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Kate Symons
Commissioner and Chairperson
Essential Services Commission
Level 8, 580 Bourke Street
Melbourne VIC 3000

4 May 2023

Property Council Submission on Gas Distribution System Code of Practice

Dear Ms Symons,

I write to you with input into your review of the Gas Distribution System Code of Practice and your intention to remake it to:

- make obligations fit for purpose, allowing effective compliance monitoring and enforcement;
- align the code with recent changes to the National Gas Rules and remove duplication and inconsistencies; and
- support policy development and the Victorian Government's Gas Substitution Roadmap.

The Property Council of Australia welcomes the opportunity to make a submission and supports scrutiny of gas companies and other essential services providers.

The Property Council is the leading advocate for Australia's property industry; an industry that accounts for 13 per cent (\$202.9 billion) of Australia's GDP, and the largest Australian employer, contributing to over 1.4 million employees.

In Victoria, property contributes \$58.8 billion to Gross State Product, making up to 13.8 per cent of the Victorian economy. It employs one in four working Victorians, employing more than 390,000 people directly and supporting more than 471,000 workers in related fields. It pays 59 per cent, or \$17.9 billion, in tax revenue, and pays more than \$21 billion in total wages and salaries per year, being approximately 27.9 per cent of wages and salaries paid to Victorian workers.

Our members develop, invest in, design, build and manage the places that matter most to Australians – our homes, shopping centres, office buildings, industrial areas, retirement villages, education, research and health precincts, tourism, and hospitality venues and more.

Our members are delivering thousands of new buildings each year in Victoria and ensuring these policy changes are well communicated with an appropriate lead in time will ensure a greater understanding and faster pace of delivery to help address the housing shortage.

This response provides specific responses to the posed questions.

For more information or to clarify anything contained within this response, please contact Lisa Julian, Policy Manager, on [REDACTED]

We look forward to continuing the conversation with the Essential Services Commission on this and other matters.

Yours sincerely,



Cath Evans
Executive Director, Victoria
Property Council of Australia

Response to questions

1. Do you support the scope of our proposed review of the code?
 - a. Yes
2. Are the proposed criteria in our assessment framework appropriate?
 - a. Yes
3. Do you consider the current connections framework for gas retail customers appropriate? Why or why not?
 - a. They have been adequate, but continuous improvement to support further improvement is always welcomed.
4. What options should we consider when reviewing the connections framework for gas retail customers?
 - a. Gas has been very heavily promoted in Victoria over the past few decades, but it is a finite resource and cannot be produced from renewable sources. Due to the scarcity of it and the transition to other energy sources, gas is now not so sought after as it once was, particularly in dwellings.
 - b. As more of a 'user pays' system is adopted, some families may find they are paying considerably more as more people transition to renewable energy sources.
 - c. While the Property Council supports the energy transition, we do not wish to see those already under significant financial stress having to pay a higher proportion as there is a transition to electrification.
5. Do you agree with the introduction of obligations to provide information to customers about changes in the type of gas supplied?
 - a. Yes, the Property Council favours transparency.
6. Are there other options to introducing equivalent obligations proposed for the National Energy Retail Rules that we should consider?
 - a. N/A
7. Should we remove the overlap of metering obligations in the code and in Part 19 of the National Gas Rules?
 - a. Yes, as the remaking of the code of practice aims to eliminate duplication.
8. What options to the regulation of metering requirements for non-declared distribution systems should we consider?
 - a. We recommend it will be beneficial to clarify the metering requirements in Victoria, including whether the metering requirements in the code should continue to apply to non-declared parts of Victoria's network.
9. Do you consider that the current arrangements for deemed distribution contracts and customer obligations results in uncertainty for customers and industry that is burdensome or harmful?
 - a. We consider that contracts often are difficult to decipher for a typical customer, therefore that results in uncertainty. However, as there are currently no deemed

distribution contracts between gas distributors and customers in Victoria we encourage more transparency.

10. Should we include customer obligations and prohibitions in the code?
 - a. Yes, as that provides more transparency.
11. Do you have any views on the removal of Part D of Schedule 1 from the code?
 - a. No
12. Do you have any views on the removal of Schedule 3 from the code?
 - a. No
13. Are any clarifications needed in relation to disconnection and reconnection obligations?
 - a. We do not have specific advice on this matter however favour transparent arrangements and further refinement that supports customer understanding of disconnection and reconnection obligations.
14. Should we specify clearer timeframes for when Guaranteed Service Levels payments must be made?
 - a. Yes
15. Are there any further consequential changes to the code required due to the recent amendments to the National Gas Rules relating to distribution connected facilities?
 - a. N/A
16. What factors should we account for when considering our role in the framework for setting unaccounted for gas benchmarks in Victoria?
 - a. We note that there has been specific reference to a more 'user pays' system regarding the infrastructure that supports the delivery of the gas to homes and businesses. We support this, but with some qualifications.
 - b. We highlight that families and small businesses under significant financial constraints should be subject to a more considered approach during the transition from gas to renewable energy sources.
17. What factors should we consider when assessing whether or not to assign obligations in the code as civil penalty requirements?
 - a. If there is a specific exceptional reason that someone in the household needs access to gas – such as because of a significant health issue – that appropriate payment plans are available in case of financial stress.
18. Do you have any views on our proposed approach in relation to compliance and performance reporting obligations?
 - a. Compliance and reporting is integral to transparency but also highlights potential opportunities for streamlining of processes to save time, effort and money.

19. Can you identify any other changes we may need to make as a consequence of remaking the Gas Distribution System Code of Practice?
 - a. Ensuring that compliance and reporting is easy to understand and to adopt plain English principles for remaking the Code of Practice.

20. Are there any other issues we should consider as part of this review?
 - a. The Property Council has nothing further to add.