

19 February 2026

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Dear Kami,

Submission to the Australian Energy Regulator: Australian Gas Networks SA Access Arrangement 2026-31 Draft Decision and Revised Final Plan

Thank you for the opportunity to provide a submission on the Australian Energy Regulator's (AER's) Draft Decision and Australian Gas Networks' (AGN's) Revised Final Plan for 2026-31.

The South Australian Business Chamber is a not-for-profit, membership-based organisation representing businesses of all sizes across metropolitan and regional South Australia. The Chamber has engaged with AGN on the 2026-31 Access Arrangement through representation on AGN's South Australian Reference Group (SARG), including input into the SARG submission dated 13 February 2026, which we broadly support, noting the additional comments below.

Accelerated/Additional Depreciation

The Chamber acknowledges the differing views regarding accelerated depreciation as a mechanism to manage long-term risks in the gas network, particularly in the context of uncertain demand forecasts and stranded asset risk. We also note the mixed information regarding proposed growth of the SA gas network versus the risk of stranded assets during the transition to net zero.

Given the scale and complexity of this element of the plan, we consider that further transparent analysis of the proposed options to assess the full impact across South Australian businesses would assist with ensuring that depreciation allowances are appropriate.

We share the broader concerns raised by SACOSS and others that accelerated depreciation is a blunt instrument that cannot, on its own, resolve the challenge of declining demand. If not carefully designed, it risks shifting future costs onto today's businesses, many of which are already managing significant cost pressures.

From an SA business perspective, any depreciation approach must strike an appropriate balance between intergenerational equity and current affordability, and should form part of a broader, coordinated policy response to declining demand and stranded asset risk, rather than relying solely on network-by-network adjustments.

Commercial Tariff Structure

The Chamber acknowledges the AER's objective to align tariff structures with emissions reduction goals and avoid settings that may appear to incentivise higher gas use. We note that for many large commercial and industrial businesses, gas consumption reflects operational necessity rather than choice. Many operate in hard-to-abate sectors where there is no technically or commercially viable alternative at this stage.

Reducing the number of commercial tariff blocks risks penalising these businesses for circumstances beyond their control and may lead to material cost increases at a time when rising costs remain the number one issue raised by our members. In this context, AGN's proposed three-block structure for commercial tariffs and rejection of the change to the industrial tariff (D) structure for the 2026-31 period represents a more balanced and proportionate approach while further work continues.

Experience also suggests that cost increases are typically passed through to end users quickly, whereas savings are not always transferred in full or in a timely manner. We would therefore seek assurance that any tariff reductions would be transparently and fully passed on by retailers.

Thank you once again for the opportunity to provide feedback on this important matter. We confirm that this submission does not contain any confidential information and can be published on AER's website. Should you require further information, please contact Cathi Buttfield, Senior Policy Adviser, via email [REDACTED] or phone [REDACTED].

Yours sincerely,

[REDACTED]
Andrew Kay
Chief Executive Officer [REDACTED]
South Australian Business Chamber