



GAAR 2028-33

Gas Stakeholder Roundtable

Summary Notes | Meeting #1

Details	Participants
9:30am to 11:30am Friday 17 April Online Chair: AusNet	Observers: Anita Bryant, Australian Energy Regulator (AER) Alexander D'Aloia, Essential Services Commission (ESC) Jan Wisniewski, University of Melbourne Jean Paul Dussaubat, ESC Shara Speight, Victorian Energy Minister's office Steve Oh, ESC AusNet team: Fran Duiker, EGM Gas & Metering Moyo Tian, GM Strategy & Regulation (Gas) Jacob Clifton, GM Public Affairs Eliza Cochrane, Price Review Manager Lucy Holder, Customer Engagement Manager Kyle Olsen, Senior Engagement Specialist Apologies: Bindi Gove, Amplitude Energy Bronwyn See, Australia Alliance for Energy Productivity (A2EP) David Bryant, Brotherhood of St Laurence Nev Bourke, Bourke Infrastructure Group Simon Kranz, Energy Australia
	Alex Earnshaw, Department of Energy, Environment and Climate Action of Victoria (DEECA) Cameron Bower, EDM Gas Claire Ohk, Energy Consumers Australia Con Noutso, Red/Lumo Energy Damien Moyse, DEECA David Prins, Customer advocate (GAAR Development Panel) Fiona Doherty, Alinta Energy Gary Dolan, Associated Kiln Dryers Gerrod Murphy, Perpetual Energy Sean Greenup, Origin Energy Hamish McKenzie, Grattan Institute Jordan Duckett, DEECA Kyle Auret, AGL Leah Sidhu, DEECA Nicole Wallis, Customer advocate (GAAR Development Panel) Rory Anderson, Victorian Council of Social Service (VCOSS) Ross Jamieson, Gas Appliance Manufacturers Association of Australia (GAMAA) Sangeetha Chandra-Shekeran, University of Melbourne Shelby McFarlane-Hill, Energy Users' Association of Australia (EUAA)

Key outcomes

The Stakeholder Roundtable:

- Built a shared understanding of the GAAR 2028-33 context and process
- Identified topics for future engagement
- Provided feedback on AusNet's Reference Service Proposal, including broad comfort with the removal of the Minor Meter Alter Position as a reference service
- Provided feedback on tariff structures and variation mechanisms.

Purpose & Agenda

Time	#	Item	Facilitator/s
9:30	1	Welcome	Moyo Tian
9:35	2	Introductions	Kyle Olsen
9:45	3	AusNet's gas network, operating environment and the GAAR process	Moyo Tian & Kyle Olsen
10:30	4	Reference service proposal and tariff structures	Eliza Cochrane
11:15	5	Next steps and open floor	Moyo Tian

Summary of discussion

Topics	Discussion points
1. Welcome & opening remarks	AusNet's General Manager Strategy & Regulation (Gas) Moyo Tian, welcomed the Gas Stakeholder Roundtable to its first meeting for the 2026 Gas Access Arrangement Review (GAAR) 2028-33 process.
2. Introductions	Each participant briefly introduced themselves. Participants were also asked to state "what you are most interested in regarding the gas network in Victoria" via Menti, an online feedback tool. Their responses are below: 

3. AusNet's gas network, operating environment and the GAAR process

Moyo provided an overview of the scope of its gas network responsibilities, usage and policy updates. She shared an overview of AusNet's residential, commercial, and industrial customers, as well as information showing significant reduction in residential gas consumption (overall and per customer) over the last several years. She noted AusNet is underperforming for the 2023-28 GAAR volume forecast and AusNet's variation proposal volume forecast.

The Stakeholder Roundtable asked various clarifying questions, with AusNet responding by:

- Taking an action to share information, without identifying specific customers, on what types of large customers use gas as a feedstock.
- Confirming there are some efficiency gains across all households but the drop in average usage is primarily due to a step-change in a small number of households which appears due to full or partial electrification.
- Noting that network charges have been increasing as a proportion of the bill due to price paths from the current GAAR and due to declining usage. Another participant noted wholesale costs have also been increasing.
- Confirming there are not different tariffs for customers charged legacy (low- or no cost upfront) versus current (upfront) connections charging. AusNet shared that this was discussed as part of previous engagement on the ESC's Code of Practice and AusNet's reopener in 2024. AusNet ultimately proposed not to introduce new tariffs for customers paying upfront for connections due to implementation complexity vs. expected connections, and to promote long-term equity.
- Noting small business network charges are lower as a percentage of bills since tariffs are designed to be as cost-reflective as they can be, and that the costs of being

connected to the network is largely the same for many of these customers, although gas usage volumes are higher.

- Confirming residential customers pay in total roughly 96-97% of network charges per year and commercial and industrial the remaining amount, noting this is because industrial customers' contributions are front-ended when they connect to the network and that network charges are designed to be cost-reflective (i.e. industrial customers are not paying back connection capex).
- Confirming the tariff structure is the same across zones with a fixed charge and declining blocks, but that prices differ to reflect the actual build costs as the network grew.
- Noting the *Gas Network in Transition* rule changes are currently being considered by the AEMC but that these will apply to AusNet's Proposal submitted to the AER in June 2027.

AusNet Senior Engagement Specialist, Kyle Olsen, spoke through AusNet's planned engagement for the GAAR 2028-33 process and how the Gas Stakeholder Roundtable fits into it. GAAR Development Panel (GDP) member Nicole Wallis spoke to the role of the GDP and focus areas of its meetings so far.

Discussion:

- Whether AusNet is considering potential political changes in its planning with the Victorian election later in 2026. AusNet noted the AER's clear preference is to plan for existing legislated policies, which is what AusNet is intending to do.
- AusNet took an action to lock in future Roundtable meetings as soon as possible to enable participation.
- Following 2 members' requesting detailed information on AusNet's demand forecast, AusNet invited participants to reach out if there are any specific areas they'd like to discuss in their planning for demand forecasting.
- GAAR Development Panel member David Prins offered to be a contact point for any Roundtable members who have questions on the process and what they can/can't ask AusNet.
- Following a request for information at a high level on geographies of gas consumption, AusNet noted that it is considering regional/geospatial differences in its forecasting approach.

The Stakeholder Roundtable was **asked what topics they are most interested in** discussing through the process, again via a Menti poll. Topics highlighted included:

Verbal discussion:

- How is AusNet planning for electrification across the gas and electricity sides of the business? AusNet noted that while its gas and electricity distribution networks don't overlap, having both helps AusNet interpret trends being observed on either side and consistency is important to our credibility. AusNet explained its forecasts are developed separately and the teams working on gas and electricity forecasts are separate but collaborate to understand customer behaviour.

Via Teams chat:

- "The extent to which AusNet is able to identify specific areas of its network that are more 'economic' than others. If demand is declining on the grid edge, are there parts of the network it would make sense for AusNet to stop serving (even though it can't do that?) Does AusNet have that kind of visibility of which parts of the network are sufficiently utilised and which are not?"
- "Required future investment. Does AusNet have visibility over things like future mains replacement? Where will they be needed and when? To what level of specificity does it know that? And how far in advance?"

Menti outputs:

Dormant connections	Renewable gas, price paths, planning for electrification
How does electricity and gas network plan for each other, is renewable really seen as viable option for households?	It would good to understand if the volume by residential consumers which on average has reduced it would be more useful to understand bands where changes have occurred, ie no change, reduced, no use.
Tariff structure simplification Could a removal of off peak and peak tariffs be considered? Better information and tools provided to retailers E.g. For meter projects (non standard installations)	Tariff structures. Affordability. Electrification. Future of gas. Impacts on employment and economy for business and industrial employers who depend on gas. National fuel security
Changes to tariffs. Especially where there are significant jumps to avoid shocks	How do we ensure those left on the network the longest aren't left with the entire bill
For engagement and research: interested in customer segments for whom less is known eg low income large gas using households. And how you plan to understand consequences for these groups better.	

AusNet took an action to reflect these preferences into future Roundtable agendas.

4. Reference service proposal and tariff structures

AusNet's Price Review Manager (Gas), Eliza Cochrane, introduced the main "deep dive" topic for the day – AusNet's Reference Services Proposal, tariff structure and tariff variation mechanism, which will be submitted to the Australian Energy Regulator (AER) in June 2026. This process determines how AusNet's costs for regulated services are recovered from customers, how network price signals are passed on, and how prices are set and varied over the period.

Eliza shared AusNet's proposal to maintain its haulage services, align abolishment charging with new rules from the AEMC, and consider removing minor meter alterations as a reference service.

Discussion:

- AusNet clarified the difference between the two industrial tariffs – Tariff M & Tariff D is that Tariff M customers used to be Tariff V (volumetric) customers who increased their usage beyond the 10,000GJ p.a. threshold to qualify for Tariff D.
- AusNet confirmed that if only one apartment in an apartment block is abolishing its connection to the gas network then it is the same capped price (~\$250). AusNet took a question on notice on whether, if an apartment block gradually disconnects, if the full cost of the abolishment falls on the last remaining customer, as it was unclear whether this situation had been encountered.
- AusNet clarified that it's consideration to remove minor meter alterations from the Ancillary Reference Services would mean there's no longer a standard charge, but customers can still request this service and it will be quoted job-by-job.
- A member asked whether customers who stop using gas are expected to physically disconnect, or whether they can stop usage while leaving the meter connected. AusNet responded that customers can request that their meter is 'plugged' but that the safest option for customers permanently leaving is for the service to be cut and capped.
- AusNet responded to a question on whether customers ever directly contact AusNet to request disconnection or abolishment after closing their retail account. It was noted

that it will begin accepting these requests from 1 July 2026, in response to a new licence requirement initiated by the Victorian Government.

- Following questions on whether the cost of abolishing a gas connection influences customers' decisions on whether to fully disconnect their gas meter, AusNet confirmed that the ~80% reduction in the cost of an individual abolishment with the remainder socialised across the broader gas customer base – a direction from the AER in its GAAR 2023-28 decision – does not appear to have influenced customers' decisions as the dormancy rate has continued to rise consistently.
- AusNet responded to the question on how much it costs AusNet to maintain a dormant connection that costs are primarily driven by repairs to damaged assets (e.g. responding to a report of a damaged service, leak, or meter) and meter reading.

AusNet shared that it is considering removing the “minor meter alter position” reference service due to low volumes and instead quote these jobs on a case-by-case basis. Participants were asked via a Menti poll their level of comfort level removing this ancillary reference service. 12 participants voted and the results showed 3.3 out of 5 (66%) level of support for this approach.

Two participants spoke up in support of removing the Minor Meter Alter Position as a non-reference service if that is the most efficient process.

Eliza spoke through AusNet's proposal to flatten tariff structures to reduce the incentives of sharp declining blocks.

Discussion:

- AusNet confirmed that the purpose of a declining block structure in a market that is declining is that this still reflects the marginal cost of delivering extra gas to those customers based on network costs.
- A comment that the analysis of segments will be very important and interesting, particularly those customers with higher usage and lower income. AusNet confirmed that it expects to be able to do this analysis of the impact of this tariff change once it determines the revenue requirement and impact of flattening, later in 2026.
- A member suggested that there may be perverse outcomes for high-using residential gas customers being pushed to electrify due to flattening of the blocks, if the costs of electrification or electricity are higher than expected. AusNet clarified that it is not its intention to push customers off the gas network and that the proposed changes to tariffs are not designed to do this.
- A participant noted that retailers present tariffs differently, and customer engagement with AusNet's tariffs is very low to non-existent with respect to declining blocks, and that visibility is much lower than electricity given the lack of smart meters.

Moyo noted that most of the feedback had been on the impact of the proposed tariff change on prices for customers which will be brought back into discussions once the Proposal has been further developed. AusNet took an action to bring these impacts back to the Roundtable.

Eliza spoke through AusNet's proposal to move from a price cap to a hybrid cap, adopting the AER's preferred pricing mechanism of a 5% threshold and 50% share of excess. Eliza invited the Roundtable's views on this.

Discussion

- One participant noted a price cap looks most attractive from a customers' perspective as AusNet wears more risk and that the benefits to customers of a hybrid approach are not clear. AusNet noted that a hybrid price cap is better-suited to a dynamic operating environment (e.g. policy uncertainty), and that the hybrid is designed to provide the broader benefits of the price cap while protecting both customers and the network from extreme differences to the forecast.
- Another participant agreed that the value proposition of a hybrid cap for customers needs to be better explained, as a price cap looks like the best approach.

- AusNet clarified in response to a question that the AER has not made a general requirement for hybrid price caps, but shared that the AER's decision-making on the last three gas revenue resets suggests it strongly favours a hybrid cap in the current environment. AusNet noted that a revenue cap would likely deliver the best financial outcomes for the network but has internally decided not to propose this for the current period due to the impact on customers.
- The AER observer present shared a link to the AER's review of gas distribution network reference tariff variation mechanisms and declining block tariffs in case helpful to others: <https://www.aer.gov.au/industry/registers/resources/reviews/gas-distribution-network-tariffs-review...>

5. Next steps and close

Moyo thanked the group for their strong engagement and contributions today, and several participants commented on how much they had enjoyed the discussion and engagement.

Moyo spoke through the next steps being:

- Roundtable feedback will be used to help inform AusNet's proposed reference services and guide discussion with the GAAR Development Panel.
- AusNet will schedule future Stakeholder Roundtable meetings and reflect on the topics to cover based on discussion covered today.

Action items

Action	Assigned to	Status	Due
Share information, without identifying specific customers, on what types of large customers use gas as a feedstock to requesting stakeholder.	AusNet	In progress	May 2026
Schedule future Roundtable meetings as soon as possible.	AusNet	In progress	May 2026
Work Roundtable preferences on topics to discuss into future Roundtable agendas.	AusNet	In progress	May 2026
Bring the impact on customers of proposed tariff change on prices back into discussions with the Roundtable once the Proposal has been further developed	AusNet	In progress	September 2026
Respond to the question: If an apartment block gradually disconnects, does the full cost of the disconnection fall on the last remaining customer? AusNet response: Currently we'd charge each apartment the standard \$250 fee and the final customer \$250, but this specific circumstance has not happened before.	AusNet	Complete: Response below	Complete