

ENERGY USERS WELCOME NEXT STEPS IN DEVELOPING THE MANDATORY GAS CODE OF CONDUCT

Leading advocate for the large commercial and industrial (C&I) energy users, the Energy Users' Association of Australia (EUAA) welcomes the next steps in developing the Mandatory Gas Code of Conduct that it hopes will provide better outcomes for energy users who have struggled to contract reasonably-priced gas in recent years.

“Gas is a critical input in to so many of the essential goods produced by large C&I such as bricks, steel, food and glass so it’s reassuring to see the Mandatory Gas Code move into its final stages,” said EUAA Chief Executive Officer, Andrew Richards.

The Mandatory Gas Code of Conduct has been developed in consultation with producers, retailers and energy users and once finalised and implemented it will be managed by the Australian Competition and Consumer Commission.

“While all the details are yet to be finalised, the Code seems to be heading in the right direction,” added Mr Richards. “Our expectation is that the Code will make it easier to contract gas in Australia at reasonable prices and with reasonable contract terms.”

The Federal Government today confirmed that the Code ‘will ensure domestic prices are reasonable by establishing a price anchor, a mechanism to drag prices down - through the combination of:

1. A price cap, which is to be set at \$12/GJ (with a review commencing by 1 July 2025);
2. A process for qualifying for exemptions from the price cap on the basis of making satisfactory ACCC and court enforceable supply commitments to the domestic market; and
3. Allowing small producers of gas to be exempt from the price cap if they supply only the domestic market.

In addition, [the Code] requires all participants to abide by standards of conduct to level the playing field in contract negotiations between users and producers and deliver a better functioning, more competitive gas market.’

“We congratulate the government on taking affirmative action on behalf of Australian energy users and we look forward to working with the government and ACCC as the code is finalised and implemented to ensure it delivers a positive outcome for all energy users,” said Mr Richards.

The EUAA is the peak body representing Australian industrial and commercial energy users. EUAA membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined EUAA members employ over one million Australians, pay annual energy bills in the many billions of dollars and support the development of a lasting national energy and climate change plan that puts downward pressure on electricity and gas costs.

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