



Media Statement

9 December 2024

Gas/electricity comparison claims to be regulated

Claims made by gas retailers comparing the performance of gas and electrical appliances would be regulated under a <u>draft decision released by the Economic Regulation Authority</u> today.

The ERA has published its draft decision for the review of the *Gas Marketing Code of Conduct 2022*, which regulates the marketing of gas to small use customers – typically households and small businesses.

ERA Chair Steve Edwell said the change was intended to add context to marketing claims comparing gas or gas appliances to electricity, and would cover five areas – cost effectiveness, energy efficiency, health, sustainability and emissions.

"We're in the midst of a rapid transition from gas to electricity for cooking and heating, as many households are looking to maximise the benefits they receive from rooftop solar, and as technology improves," Mr Edwell says.

"So it makes sense to apply some rigour to the claims being made by some gas retailers, that may not be comparing apples with apples when it comes to the latest gas and electricity statistics."

This change would apply to the information that gas retailers publish themselves, as well as that supplied to energy comparison websites. Gas retailers in Western Australia must comply with the Code of Conduct as a condition of their licence, and report non-compliances annually to the ERA. Non-compliance may also be identified by the ERA's periodic audits.

The ERA also proposes to require gas retailers to publish standardised Basic Plan Information Documents on their websites, which set out the same information in the same format for each plan – making it easier for customers to directly compare gas plans.

"Gas, unlike electricity, is a contestable market for household customers in Western Australia, and we want to make it as easy as possible for people to ensure they're getting value for money," Mr Edwell said.

The ERA has proposed other amendments to the Code, including to standardise identification requirements for face-to-face marketing and telemarketing, and to align the Code with the comparable customer code for electricity wherever possible.

The ERA's draft decision is informed by the work of the Gas Marketing Code Consultative Committee – an independent statutory body set up to review the code every two years. The Committee includes representatives from industry and consumer groups, and well as government agencies.

Interested parties have until 20 January 2025 to respond to the draft decision via the <u>ERA website</u>, with a final decision expected in March.

About the ERA

The ERA is Western Australia's independent economic regulator. We aim to benefit all Western Australians by promoting strong economic outcomes through effective regulation and decision making. We strive to make sure current and future consumers pay no more than necessary for safe and reliable utilities.

For further information contact:

Natalie Warnock Manager Communications Ph: +61 428 859 826 media@erawa.com.au

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