



30 October 2025

Submission: Rule Change Request – Draft Decision on updating the regulatory framework for gas networks

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors and service providers of Australia's pipeline infrastructure. APGA members ensure safe and reliable delivery of over 1,500 PJpa of gas consumed in Australia alongside over 4,500 PJpa of gas for export.

APGA welcomes the opportunity to provide feedback on the Australian Energy Market Commission's (AEMC) consultation on its Draft Decision to amend the National Gas Rules (NGR) to charge newly connecting retail gas customers cost-reflective connection charges upfront.

APGA echoes the sentiment of our feedback to the consultation paper: socialisation of costs of connections is no longer fit for purpose where it spreads the costs of additional connections amongst a forecast declining user base. The AEMC's Draft Rule to introduce cost-reflective charges for new retail gas customers, and require them to pay upfront and in full for their new connection, appropriately balances these factors.

The AEMC has approached this issue with a view to minimising administration costs while supporting consumer outcomes. For example, retaining the model standing offer and negotiation framework in Part 12A of the NGR, rather than the individually costed charges as proposed by ECA, will ensure that gas distributors are not required to engage in inefficient and unnecessary costings which has little benefit for consumers and would substantially raise the cost of connection.

Notwithstanding our support for the Draft Rule, APGA strongly disagrees with the assumption that gas networks are in terminal decline, and the Rules must be made to protect consumers from the costs associated with this. Similar to the "Gas Networks in Transition" rule change proposals currently being considered by the AEMC, this Draft Decision assumes a linear "gas in decline due to electrification" narrative.

Despite AEMO projections to the contrary gas networks in Western Australia, South Australia, New South Wales continue to grow. The Victorian gas network also continues to grow, despite a ban on new residential connections in operation since 1 January 2024. While throughput to residential gas connections does appear to be declining, electrification

is not the single driver behind this; even AEMO stops short of attributing recent declines in household gas use to any single factor.

The impacts of this assumption are less readily apparent for this rule change process compared to the Gas Networks in Transition, but they are still relevant. Hence, while APGA supports the 'user pays' principle behind the Draft Rule, we do *not* support the justification – that gas networks are in decline.

To discuss any of the above feedback further, please contact me on +61 409 489 814 or crafael@apga.org.au.

Yours sincerely,



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