



Business Council of Australia

13 February 2026

Business Council of Australia

Level 6, 345 George St, Sydney NSW 2000

*Emailed: GAS@dcceew.gov.au*

*RE: Proposed Extension of AEMO's East Coast Gas System Reliability and Supply Adequacy Functions*

Dear Department of Climate Change, Energy, the Environment and Water

Thank you for the opportunity to comment on the proposed extension of the Australian Energy Market Operator's (AEMO) east coast gas system reliability and supply adequacy (ECGS RSA) framework.

We understand that energy ministers are seeking an evaluation of the merits of extending the ECGS RSA framework to include a new last resort investment tool to support investments in supply projects that could prevent, reduce or mitigate prolonged threats to the reliability or adequacy of gas supply where the market is unable to deliver the investment in time. We also understand that such an extension would be structural to market settings and require changes to national energy market laws and regulation.

The Australian Government's recent Gas Market Review was initiated in June 2025 and released a report in December 2025. The review concluded that "fundamental reform to Commonwealth gas market regulation is needed" and makes 18 recommendations, including that the detailed design of key reforms be consulted upon. We note that the initial round of stakeholder consultations is currently underway and that it is likely to take some time to develop 'implementation ready' reforms.

It is the BCA's strong contention that evaluation of the potential merits of a new last resort investment tool be deferred until after Gas Market Reforms have been designed, agreed and are ready for implementation. It would seem highly premature and incomplete to evaluate the need for last resort mechanisms in the gas market without being able to consider the impact of imminent, broader reforms to gas market regulation, both of which have significant implications for investment signals.

The BCA is committed to well considered and well designed energy policy settings which are vital to delivering a successful energy transition for Australia.

Yours sincerely

**Wendy Black**

Head of Policy

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