



## Lower prices and better deals for gas pipeline users

### **The Australian Energy Market Commission today called for public submissions on stronger regulation of gas pipelines.**

The draft recommendations follow a request from the COAG Energy Council to undertake a review of Parts 8-12 of the National Gas Rules to address concerns that customers may be paying more than necessary for gas pipeline services.

AEMC Chairman John Pierce said if implemented in full, the reforms would make it easier and cheaper to move gas around Australia to where it is most valued, helping to keep gas and electricity prices as low as possible.

“The changes we have recommended would help pipeline users negotiate lower prices and better deals for shipping gas. Gas users like manufacturing businesses that rely on gas, gas-fired electricity generators, and retailers who supply small businesses and households would be better off as a result.”

More services would be subject to access arrangements, prices would be set at more efficient levels, contract terms would be more balanced, and arbitration would act as a more credible back-stop if negotiations fail.

The AEMC has recommended changes to give regulators oversight over a wider range of pipeline services, and to allow all stakeholders, including pipeline users, to have more input into regulators’ decisions on appropriate prices, services and conditions. This would mean pipeline users are better represented and better protected.

The recommendations in this review are another step in the ongoing redesign of Australia’s gas markets. The AEMC’s reforms to make it easier to buy, sell and move gas around the system are already being implemented by the Gas Market Reform Group established by the COAG Energy Council.

These reforms include introducing new ways to trade unused pipeline capacity; requiring more and better information so buyers and sellers can make informed decisions; and developing standard products and contract terms to facilitate trade across different locations. Redesigning gas markets will improve competition and lower the costs to households and businesses.

For this review the AEMC has worked closely with the ACCC as it continues its gas market inquiry, the Australian Energy Regulator, the Economic Regulation Authority of Western Australia and the Gas Market Reform Group.

Submissions on the draft report are due by 27 March 2018.

### **Background**

*Gas markets are transforming. With the development of Australia’s LNG export market, largely isolated point-to-point pipelines have evolved into an interconnected network with two-way flows.*

*As market evolve, the AEMC’s gas market reforms, including our recent reviews of the [East Coast gas market](#) and [Victorian gas market](#), will make it easier and cheaper to move gas around Australia to where it is needed and valued most by consumers. This helps keep gas and electricity prices as low as possible.*

**Media:** Prudence Anderson 0404 821 935 or (02) 8296 7817

27 February 2018