



Submission on Gas networks in transition

to Australian Energy Market Commission

Closing date for submissions: 30 October 2025

Introduction

Lighter Footprints welcomes the opportunity to make a submission on Gas networks in transition. We feel that this area needs to be addressed to achieve a smooth transition off gas and we commend the Commission for opening this subject for consultation.

If Australia is to meet its climate targets it will be necessary to close or greatly reduce the residential gas distribution network. Our analysis shows that gas distribution charges (the network component of household bills) could double within 10 years of the announcement of a Government decision to close the gas distribution networks. Network charges at this level are likely to lead to remaining customers leaving as quickly as possible making areas of the networks redundant and leading to further increases in distribution charges.

Dealing with the consequences

Reaching net-zero emissions requires change and one of those changes will have to be the closure of the gas distribution networks. We are of the opinion that this change will have to be carefully managed to avoid chaos and we support the Victorian Energy Future Network proposed framework of:

1. Efficient price signals at the customer level (via National Gas Rules reform).
2. Proactive network planning to guide investment and decommissioning.
3. Clear strategic direction from governments through jurisdictional governance.

For the transition to be successful there should be dialogue between governments and the asset owners to set out expectations. These expectations should be followed by new gas regulations and strong oversight.

The expectation should be that there is an efficient and safe transition (covering decommissioning of assets where necessary) that is also equitable. This is a huge challenge, but the consequences of failure do not bear thinking about.

Updates to the National Gas Rules

The NGR currently assume that gas networks are expanding and will continue for ever. It is time to change the rules to reflect the reality of the transition to electricity. We recommend that the new rules should focus on efficiency and safety.

Capital expenditure should be assessed against options available taking into account a reduced life for new assets and alternatives to pipeline replacement should be considered (such as disconnection and assistance to transition to bottled gas or electricity).

Developing transition plans

We believe that the distribution businesses should be tasked with developing transition plans that handle the closure of their gas networks in a safe and efficient manner. As the operators of these businesses the businesses have all of the information necessary to prepare safe and efficient plans to transition the network.

These transition plans would be reviewed by the regulator and, if approved, should form the basis of future allowed expenditure.

Connection charges

We strongly believe that all new customers should pay full connection charges and that there should be no addition to the Regulatory Asset Base associated with new customers. Lighter Footprints set out its position in its Submission to the Essential Services Commission – Review of the Gas Distribution System Code of Practice – May 2023. We have not changed our views, and we believe that charging the wider customer base for new gas connections is inherently unfair as this will increase distribution charges in the short term and make the task of closing the networks more difficult.

We recommend that:

- Distribution businesses should develop new connection procedures that allow for simple and economic disconnection
- All new customers should pay the full cost of disconnection

We believe that disconnection charges should be borne by the departing customers.

However, we would like to see the network companies and the safety regulator charged with developing efficient and safe disconnection policies. In a world where we can clear blockages in blood vessels without major surgery it seems inconceivable that we cannot seal a service without digging up the road.

We would also like to empower the Australian Energy Regulator to drive this improvement and, if necessary, set a cap on the amount that the distribution businesses can charge for this service. It is our view that the house that has disconnected from the gas network is inherently a safer house than one that is still connected. The network businesses assure us that their pipes do not leak so there should be no safety issues if the businesses maintain the Dial-before-you-dig records.

Recommendations

1. Put in place rules so that all new gas customers pay the full cost of connection
2. Update the National Gas Rules so that:
 - a. The assumption is that the gas networks are transitioning and not growing
 - b. All distribution businesses are required to develop safe and efficient transition plans
3. Regarding new connections

- a. Distribution businesses should develop new connection procedures that allow for simple disconnection
 - b. All new customers should pay the full cost of connection Disconnection charges
4. Regarding disconnections
- a. Distribution businesses should develop new connection procedures that allow for simple and economic disconnection
 - b. All new customers should pay the full cost of disconnection

We agree to publication of this submission.

Submission on Gas Networks in Transition.

SUBMISSION BY:

Organisation name: Lighter Footprints Inc.
Organisation Position: Convenor, Lighter Footprints Energy Transition Group
Date: 30 November 2025

This submission has been authorised by:



David Strang

Convenor

Lighter Footprints Energy Transition Group

Email: dnstrang@gmail.com