



Economic Regulation Authority

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Media Release

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The Economic Regulation Authority has moved to simplify the regulatory demands on gas suppliers while maintaining high standards of protection for consumers.

The Authority, the Code's administrator, has agreed to repeal the Gas Marketing Code of Conduct and amend Gas Trading Licences for supplying residential and small business customers to include a Gas Marketing Standard - a simpler, clearer and more concise document.

The changes resulted from a review of the Code, which the *Energy Coordination Act 1994* required 12 months after the Code began operating in May 2004.

The review was conducted by the Gas Marketing Code Consultative Committee which included representatives of the Authority, the Department of Consumer and Employment Protection, the Chamber of Commerce and Industry of WA, the WA Council of Social Services, Alinta Sales Pty Ltd, Wesfarmers Kleenheat Gas Pty Ltd and WorleyParsons Asset Management Pty Ltd.

A primary task of the Committee was to identify where the Code overlapped or duplicated State or Commonwealth legislation. The Committee found substantial areas of duplication and concluded that it could be removed without reducing consumer protection.

In its final report to the Economic Regulation Authority the Committee recommended that:

- the Authority repeal the Gas Marketing Code of Conduct;
- a Gas Marketing Standard be created and become a condition of Gas Trading Licences;
- a Guide to Consumer Protection for Gas Marketing be created and placed on the Authority's web site; and
- the Authority establish a committee to discuss development of an Energy Code of Conduct for both gas and electricity licensees.

A copy of the Committee's final report and the decision by the Authority are available on the Authority's web site.

Lyndon Rowe, the Authority's Chairman, said all of the Committee's recommendations had been accepted.

"The review sought to achieve efficient and effective regulation while keeping compliance costs to a minimum," he said. "The changes will simplify gas marketing regulation and make it more efficient."

“The Code specified what gas companies could and could not do when marketing gas to residential and small business customers. Its underlying principles were to protect consumers from undesirable marketing activity and to define standards of conduct for gas companies in their marketing to customers.”

“The Gas Marketing Standard aims to maintain the principles of the Code while clarifying and simplifying its contents, to ensure the best outcomes for consumers,” Mr Rowe said.

“The Standard recognises the existing strong levels of protection offered by the federal trade practices act and the state fair trading act and that there is no need to duplicate that in a regulatory instrument.”

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