

12 January 2026

Mr Geoffrey Rutledge  
Chief Executive  
Australian Energy Market Commission  
GPO Box 2603  
Sydney NSW 2000

Submitted online via the AEMC's submissions portal.

Dear Mr Rutledge,

**Establishing a Regulatory Framework for Retail Customer Initiated Gas Abolishment (GRC0086)**

Thank you for the opportunity to comment on the Establishing a Regulatory Framework for Retail Customer Initiated Gas Abolishment Draft Determination from the Australian Energy Market Commission (AEMC).

The comments contained in this submission reflect the views of the Energy and Water Ombudsman NSW (EWON), Energy and Water Ombudsman Queensland (EWOQ) and Energy and Water Ombudsman South Australia (EWOSA). We are the industry-based external dispute resolution schemes for the energy and water industries in New South Wales, Queensland and South Australia.

We have collectively reviewed the draft determination and we have only commented on those matters that align with issues customers raise, or with each respective organisation's operations as they relate to the draft determination.

If you require any further information regarding our submission, please contact Dr Rory Campbell, Manager Policy and Systemic Issues (EWON) on 02 8218 5266, Mr Jeremy Inglis, Manager Policy and Research (EWOQ) on 07 3212 0630 or Mr Antony Clarke, Policy and Governance Manager (EWOSA) on 08 8216 1861.

Yours sincerely



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## Introductory Comments

We generally support the draft rules to establish a regulatory framework for gas customers seeking to exit the gas market. There are many positive aspects, which include:

- definitions of gas abolishment and disconnection services, with an outcomes-based approach
- the information provision requirements on both distributors and retailers, with gas distributors taking primary responsibility
- cost-reflective charges for gas abolishment services, based on approved criteria for abolishment charges
- development and approval of model standing offers
- the regulation of disconnection services remaining with Access Arrangements for gas distributors.

The provision of the right information at the right time will enable customers to make the decision that best suits them, whether it is to remain consuming gas, terminate their retail contract, disconnect from the gas network or have their gas connection permanently abolished. Model standing offers are also likely to assist in this regard.

Cost-reflective charges for gas abolishment will reduce the burden on those gas customers remaining on the network, providing a more equitable approach and some protection for vulnerable customers who may be less likely to be able to afford or choose electrification.

However, we have the following concerns with the draft determination:

- the possibility of contestability for third-party businesses to provide gas abolishment services
- the Australian Energy Regulator (AER) handling complaints that could be resolved by Energy and Water Ombudsman (EWOs).

The remainder of our submission responds to a number of questions posed in the Draft Determination and adds detail to the concerns raised above.

### **Question 1: What are the potential costs and benefits of employing the new framework for customer-initiated abolishment services?**

Do you agree with our proposal to use a similar framework to Part 12A of the NGR for customer-initiated abolishment services, including the requirement for distributors to develop model standing offers for the AER's approval? If not, please explain why not and set out what approach you think we should employ and why.

We generally agree with the proposal to use a similar framework to Part 12A of the National Gas Rules (NGR) for customer-initiated gas abolishment services. However, as briefly highlighted above, we have a few concerns in areas where there is not necessarily a need for consistency and stepping away from consistency in these areas would most likely result in benefits for consumers.

#### *Contestability*

Firstly, we don't believe providing for contestability in the provision of abolishment services would be beneficial for consumers. While we note that the draft determination only provides for contestability where it is permitted by jurisdictions and that is an improvement on the rule change proposal, there are potential costs.

Most relevant for EWOs, third-party businesses that could be involved in providing gas abolishment services are not currently required to be members of energy ombudsman schemes. This means that consumers who used these businesses would not be able to complain to an energy ombudsman should anything go wrong with their abolishment from the gas network.

If the AEMC decides to go ahead with contestable arrangements for gas meter abolishment, we strongly suggest that these third-party businesses be required to become EWO members. This should drive high quality/best practice abolishment and customer service and where necessary, the cost of complaints and their rectification being worn by third-party businesses whose customers raise complaints. EWOs would also be positioned to identify and seek redress for systemic issues.

More broadly, some of the rules and regulations applying to gas distributors may not apply to third-party businesses, which could result in worse outcomes for gas consumers wanting to permanently exit the gas market.

As mentioned in our submission to the Consultation Paper, EWOs witnessed and energy customers experienced significant issues when metering contestability was introduced, with delays in installing and replacing meters resulting in unplanned interruptions in supply. Some of these issues are ongoing. We would not want a repeat of similar issues that could arise with the introduction of contestability into services that can be provided sufficiently by regulated networks and regulated appropriately with adequate protections for consumers.

Enabling jurisdictions to decide on contestability in the provision of gas abolishment services also introduces the possibility of inconsistencies across jurisdictions, potentially leading to confusion for customers and higher costs for industry.

### *Complaints*

Our second concern is another body taking some responsibility for handling or resolving complaints regarding gas abolishments. This could cause confusion for consumers about who they should contact if they have an unresolved complaint.

There is a rationale for the AER to consider complaints about gas connections, where the complaint is about the magnitude of the charge being applied to the customer's gas connection – given that EWOs are unable to resolve complaints from consumers regarding the setting of customer contributions to capital works. However, the draft rule specifically does not consider payments from customers for their gas abolishment to be treated as contributions to capital works. The costs associated with gas abolishment services are assumed to be operating expenditure. It is therefore less likely that a complaint about gas abolishment services would fall outside EWOs' scope to assist.

We believe that EWOs are best positioned to handle complaints from individual customers about their gas abolishment. Indeed, we have already been handling these complaints. Between the beginning of 2023 and the end of October 2025, EWON received 183 complaints related to gas abolishments and EWOSA received 57 cases. EWOQ has received 16 cases since the beginning of July 2024. Some of these complaints related to both gas abolishment and gas disconnection/capping and EWOs were able to handle both aspects holistically.

We acknowledge that potential customer confusion will be somewhat mitigated by:

- the inclusion of 126B (similar to existing provision 119ZA), whereby the AER can refer the dispute to a more suitable body such as a jurisdictional ombudsman
- the requirement in 120A for distributors to provide customers with information on dispute resolution procedures and contact details for the relevant energy ombudsman.

### **Question 3: Should the rules require the AER to consult on model standing offers?**

Do you think the rules should require the AER to consult with stakeholders when deciding whether to approve model standing offers, or do you think this should be left to the discretion of the AER?

If the new framework was to be amended to provide for stakeholder consultation on model standing offers, do you think an equivalent change should be made in Part 12A to require consultation on model standing offers for connection services?

We support the AER being required to consult with stakeholders on model standing offers. This should be done as part of the Access Arrangement process, to limit costs for the AER, stakeholders and gas distributors. We believe this should apply for both gas abolishment and gas connection services.

### **Question 6: Are the proposed distributor information provisions likely to achieve their stated objective?**

Do you think the proposed distributor information provisions would help support more informed decision-making by retail customers? If not, please explain why not and what additional support you think is required.

We believe the proposed gas distributor information provisions would help support more informed decision-making by customers. It is appropriate for gas distributors to be the primary information provider for services that they will be delivering to customers. We also agree with the proposed six-month commencement timeframe from the release of the final rule.

We strongly support the gas distributor being required to outline its standard complaints and dispute resolution procedures and the contact details for the relevant energy ombudsman on its website and particularly to respond to enquiries and resolve complaints expeditiously.

### **Question 7: Are the proposed retailer information provisions likely to achieve their stated objective?**

Do you think the proposed retailer information provisions would help support more informed decision-making by retail customers? If not, please explain why not and what additional support you think is required.

We generally believe the proposed retailer information provisions would help support more informed decision-making by customers. We also agree with the proposed six-month commencement timeframe from the release of the final rule.

While we agree that retailers should be required to provide general information and distributors more detailed information, it is important to note that most customers who register complaints about gas abolishment services do so against their retailer, rather than the distributor. For example, 90% of the complaints received by EWOSA since the beginning of 2023 about gas abolishments were made against retailers. 80% of complaints received by EWON for the same period were made against retailers and almost 90% of the cases received by EWOQ since the start of July 2024 were made against retailers.

Provided that retailers do pass enquiries and complaints onto gas distributors in a timely manner, as expected in the draft rules, this may not raise any concerns.