Case study:

Creating a just gas transition

Australia's commitments to decarbonisation and net zero emissions targets are changing the energy sector.

At the JEC, we are working for a just transition. One where all households benefit from a shift to cleaner energy, and where no one is left carrying unfair costs. Our work centres on changes to energy sector regulation and policy.

A key part of this work involves proposing changes to the energy rules, to create a regulatory system that accelerates a fair and efficient transition.

This work also helps shift the direction of energy sector decision making, focusing on better outcomes for people and communities, particularly those experiencing disadvantage.

The JEC and gas network regulation

The regulatory framework for gas networks was designed when gas was assumed to be a cheaper and cleaner option. Gas networks were also expected to grow indefinitely. But climate change, changing technologies and the transition to renewable electricity mean networks are shrinking, and the rules need to change to serve energy consumers interests.

Why we got involved

As more people get off the gas network, the risk of assets becoming redundant grows. Having assets that aren't being used efficiently but need to be paid for makes the network increasingly uneconomic to run. The current rules allow gas businesses to share these risks and rising costs among a shrinking customer base. This is unfair and, for many households, it means much higher costs. Change is needed now.

As consumer advocates in the energy sector, we saw an opportunity to change the assumptions about the future of gas networks and how best to serve the interests of energy consumers. This meant making sure the regulatory framework is doing its part to enable a fair energy transition.

Proposing a fairer set of rules

Our team of multidisciplinary policy and legal experts collaborated with fellow consumer advocacy group Energy Consumers Australia (ECA) to draft and propose a suite of rule changes to the Australian Energy Market Commission (AEMC).

With a clear focus on fairness, we proposed changes that would help lower costs for households and improve fairness in cost recovery, while helping to accelerate the transition to renewable energy and reduce our emissions.

From February 2025, we made proposals targeting key aspects of the rules that prevented the efficient retreat of gas networks and resulted in households assuming unfair costs. They include:

- fairer and more consistent rules on how gas network businesses recover the cost of connections, to discourage network growth and ensure existing users don't subsidise new connections;
- fairer and more consistent rules on disconnections, to ensure they cost no more to households than necessary;
- stronger planning and reporting obligations on gas networks, to enable Governments and regulators to actively manage efficient network retreat;
- changes to investment rules, to ensure more rigorous oversight of investment in gas networks and minimise new expenditure;
- tighter conditions around the acceleration of asset cost recovery, to protect consumers from assuming an unfair share of future risks to networks, and;
- stronger provisions to identify and manage uneconomic assets, so networks can and are required to identify and retire them and minimise costs for remaining consumers.

Win: new rules to discourage new gas connections

The first success of this work landed in December 2025, when the AEMC ruled that the full cost of any new gas connection in NSW, the ACT, SA and south-east Queensland will be charged directly to the household or business requesting it. Before this, new connections were heavily subsidised, with existing customers footing the bill through increased network charges. The new rule, which comes into effect in October 2026, makes it easier to compare the cost of a new gas connection to the cost of a cleaner, cheaper and more efficient all-electric connection. The next step is reform to prevent new gas connections altogether.

Win: a fair path to leave the gas network

A second win was in April 2026, when the AEMC finalised Australia's first national framework for people disconnecting from the gas network. Under this framework, people who choose to electrify and leave the gas network will only pay the minimum cost necessary to do so safely. There will also be more accurate and transparent information available to help people decide whether to disconnect and how they can do it. Before this win, people were deterred from disconnecting by high fees and misinformation. As we wait for implementation, we continue to push for more substantial government support for households facing disadvantage – such as low-income households, apartment residents and renters - to get off gas and electrify.

What's next?

Consultation on the remaining rule change proposals - grouped under the title Gas Networks in Transition - is ongoing. These proposals target reform to ensure regulation is fit to support an energy system undergoing significant change.

By getting the rules right, we can ensure better, healthier outcomes for all households while we make energy cheaper and less emissions intensive.