



GAAR 2028-33

GAAR Development Panel (GDP)

Summary Notes | Meeting #6

Details	Members	AusNet Team
9am to 12pm Monday 24 August 2026 In-person Chair: Nicole Wallis Secretariat: AusNet Meeting summary prepared by AusNet and finalised by Chair Nicole Wallis.	Nicole Wallis (Chair) Andrew Richards Damian Sullivan David Prins Gavin Duffy Kellie Larsen Michael Poulton Observers: Jonathon Sellar (AusNet Board) Andrew Robinson (AusNet Board) Lianne Buck (AusNet Board) Meg Zefara (AER) Rob Gannon (AER) Nic Jackson (AER) Apologies: N/a	Fran Duiker, <i>EGM Gas & Metering</i> Moyo Tian, <i>GM Strategy & Regulation (Gas)</i> Erin Wild, <i>GM Network Management (Gas)</i> Eliza Cochrane, <i>Price Review Manager</i> Ben Ryan, <i>Manager Policy & Regulation</i> Zoe Wright, <i>Manager Strategic Engagement & Insights</i> Kyle Olsen, <i>Senior Engagement Specialist</i>

Key outcomes

The GDP:

- Discussed and provided feedback on AusNet's approach to asset management for the GAAR in the context of its operating environment.
- Discussed the outcomes of AusNet's 5-year demand forecast and expressed support for its methodology.

Purpose & Agenda

Time	#	Item	Outcome	Facilitator/s
9:00	1	Welcome & opening remarks, including pricing survey update		Chair
9:10	2	High-level AusNet asset management practices for the GAAR	Feedback on how we are changing our approaches to investment to respond to our operating context	Erin Wild
10:30	3	Share outputs of the 5-year demand forecast and discuss its implications for the proposal	Close the loop on outputs of methodology, discuss implications for the network, and implications for customers	Ben Ryan
11:30	4	Reporting back from July Stakeholder Roundtable and Round 1 customer workshops	Provide an overview of insights and outcomes from Gas Stakeholder Roundtable and Round 1 customer workshops	Chair
11:55	5	Open floor, next steps and close		
12:00		Leave for site visit		

Summary of discussion

Topics	Discussion points
1. Welcome & opening remarks	GDP Chair, Nicole Wallis welcomed the group and outlined the main purpose of the meeting – in particular, for the panel to discuss and provide feedback on AusNet's asset management practices for the GAAR and the outcomes of the 5-year demand forecast. Nicole welcomed the observers from AusNet's Board and the Australian Energy Regulator (AER). AusNet's Kyle Olsen provided an update on AusNet's plan to engage customers on accelerated depreciation (AD) in the context of demand forecasts and expenditure. He noted that AusNet is refining its approach, including consideration of AER feedback on other networks' AD engagement activities. AusNet is assessing the most effective way to help customers understand the implications of AD. As part of this, AusNet is considering if a potential pricing survey would provide meaningful additional evidence. An update on the proposed engagement approach will be provided to the GDP at the next meeting in October.
2. High-level AusNet asset management practices for the GAAR	AusNet's Erin Wild provided an overview of AusNet's approach to asset management for the 2028-33 GAAR. She explained that AusNet's historical asset management practices have delivered strong outcomes for customers, with a safe, reliable and low-cost gas network. However, changing operating conditions, including declining demand and increased uncertainty about the future role of gas, adds complexity to how AusNet plans and manages its network over the long term. Erin explained that AusNet is increasingly focusing on a network optimisation and "no regrets" approach to network management. AusNet is seeking to better align expenditure with future network needs by considering a wide range of options, including asset life extension, network reconfiguration and selective asset replacement. The objective is to maintain safe and reliable services while minimising long-term costs for customers. Erin outlined the importance of improved network intelligence and more granular asset condition data. Erin explained that better information about the condition, demands and changing role of different parts of the network will support targeted investment decisions and provide greater flexibility to respond to a range of future demand scenarios. This includes consideration of new technologies that will improve asset condition visibility and help optimise future maintenance and replacement decisions. Erin outlined AusNet's current thinking that customers should not bear the risk of early-stage renewable gas investments while significant policy and market uncertainty remains. She noted that interest from renewable gas producers is emerging, but investment decisions appear to be constrained by unresolved policy and regulatory settings. Discussion: - GDP members questioned how affordability and community outcomes were reflected in the asset management framework. AusNet clarified that the presentation focused on compliance with the Gas Rules and asset management practices, while affordability and customer outcomes are considerations across the broader GAAR proposal. - AusNet clarified that it owns 183 kilometres of licenced transmission assets, which are counted as part of the gas distribution RAB. These are operated at different pressure levels to the distribution network and are referred to as

transmission assets in our regulatory information notices. AusNet agreed to refer to this part of the network as 'sub-transmission' assets in future meetings, so they are not confused as assets operated by AEMO as part of the Victorian Transmission System. Erin noted that these assets are the backbone of the Melbourne gas network and are expected to remain in service longer than other asset classes.

- GDP members noted the importance of clearly communicating to customers which aspects of asset management are driven by regulatory and safety obligations and which aspects they can influence. Members also encouraged AusNet to articulate how changes in asset management approaches may be experienced by customers, including any implications for reliability, service levels and network investment over time.
- GDP members discussed whether declining demand could create opportunities to optimise costs by accepting different levels of reliability, and what trade-offs customers may be willing to make between reliability and affordability. Members noted that reliability trade-off discussions are common in electricity regulation but less developed in gas, and questioned how customers would respond to questions on reliability given the network's historically high reliability performance.
- AusNet is considering investment in enhanced data collection and leak detection technologies to improve our understanding of the network's condition and support more targeted investment decisions. GDP members questioned whether this could reveal sections of the network requiring significant replacement. AusNet explained that the objective is to identify deterioration early enough to extend asset life and avoid more costly replacement, supporting better long-term customer outcomes.
- GDP members asked whether AusNet is building a clearer understanding of which parts of the network are likely to remain viable long-term and which may be candidates for electrification and potential decommissioning. AusNet advised that it is seeking to develop more granular data and forecasting capabilities to better understand local network conditions and support targeted, location-specific investment decisions rather than relying on asset age or network-wide assumptions.
- GDP members discussed the challenge of balancing declining demand expectations with ongoing obligations to maintain safe and reliable services. Members noted the risk of stranded assets while recognising that future policy and political decisions could materially influence the pace of transition. AusNet noted that these uncertainties are driving a scenario-based planning approach.
- The GDP asked what lessons AusNet has drawn from recent AER decisions on other gas networks' asset management approaches. AusNet noted the key areas of focus appear to be renewable gas proposals, low-pressure mains replacements programs, dormant connections, leak detection approaches and pipeline inspection practices. AusNet observed that networks are at different stages of transition and that AER decisions reflect differing jurisdictional circumstances.
- GDP members noted that discussions regarding asset management, accelerated depreciation and asset stranding are closely connected and ultimately need to be considered together. AusNet acknowledged this relationship and advised that future discussions will increasingly bring these topics together as expenditure proposals become more developed.
- A GDP member observed that asset management and depreciation should be assessed as related but distinct issues. They argued that there should be an optimal asset management strategy regardless of the depreciation profile, while discussions about depreciation should focus on

the fairest and most equitable approach to cost recovery. They added that further assessment of AusNet's proposed approach would require alternative reasonable options for comparison.

- A GDP member asked whether voluntary strategic decommissioning trials could be explored in residential areas where customers may be willing to transition away from gas. AusNet advised that it is considering how strategic decommissioning opportunities could be incorporated in longer-term planning under the current Gas rules. However, uncertainty around customer uptake, funding arrangements and delivery capability makes it difficult to include an innovation proposal in the current GAAR.
- GDP members discussed alternative funding approaches for renewable gas connections, including beneficiary-pays models, and noted the importance of future government policy in shaping market development.
- GDP members questioned how decarbonisation objectives, renewable gas opportunities and evolving emissions obligations are being incorporated into AusNet's planning. AusNet acknowledged these issues and indicated they would be explored in greater detail through future GDP discussions.

3. Share outputs of the 5-year demand forecast and discuss its implications for the proposal

AusNet's Ben Ryan provided an overview of AusNet's 5-year demand forecast and outlined how feedback from previous GDP discussions had informed the final forecast methodology and outputs.

Discussion:

- GDP members discussed the importance of distinguishing between policy-driven demand reductions and customer-led electrification trends, noting that both factors are likely to influence future gas demand.
- A GDP member asked how improved demand forecasting accuracy delivers material benefit to customers. AusNet responded that more accurate forecasts can reduce forecasting risk and minimise future price variations, which is ultimately in customers' interests. AusNet noted that the greatest value is likely to come from developing more granular forecasts at a postcode, suburb or local government area level. Better visibility of local electrification trends could support more targeted network planning and investment decisions over time.
- A GDP member observed that many customers continue to accept the higher cost of gas as the upfront cost to electrify remains a significant barrier.
- A GDP member asked whether declining gas space heating demand was driven by policy or increased uptake of reverse-cycle electric heating. AusNet advised that the decline was primarily associated with the adoption of reverse-cycle heating.
- AusNet noted that limited access to electricity consumption data has constrained its ability to analyse electrification trends alongside gas usage. It will continue working with distribution businesses to improve research in this area.
- A GDP member suggested that home electrification often follows the purchase of an electric vehicle (EV) and that consumer behaviour may be a stronger driver of electrification than government policy.
- A GDP member commented that they are hearing through their network that customers are staying connected to the gas network as they are concerned about electricity outages.

- A GDP member noted that while electrification technologies are available for some commercial customers, practical constraints mean not all customers can readily transition away from gas.
- Several GDP members noted the overall quality and level of detail of the demand forecast.

4. Reporting back from July Stakeholder Roundtable and Round 1 customer workshops

AusNet's Kyle Olsen shared an overview of outcomes of the July Gas Stakeholder Roundtable meeting and Round 1 customer workshops. Kyle shared key reflections from AusNet, and invited GDP members Nicole, David and Michael to share their reflections from their attendance at these meetings.

Discussion:

- GDP members Nicole, David and Michael shared their reflections, including on the high calibre of engagement and content, the quality of the insights captured, and the level of understanding observed from participants.

5. Open floor, next steps & close

GDP Chair Nicole Wallis closed the meeting. The GDP and AusNet representatives then attended a site visit to InfraBuild's steel mill in Laverton to gain insight into the important role that reliable and affordable gas serves in Australia's heavy industry.

Action items

Action	Assigned to	Status	Due	Date raised
1 Update the publicly available engagement plan once customer workshop plans are finalised.	AusNet	In progress	GDP meeting #7 (12 October)	1 May
2 Possible future agenda items: Forecasting the main points of political contention and policy uncertainty in the lead-up to the 2026 state election.	AusNet & Chair	Ongoing	Ongoing unless marked otherwise	Various