businesses already facing significant cost-of-living pressures.

“Energy Consumers Australia, along with the Justice and Equity Centre, proposed rule changes to ensure consumers are treated fairly as Australian households and small businesses transitions away from the gas network. While the AEMC has agreed that consumers face real risks, they have proposed a draft rule that would weaken the regulator’s ability to control price increases. They have chosen instead to give gas network businesses the benefit of the doubt on how fast gas prices rise, shifting power away from the regulator and toward businesses that are asking consumers to pay more, faster. That’s not consumer protection – it leaves consumers more exposed to the risk this rule change was meant to address.

“Networks have already sought to bring forward almost a billion dollars in cost recovery from consumers in recent years, with the regulator approving about half of this. Under the draft decision, the regulator's ability to manage price impacts would be much more limited, with the AEMC instead putting its faith in gas networks to price reasonably.

“The AEMC itself has said that its draft decision will mean that today’s consumers face higher prices, calling this a timing shift rather than a real cost. But the rule changes are being proposed because future gas consumers might not exist, or they may exist in very small numbers. The AEMC’s draft doesn’t just move the timing of the payment, it moves who pays it from investors later to consumers today.

“We need an orderly plan to ensure those customers remaining on the gas network aren’t left with the tab. Consumers who face barriers to getting off gas, such as low-income households and renters, will be hardest hit by rising gas bills.

“While we welcome some aspects of the AEMC’s draft decision, such as the new rules to restrict unnecessary network spending, much more must be done to support households and small businesses as gas networks decline.

“Without significant changes, consumers will continue to be the default funders of the energy transition and bear an overwhelming and unfair share of the costs and risks. The AEMC has an opportunity to change course and put the interests of consumers first in its final decision in December.”

For interview requests and more information, contact Stuart Turner on 0415 403 208 or email stuart.turner@energyconsumersaustralia.com.au

Note to editors:

The AEMC initiated the Gas Networks in Transition rule change process in response to four rule change requests submitted by ECA and the Justice and Equity Centre (JEC). Click here to read more about the process.

This was one of four rule change requests to the National Gas Rules proposed by ECA. Click here to read more about ECA’s gas distribution network rule change requests.

About Energy Consumers Australia

Energy Consumers Australia is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.