



30th April 2026

Australian Energy Market Commission (AEMC)

Level 15, 60 Castlereagh Street

Sydney NSW 2000

aemc@amec.gov.au

Re: Directions paper National Gas Amendment (Gas Networks in Transition) Rule

Dear AEMC

The long-term role of gas in Australia's energy system is increasingly uncertain. Governments and industry stakeholders broadly recognise that declining demand, growing electrification, and emissions reduction targets will reshape the system. While this transition is necessary, it creates real risks for energy consumers, especially households with limited ability to move away from gas.

Older Australians are a key group at risk. Many live on fixed incomes, may face barriers to switching technologies and/or reside in housing where electrification is not straightforward. Without careful management, they could be left in shrinking gas networks with rising costs and fewer protections.

We support the position of Energy Consumers Australia and the Justice and Equity Centre. Their rule change proposals rightly highlight the financial risks of the energy transition should not fall disproportionately on households who remain connected to gas. Current trends suggest that low-income households, renters and those in gas-reliant areas, many of whom are older people, are most at risk of being left behind.

As the national voice for Australians aged 50 years and older, COTA Australia supports a reform approach guided by the National Energy Objectives. These frameworks must be sufficiently robust to reflect today's changing energy system and to actively protect consumers from harm during the transition.

There is broad agreement across all industry stakeholder groups that moving away from gas must be carefully managed. This includes ensuring **fairness, reliability, safety, service quality, and long-term efficiency for all consumers**. Achieving this will require regulatory settings that do more than acknowledge risks. They must actively **prevent disproportionate harmful impacts on those least able to respond** proactively to present and emerging risks.

We welcome the Australian Energy Market Commission's commitment to developing a balanced reform package and its recognition of the important role governments must play. A **coordinated approach is essential to ensure that no household is excluded** from the benefits of the energy transition because they cannot afford or access alternatives.

From a consumer perspective, the AEMC's proposed direction includes positive elements, such as a longer-term outlook, closer scrutiny of expenditure, and earlier attention to stranding risks. However, the central question remains, **will this approach deliver stronger and more certain protections for residential gas customers than the proposals put forward by Energy Consumers Australia and the Justice and Equity Centre?**

At present, this is not clear. The proposed reliance on regulatory discretion, rather than firm rules, creates uncertainty, particularly for households with limited capacity to absorb higher costs or transition to other energy sources.

To support the proposed reform package, we are seeking clearer and stronger safeguards, including:

- Limiting what households pay as the gas networks decline
- Not passing on stranded asset costs to energy residential customers
- Guaranteeing energy remains affordable
- Reporting regularly and in an accessible and transparent way customer impacts

Without these elements, there is a real risk that residential gas customers, especially older Australians, will face rising costs without adequate protection.

While the AEMC's direction reflects the intent of the proposals put forward by Energy Consumers Australia and the Justice and Equity Centre, it is not yet evident that it improves on them in terms of enforceable outcomes. Greater clarity is needed to demonstrate that the proposed approach will consistently deliver stronger consumer protections, not weaker ones.

We look forward to the outcomes of this consultation and to continued engagement on reforms that support a fair, orderly, and inclusive energy transition. One that ensures older Australians are not left behind.

Yours sincerely



Patricia Sparrow
Chief Executive Officer