



Media Release

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Proposed gas rule changes will ensure better consumer energy transition

Energy Consumers Australia has submitted four crucial amendments to the National Gas Rules to ensure millions of Australians facing barriers to electrification or exiting the gas network will not be unfairly or financially punished.

The four rule change proposals, which have been made to the Australian Energy Market Commission (AEMC), aim to ensure fairer outcomes for consumers within the future declining gas distribution network.

“The rules governing gas distribution networks are no longer fit for purpose, given the risks to consumers from a declining gas market,” Energy Consumers Australia’s CEO Dr Brendan French said.

“As gas customer numbers decrease, the costs of the gas network will be shared between a shrinking pool of customers, and without policy interventions, gas consumers will face soaring retail gas bills due to the fixed nature of gas network costs. Those facing the greatest barriers to electrification, such as renters or low-income households, are likely to be the hardest hit.

“We believe that households and small businesses should pay a fair and affordable price for gas as long as they use it. These rule change proposals are no-regrets, sensible attempts to achieve that goal while improving the regulation of gas networks in decline.”

One of the four proposed rule changes would require developers and customers connecting to the gas network for the first time to pay the full upfront costs of connecting, stopping these costs being shared among existing customers as happens across much of the country today. By doing so, consumers would see the real cost of a gas connection and be able to make optimal decisions for their circumstances, which in most cases would be to electrify. Some new homeowners and renters, for example, could otherwise be locked in to a new gas connection at exactly the time gas costs start to rise.

Two of the other proposed rule changes aim to restrict the proposals gas networks can make to increase the costs they recover from consumers. This includes addressing ‘accelerated depreciation,’ which causes consumers to pay more now for the gas distribution network to reduce the costs network investors may face later.

The fourth proposed rule change would also require gas distribution networks to make detailed long-term plans about their network, including identifying where current and future disconnections are occurring. This will help prevent poor planning and ultimately reduce costs for consumers.

“We thank the AEMC for the opportunity to submit these proposals and hope they help spur further important conversations on the future of Australia’s declining gas network,” Dr French said.

The proposed rule changes can be viewed on the AEMC’s website here:
<https://www.aemc.gov.au/our-work/changing-energy-rules/rule-changes>

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About Energy Consumers Australia

[Energy Consumers Australia](https://www.energyconsumersaustralia.com.au) is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.