

**Economics Legislation**  
Answers to questions on notice  
**Climate Change, Energy, the Environment and Water Portfolio**

**Inquiry:** Inquiry into the Competition and Consumer (Gas Market Code) Regulations 2023

**Question No:** IQ23-000260

**Hearing Date:** 21 September 2023

**Division/Agency:** Gas and Liquid Fuels Division

**Topic:** Timeframes - changes from the code

**Hansard Page:** 25

**Question Date:** 21 September 2023

**Question Type:** Written

**Senator McKim asked:**

Given complaints from witnesses in the hearings that retailers are still charging excessively high prices and inserting unfair contract provisions such as 'take or pay' clauses - what are the timeframes in which the Department expects any changes in behaviour and wholesale prices from this code (and the temporary price order before that) to flow through to customers who are negotiating with retailers?

**Answer:**

Retailers typically contract for their customers' supply at least one to two years in advance of selling to market. The temporary price order took effect from 23 December 2022, setting prices at \$12/GJ in the east-coast domestic market for 2023. The \$12/GJ price anchor in the Gas Market Code then takes effect. In that context, as new contracts become due for those retailers with the wholesalers, we expect those prices to come down towards the \$12/GJ cap and then, as that occurs, those retailers to pass on that pricing to their customers.

The Australian Competition and Consumer Commission (ACCC) and the Australian Energy Regulator will continue to closely monitor gas markets to ensure that energy companies are doing the right thing and consumers are paying a fair and reasonable price for Australian gas. In its June 2023 Gas Inquiry interim report, the ACCC stated it will monitor retailer behaviour and has commenced a review into retailer selling practices and pricing as it relates to the supply of gas to commercial and industrial customers.