

Media release, 17 March 2015: Best response to rising gas prices is energy efficiency, say consumer advocates

In response to media reports today that [Chinese consumers of Australian natural gas will pay just a third of what Australians are paying](#), the Consumer Utilities Advocacy Centre (CUAC) renewed its calls for greater energy efficiency in Victorian homes to tackle rising energy bills.

“All consumers need to be able to afford essential energy services,” said Mercedes Lentz, Executive Officer of CUAC. “CUAC has real concerns about the effect of rising gas prices on Victorian households, in particular low income and vulnerable households. We want access to energy efficiency options for these consumers to be part of the conversation.”

Gas prices are rising due to recently completed export facilities in Queensland, which have linked eastern and southern Australia to international gas markets for the first time. China is reported to have struck a 25-year contract in 2002 for wholesale gas at \$3.80/GJ¹ from Western Australia, while eastern Australian wholesale prices are expected to reach \$7-10/GJ in coming years.

“90 per cent of Victorians use gas, but the opportunities to reduce bills aren’t available to everyone equally,” said Martin Jones, Research and Policy Advocate at CUAC. “Low income households often struggle to afford more efficient appliances or homes, and renters and public housing tenants rely on landlords to make investments for change. Without assistance, these groups will have little option but to bear rising prices.”

CUAC’s 2014 report, [Our Gas Challenge](#), identified Victorians as the biggest residential users of gas in the country. The average annual Victorian gas bill is around \$1,200, of which 70 per cent comes from heating.

Our Gas Challenge recommends a broad range of policy measures including increasing awareness of the [My Power Planner](#) energy retailer comparison website, improving Victoria’s housing stock to an average of five stars, and targeting households with high energy use for energy efficiency improvements.

“CUAC welcomes the Victorian Government’s initiatives around energy efficiency and productivity,” said Ms. Lentz. “We are participating in this process and look forward to making essential services more affordable for all consumers.”

Contact for media enquiries:

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

¹ A gigajoule (GJ) is roughly the average weekly consumption of a Victorian household.