



Media Release

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Jemena decision underlines urgent need for national gas transition plan, ECA says

Energy Consumers Australia says today's final determination on the 2025–30 gas distribution access arrangement for Jemena Gas Networks by the Australian Energy Regulator (AER) further underlines the urgent need to ensure millions of consumers aren't unfairly paying for the declining gas market.

Although the AER's final decision includes accepting lower capital expenditure, it allows the gas network to recover more than \$3.1 billion from consumers over the next five years, an overall increase of nearly \$400 million (16%) compared to the last five-year period. This includes allowing Jemena to recover \$115 million in accelerated depreciation from consumers over the 2025-30 period.

Energy Consumers Australia's [submission on the AER's earlier draft determination](#) argued accelerated depreciation should not be approved, highlighting that it was unfair because it shifted costs from Jemena's shareholders to households and small businesses.

"We welcome some of the steps taken by the AER to help minimise pressure on future bills for Jemena customers through this final determination, including accepting lower capital expenditure," said Energy Consumers Australia CEO Dr Brendan French. "Their decision not to accept Jemena's proposed expenditure on renewable gas connections is also reflective of the broader need to limit investment into declining gas networks.

"There are, however, several costs included in the final decision we do not consider prudent for a declining network.

"Our report with Dynamic Analysis, [Turning down the gas](#), found that one of the most impactful things we can do now to lessen the risks posed by stranded assets is to stop unnecessary spending on the gas network. The AER has, however, increased Jemena's proposed spending on connecting new customers to their network, which we think is a problem given the known risk that consumer gas bills will rise in the near future."

Energy Consumers Australia recently submitted four proposed gas rule changes to the Australian Energy Market Commission aimed at helping protect consumers in the declining gas market. The proposals aim to ensure spending on gas networks is limited to only what is necessary to maintain safety, and to help plan for an orderly transition off the gas network.

"Gas networks are in decline, so there is a need to appropriately plan for this future to ensure consumers who can't get off gas are not left paying an unaffordable share for maintaining the whole gas network," said Dr French. "The AER agrees with some of our analysis, noting in their determination that 'the national gas regime is not well equipped' to deal with a declining network.

"Addressing the broader issues in the gas sector requires a comprehensive policy response. While some jurisdictions such as Victoria and the ACT have come a long way, we are calling on all governments to ensure Australian homes and small businesses can transition off the gas network in a fair and orderly way, especially by stopping new gas connections for households and providing support for electrification."

For more information or interview requests, contact Energy Consumers Australia Senior Media Manager Stuart Turner on 0415 403 208 or email media@energyconsumersaustralia.com.au

About Energy Consumers Australia

[Energy Consumers Australia](#) is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.