

12 April 2024



Ms Rowan McKeown
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Via email: reviews@escosa.sa.gov.au

Dear Ms McKeown,

Thank you for approaching the South Australian Business Chamber for our feedback on the Australian Gas Networks (AGN) regulatory framework review 2026 – 2031.

We see this review as timely, given that gas will remain a transitional fuel for the foreseeable future, even after South Australia achieves the net 100% renewables target. As ESCOSA's Issues Paper rightly points out, the ongoing energy transition means that demand for natural gas may change considerably, hydrogen may be introduced into the distribution network, and some businesses may cancel their gas supply altogether, due to electrification. In this context, it is necessary to ensure that AGN's service standards are maintained, and that businesses which electrify can disconnect from the gas distribution network quickly and easily.

Although gas is not essential for all businesses, it remains an important input for many large scale manufacturers in South Australia, which use it to generate industrial heat. According to responses to the Chamber's December quarter 2022 Survey of Business Expectations, almost a quarter (22.9%) of South Australian businesses use gas in their operations.

We have solicited feedback from our members who rely on AGN's services for their manufacturing process. We are pleased that to report that their experience with AGN has been positive to date, with no issues reported regarding service interruptions and leaks. We also heard that, on the very odd occasion where an incorrect meter reading was provided, the AGN has been very responsive to our members' queries. We hope this remains the case going forward.

Although the topic of affordability is outside the scope of this review, we would like to express hope that there will be no increases in network charges in the next review period, or these are kept to a minimum. Over the past two years businesses have had to contend with inflation, interest rate rises, as well as increases in wages, energy costs, insurance premiums and ReturnToWorkSA premiums. Yet another

increase in costs of doing businesses would be hard to absorb for many of our members.

Thank you again for contacting the Chamber about this matter. If you would like to discuss any points raised in this letter, please contact me on [REDACTED] or via [REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to be 'Kendall Crowe', written in a cursive style.

Kendall Crowe | GM, Policy, Advocacy and International Services
South Australian Business Chamber