

Media release, 4 September 2014: Our Gas Challenge

Over 90 per cent of Victorian households will soon be hit with significantly higher gas prices, and many are not well prepared, warns a new report, *Our Gas Challenge: The role of gas in Victorian households*.

Gas prices have risen 66 per cent since 2008 and are expected to rise another 20-25 per cent to 2015, says the Consumer Utilities Advocacy Centre (CUAC), a consumer agency representing Victorian energy and water consumers.

"Consumers have focused on electricity prices in the last few years, but these are expected to remain steady while gas prices keep rising," said Martin Jones, Research and Policy Advocate at CUAC. "Victorians are used to thinking of gas as the cheap alternative to electricity, but this probably won't be the case for very much longer. Consumers and Governments need to respond."

Victorians are the biggest residential users of gas in the country, and use twice as much gas as any other state or territory (with the exception of the ACT). Average annual Victorian gas bills are around \$1,200, of which 70 per cent comes from heating.

"If prices rise as expected, the average Victorian household could face a bill spike of close to \$300 dollars," said Martin Jones. "Most of this will come during winter. A sudden jump in bills will be extra tough on consumers on low incomes or with tight budgets. Low income households spend almost three times as much of their incomes on energy as the average household, and will be harder hit."

CUAC calls on Governments to respond to the gas challenge to help consumers prepare and avoid 'bill shock'. The report recommends a broad range of policy measures, such as updating appliance energy ratings to allow comparisons between equivalent gas and electric appliances, or increasing awareness of the My Power Planner energy retailer comparison website.

Households can also save money by increasing the energy efficiency of their homes, and CUAC has called on the Government to improve Victoria's housing stock to an average of five stars and target households with high energy use, particularly low income and vulnerable households.

"Consumers and governments must revisit their attitudes toward gas to ensure that adjustments to gas price rises, and policy responses, are not more costly than they need be," said Martin Jones.

Contact for media enquiries:

Martin Jones
Research and Policy Advocate
(03) 9639 7600
martin.jones@cuac.org.au