Rewiring Aotearoa's feedback to the Commerce Commission on the Gas DPP4 2026 reset - Issues paper

About Rewiring Aotearoa

Rewiring Aotearoa is an independent non-partisan non-profit funded by New Zealand philanthropy. It is a registered charity working on energy, climate, and electrification research, advocacy, and supporting communities through the energy transition. The team consists of New Zealand energy, policy, and community outreach experts who have demonstrated experience both locally and internationally. We're always fighting for the New Zealanders who use the energy system, and our goal is to help build a low cost, low emissions, high resilience electrified economy for Aotearoa NZ.

Key messages

The majority of homes and many businesses can save money from day one, by swapping gas space and water heating for financed electric options. This is because the savings from no longer paying gas bills are higher than the cost of electric space and water heating and finance repayments for these appliances.[1] Investing in natural gas in homes doesn't make economic sense anymore for New Zealanders.

In 2025 we saw the beginning of a decline in residential natural gas connections, with some natural gas retailers no longer taking on new customers. In addition many large industrial customers already have in place plans to transition away from natural gas over the next five years. Allocating the cost of gas networks as gas customers decline, risks remaining customers covering more and more of the cost of gas networks. Natural gas prices are also increasing due to declining domestic natural gas supply, with supply lower than expected in recent years and reducing "faster and sooner than previously forecast"[2].

This creates a high risk of inequity as New Zealand homes and businesses transition away from natural gas. Low income households using natural gas and those in rental accommodation face the biggest barriers to switch away from natural gas. To disconnect from natural gas incurs costs, including investing in alternative electric appliances and a disconnection fee, which could be a financial barrier for customers who cannot pay for these upfront, or access affordable finance. Currently those in rental properties are stuck with the energy appliances their landlord instals. These groups will likely face the highest prices if they are left covering network costs as others who can transition to lower (lifetime) cost electric options disconnect.

Rewiring Aotearoa's view is that the Government should support a managed transition away from natural gas for the homes and non-industrial businesses connected to reticulated natural gas distribution networks. This would help address inequity for households on low incomes and renters, and provide greater certainty over how quickly customers will disconnect, when networks would likely retire and cost recovery timelines.

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[1] https://www.rewiring.nz/electric-homes-report

[2] Gas supply reducing faster and sooner than previously forecast

Ideally the Government would provide strategic direction on the gas transition and timelines to phase households off natural gas use urgently, so it can be considered as part of the upcoming Default Price Path (DPP) reset, however this is unlikely. Our view is that by continuing a BAU approach to gas network price regulation the Commerce Commission (the Commission) is failing consumers. Whilst it is primarily policy levers held by Ministers and implemented by central government agencies that can support households to transition away from natural gas, the Commission also has a role to play to provide the best outcomes for consumers - through enabling switching away from natural gas use. The Commission should act on this both through the Gas DPP4 reset and future work programmes.

In this submission we recommend and provide evidence to support:

1. A managed transition away from gas will provide better outcomes for consumers
    a. Economically it makes sense for households to electrify as soon as possible and households are starting to act accordingly
    b. There are equity challenges for those homes who are least able to electrify
    c. New connections should pay upfront for the full cost of connection
    d. There is no long-term role for gas distribution networks[3].

2. Decommissioning costs should not create an unfair barrier to disconnection
    a. Targeted subsidy and socialisation is needed
    b. Current legislation and regulation is not fit for purpose
    c. Action to put downward pressure on permanent disconnection cost needed.

3. Current regulation of gas pipeline businesses is not fit for purpose
    a. The Commission's regulations and wider regulation under the Gas Act are not fit for regulation of a sunset industry, do not support electrification, and risk the long term interests of consumers
    b. The Commission should explore all avenues under its existing regulatory mandate to support residential gas consumers' long term interests.

Our feedback covers areas both in and outside of the Commission's current remit. We have included these actions that we know are outside the Commission's regulatory responsibility because they directly impact decisions the Commission will make under the DPP4 gas reset and it is important for the Commission to raise these issues with the Government and central government agencies to advocate for action that helps them to provide for the best interests of consumers.

1. A managed transition away from residential natural gas will provide the best outcomes for energy consumers

A managed transition away from natural gas will deliver the best outcomes for households connected to natural gas distribution networks. Internationally we are already seeing

[3] There may be a role for gas provided via the gas transmission network used for electricity generation to provide energy security as we transition to a renewable energy system.

examples of the negative outcomes for consumers and tax payers from disorderly transitions away from natural gas.

The Esperance Gas Distribution Company in Western Australia provides an example of the cost to households and tax payers of a sudden transition. Retirement of the local gas-fired power station, with the new power station built independently of the pipeline, meant there was no financial rationale for the Esperance Gas Distribution Company to keep supplying residential gas. The 400 residential gas customers connected to the network were given only 1 year notice that the gas network would stop operating. Given it was not feasible to transition all households to electricity in this time frame the state Government paid the gas distribution company to keep the network running for another year and invested $10.5 million of tax-payer money to transition the 400 affected consumers to electricity.

85% of the residents chose full electric or partial electric solutions over bottle LPG. This was informed through information provision, including bringing a celebrity chef to demonstrate induction cooking.

Whilst this is an example of a small network dominated by one large industrial customer, we see similar risks of disorderly transition in New Zealand. For example Vector's modelling results of cash-flows of New Zealand gas pipeline infrastructure in a wind-down scenario with current regulatory and policy settings, show a risk of gas infrastructure businesses being cash-flow negative in early 2040.[4]

There is potential risk for under the current pricing methodology that customers could be left with not enough notice of gas distribution network retirement to electrify. It is expected that required government intervention to support households using natural gas under such circumstances would be higher cost than a managed transition.

ICP connection data shows natural gas connections have plateaued in recent years and have shown signs of decline since March 2024.[5] Data indicates that this is just the beginning of a downward trend in gas distribution network connections:

- Recent reports of retailers who are no longer taking on new gas customers
- EECA gas water heater appliance sales data shows sales peaked in 2021 and are also showing a trend of rapid decline.[6]
- Gas distribution networks are showing declining forecasts for new connections. For example Vector is forecasting no new residential connections after 2028.[7] The remaining connections between now and 2028 are typically larger housing developments that received consents to install gas prior to beginning the build cycle and are now coming up to completion and further developer connection requests are not anticipated.[8]

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[4]https://blob-static.vector.co.nz/blob/vector/media/vector-2024/vector-2023-managing-the-gas-transition.pdf
[5] https://www.gasindustry.co.nz/data/switching/
[6] https://www.eeca.govt.nz/insights/eeca-insights/e3-programme-sales-and-efficiency-data/
[7]https://blob-static.vector.co.nz/blob/vector/media/vector-2025/04-june_gas-distribution-2025-amp-v0-6-2_updated-250625.pdf#page72
[8]https://blob-static.vector.co.nz/blob/vector/media/vector-2025/04-june_gas-distribution-2025-amp-v0-6-2_updated-250625.pdf#page72

New Zealand's domestic natural gas supply was lower than expected in recent years, pushing up natural gas prices, which can contribute to declining connections.

There is a growing body of evidence that the majority of households can lower their energy bills through financed electrification. Heat pumps provide a highly efficient heating option, which means that the ongoing electricity bills required to run electric space and water heating are lower than running gas space and hot water heaters. Analysis by Rewiring Aotearoa indicates that the lifetime cost (over 15 years) of space heating with an electric heat pump is around half the cost of gas heating for a typical New Zealand household.[9]

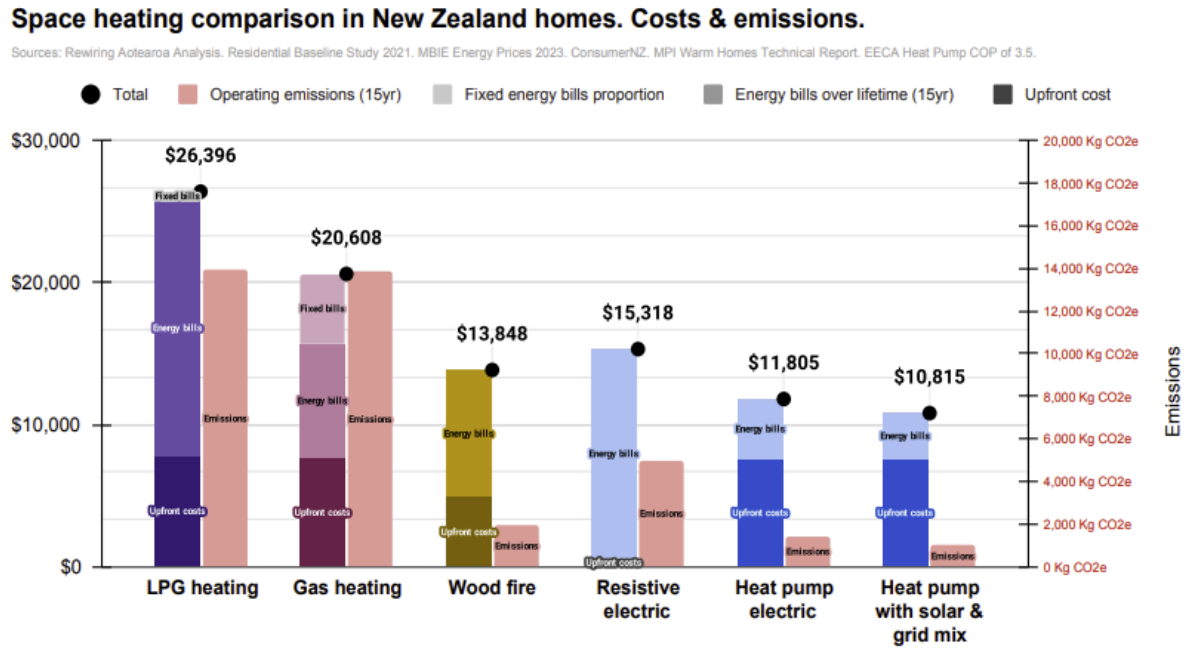

Figure 2 - Space heating comparison. Upfront and operating costs over 15 years for different space heating options for the average New Zealand home's heating energy needs. Heat pumps are the lowest cost and lowest emission option. Emissions are shown on the right hand side and in the light red bars. Note this assumes two heaters of each type required per home, except for wood fire which is one. Fixed costs for gas are calculated in proportion to the energy used for space heating compared to other gas appliances. Fixed costs for electricity are not included because all homes pay for fixed electricity costs regardless of appliance choices. In contrast a home can remove gas fix costs through electrification. Base space heating energy requirements used are 9.32kWh per day average, before device coefficient of performance is applied.

Heat pumps can provide about 3–4 times the amount of heating for the same amount of input energy as gas heaters (known as the coefficient of performance or COP). Most space heating options for homes have a coefficient of performance below 100%, with electric resistance near 100%, gas about 80%, and wood fires about 65%. Heat pumps have an COP that is about 350% on average in New Zealand, changing by region with colder regions having lower efficiency generally. Even in cold regions, heat pumps often exceed a 200% coefficient of performance, meaning they are still twice as efficient as most other heating options.[10]

[9] https://www.rewiring.nz/electric-homes-report
[10] https://www.rewiring.nz/electric-homes-report

Equity issues from an unmanaged transition

Inequity is a significant risk from an unmanaged transition away from gas distribution network supply for households. As we noted above, low income households using natural gas and those in rental accommodation face the biggest barriers to switch away from natural gas. Low income households are likely to struggle the most to invest in alternative electric appliances and cover the disconnection fee, creating a financial barrier for these customers to switch. Further to this those in rental properties are stuck with the energy appliances their landlord installs.

This creates inequitable outcomes in two ways. Firstly, low income households have significant barriers to accessing lower cost electric solutions for their household energy needs, and would most benefit from energy bill reduction associated with financed electrification. Secondly as gas customer numbers and the volume of gas use declines, we will see a smaller and smaller group of gas customers covering ongoing gas network costs and further pushing up gas prices for this remaining group. Many of the large industrial gas customers have plans in place to get off gas in the next five years, meaning more of the gas transmission costs will fall to the remaining users.

For those who are willing to pay to maintain their gas connection this outcome is based on choice and provides a benefit to these consumers. However for those who cannot disconnect due to their landlord's decisions or due to financial barriers this is a very negative outcome for these energy consumers.

Supporting a managed transition away from gas for households

The Government should support residential and non-industrial business customers to get off reticulated natural gas in a managed way. Doing this via a realistic and strategic approach would provide greater certainty on a retirement date for gas distribution networks. For example in Australia the All Electric Homes Scheme is a landmark change to Victoria's planning rules that phase out gas use by requiring new homes constructed from 1 January 2024 to be fully electric.[11]

Equity is important to consider as part of a managed transition for households away from gas - particularly for lower income households who have less access to capital to invest in electrifying their homes and those in rentals who do not make the decision over whether they switch to natural gas. Therefore a crucial part of these strategic actions would be to unlock access to electrification for low income homes and renters and address challenges for renters to make choices of their home energy use.[12] In section 2, below, we set out what could be done to avoid disconnection fees from creating a financial barrier to disconnection for low income households.

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[11] https://www.energy.vic.gov.au/households/save-with-all-electric-home

[12] Rewiring Aotearoa's Policy Manifesto sets out actions to support low income households and renters/landlords to electrify. https://www.rewiring.nz/manifesto

These types of clearly signalled actions would provide the Commission with a higher level of certainty over timelines for asset cost recovery, allowing more informed decisions and a better understanding of the impacts of these decisions on consumers.

Currently uncertainty means Gas Distribution Businesses (GDB) have incentive to under forecast usage of the network, which implies a higher price per unit of gas supplied. If usage is higher than forecast, then the GDB receives higher revenue, and is able to allocate risk to consumers. A clearly signalled decommission date for gas distribution networks and greater certainty over residential gas use through measures to support electrification could help limit this risk.

New connections should pay upfront for the full cost of connection

New connections, for example for households within 20 metres of a gas main in the street[13], are not charged to establish the connection. This means the cost for new connections are subsidies by the existing gas customers in New Zealand.

New customers should be charged upfront for the full cost of their connection. Connecting to a network which is beginning planning for decommissioning over the coming decades is a sunk and stranded cost. This cost is discretionary on the part of the developer or property owner given that it is now both better value and lower emissions to opt for all-electric appliances for homes and small businesses.

This could help remove incentive for developers to opt for gas connections. Currently developers may opt for gas to offset some of the required electricity connection cost, resulting in a saving for the developer and an added cost for lot owners, who are left with gas infrastructure and appliances which cost them more over the lifetime of the assets than an electric alternative.

There is no long term role for natural gas distribution networks in New Zealand.

Despite the recent subsidy announced by the current Government to support domestic oil and gas exploration, we think it is unlikely that new supply could be brought online before Gas Distribution Businesses retire their network assets. Vector's analysis shows a likely network retirement in the early 2040s could be possible under current arrangements.[14]

Timelines from gas exploration to bringing gas to market vary but can be up to ten years or more. In New Zealand, political risk for gas exploration is high and despite the current Government's subsidy injection, this support of expanded domestic gas exploration is not bipartisan. With a three year political cycle the political risk for further gas exploration could be seen as a barrier and delay or prevent investment in further natural gas exploration.[15]

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[13] https://firstgas.co.nz/get-connected

[14] https://blob-static.vector.co.nz/blob/vector/media/vector-2025/04-june_gas-distribution-2025-amp-v0-6-2_updated-250625.pdf#page72

[15] https://www.rnz.co.nz/news/business/563303/gas-company-urges-political-consensus-on-drilling-for-more-fossil-fuels

Green gas and hydrogen could have a role for specific applications in New Zealand's energy future, but the economics do not stack up for widespread use.[16]

Keeping options open for longer term gas distribution network use for hydrogen distribution is not a realistic part of New Zealand's energy future. Repurposing the existing gas network and energy appliances to run on gas fuel that includes hydrogen would be technically challenging and the cost extremely high. This is because:

1. Hydrogen molecules are tiny
    a. Hydrogen leaks much more easily than methane. Existing pipelines (especially older steel ones) leak more when carrying H_2.
    b. Rubber seals, joints, and valves often aren't hydrogen-compatible.

2. Hydrogen embrittles metals
    a. It weakens steel and welds over time—this is called hydrogen embrittlement. Brittle pipes crack, especially under pressure.

3. Energy density is low by volume
    a. Hydrogen has one third of the energy per cubic metre of natural gas. To deliver the same energy, you'd need three times the volume or much higher pressure—not always feasible with current pipe specifications.

4. Burning hydrogen creates a different flame
    a. Hydrogen burns hotter and faster. Existing gas appliances (stoves, heaters, water cylinders) are not compatible without replacement or retrofitting—often totally unsafe if used unmodified.

Added to this producing green hydrogen is energy intensive and significantly more expensive to produce than simply using renewable electricity generation directly. Widespread use of hydrogen would not stack up financially as an alternative to electricity for homes and most businesses. Maintaining a gas distribution network over the long term alongside electricity distribution networks would be a very inefficient use of resources.

The Commission should consider the impacts of a managed transition away from gas for households

We encourage the Commission to analyse the impact on household energy bills under a fast and managed transition away from natural gas for households compared to the alternative BAU approach which attempts to provide for cost recovery under high levels of uncertainty through an unmanaged transition. This analysis should compare the total energy costs households experience if they electrify earlier or later. This should include consideration of the impacts of accelerated recovery of assets from existing customers, alongside strategic action from the Government to ensure all households are supported through education and

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16 https://cdn.prod.website-files.com/612b0b172765f9c62c1c20c9/640e8ccfb257f2302fa05aa9_RNG-is-even-more-expensive-than-fossil-gas.pdf

access to finance or subsidies (for those that most need it) to electrify their home energy appliances. Expectations of faster gas network customer disconnections would likely require higher near term cost recovery[17] from customers (pushing up short term gas bills), but this could be more than offset by the cost savings from electrifying earlier. Analysis could also consider options for targeted electrification, where sections of gas networks that have a low numbers of users or high upcoming capital investments (due to old pipelines), are proactively decommissioned.

Simply comparing the network costs under different scenarios as was undertaken in the Gas Transition Analysis paper, does not take sufficient account of the costs energy consumers face and allow decision making that would maximise the long term benefits of consumers.[18]

We acknowledge that providing for a managed transition away from natural gas for households would likely require policy decisions that are out of scope for the Commission under its current regulatory mandate. However this approach is in the best interest of gas consumers and the Commission has a role to discuss and advocate for this action with decision makers on behalf of consumers' long-term best interest. The Commission should be considering now how a managed transition away from natural gas for households could be integrated and provided for in its pricing quality regulatory framework.

2. Disconnection fees should not create a barrier to disconnection

The cost of disconnecting from the gas network is a potential barrier for households looking to electrify, and there is a significant risk that the costs of gas disconnection will be unevenly and unfairly distributed across New Zealanders.

As we noted above there can be significant upfront costs to switch from natural gas to electric energy use for households, including the cost of disconnection and the cost of removing gas appliances and installing electric alternatives, (eg: electric hot water and space heat pumps, and electric cooktops). There are significant cost savings available from electrification for households. However low income homes who could benefit most from these savings can least afford the upfront cost and are less likely to be able to access finance which could unlock savings from day one. Renters also face greater barriers to disconnect from natural gas as they are stuck with the energy appliance choices their landlord makes.

The Commission ask in the DPP4 Gas networks price reset issues paper to hear from stakeholders on how material they consider disconnections will be during DPP4 (page 44, B101), to assess whether consideration should be given in DPP4 to socialise the cost of disconnections including for temporary disconnections where customers have no intention of reconnecting.

Rewiring Aotearoa's view is that this issue should be considered now and from the perspective of enabling customers to disconnect. Regulation of disconnection fees should be put in place to protect consumers, and promote long term benefits for energy consumers. As

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[17] This would be required for Financial Capital Maintenance.

[18] https://comcom.govt.nz/__data/assets/pdf_file/0012/323130/Gas-Infrastructure-Working-Group-GIFWG-Attachment_-Gas-Transition-Analysis-Paper-13-June-2023-Submission-on-IM-Review-2023-Draft-Decisions-19-July-2023.pdf

we note above households can save money by switching away from natural gas and disconnection fees should not create a barrier to fuel switching to allow customers to unlock lower energy bills.

Barriers to disconnect from gas should be removed. Disconnection fees (for permanent disconnection) should therefore be set at or below the cost of disconnection and options to pay $0 upfront disconnection fees with amortised repayments offered to all consumers. Gas distribution businesses should offer subsidised capped permanent disconnection fees to households where occupants have Community Services Cards or Super Gold Combo Cards, or live in areas which are included by EECA as eligible for Warmer Kiwi Homes subsidies (low-income areas). The Commission should allow socialisation of the subsidies portion of these disconnections. Guidance on disconnection fees is provided in the Consumer Care Guidelines set by the Gas Industry Company (GIC) and should reflect these requirements.

Reducing socialisation of disconnection costs is desirable from an equity perspective. However, charging the disconnecting customer high costs is also suboptimal from an equity perspective, and is likely to disincentivise abolishment, and promote temporary disconnection with no intention to reconnect. Our suggestion to subsidise and socialise disconnection cost for households least able to pay for disconnection attempts to strike a fair balance between these competing priorities.

Disconnection fees charged should be reported by all gas distribution businesses under information disclosure requirements and monitored and analysed by the Commission to test if they exceed recommended guidelines.

Disconnection fees for homes and businesses should not be allowed to be used to recover accelerated cashflow and depreciation or contribute to decommissioning, to avoid disconnection fees increasing the cost barriers to disconnection.

Regulatory gaps concerning gas disconnection

Currently there is a gap in the legislation and regulations concerning gas disconnection processes and prices. It is not transparent to consumers what they are going to be charged if and when they choose to permanently disconnect their gas supply.

A pathway for better regulation of disconnections fees is set out below. These measures do not directly fall under the Commission's role. However we view them as closely linked to decisions the Commission will make around the DPP4 Gas network price path reset, and therefore require urgent attention. For example transparent and fair disconnection pricing, with repayment options, could reduce the frequency of customers choosing to request a temporary disconnection with no intention of reconnection. Steps to provide better regulation of distribution disconnection fees could include:

1. First, amending the objectives of the GIC as provided for in the Act (under s 43ZN), for example, to remove the stated purpose that "incentives for investment in gas processing facilities, transmission, and distribution are maintained or enhanced" and to replace it with a new objective, for example: "obstacles to transition by customers to electrification are removed or avoided" and/or: "the cost of disconnecting customers from the gas network is minimised and allocated fairly between retailers, distributors, and consumers".

2. Second, introducing regulations surrounding permanent gas disconnection fees, either as a new regulation/scheme, or as part of an existing one (e.g., the Retail Gas Contracts Oversight Scheme). This would ideally set out a maximum fixed sum to be charged to a consumer, or alternatively, it would clearly explain how disconnection fees are calculated, who incurs the cost, and whether/how it is passed on to the consumer. In addition, it should require that the full cost to a consumer of exiting the gas network (or at least the manner in which this will be calculated) is disclosed before any contract for a new connection is agreed. Requirements to provide amortised disconnection repayment options and targeted disconnection subsidies, (where disconnection fees charges are set at a fraction of the cost of providing the disconnection) for households who have Community Services Cards, Super Gold Combo Cards or live in low income areas could be set out here.

3. Third, introducing regulations that set out how the process of permanent gas disconnection is to take place, in a similar manner to the Switching Rules. That would provide some clarity as to who provides which service, and it would give consumers some guarantee of the quality of service.

4. Finally, enhance the complaints and enforcement mechanisms for consumers in the gas industry. At the moment, there is no direct enforcement mechanism for a breach of most of the regulations, and the complaints mechanism only permits consumer complaints to be brought on a piecemeal basis. I would suggest that first, either the Energy Complaints Scheme or the GIC Market Administrator should be given broader jurisdiction to oversee consumer complaints, particularly regarding permanent gas disconnection fees. Second, it might be beneficial if the Scheme provided greater public transparency over past decisions, which might allow more cohesive consumer action (if there is a “class action” type of complaint). Third, the Commission, the GIC Market Administrator, or potentially a new regulatory body, ought to be given greater investigation powers into general allegations of regulatory breach, price-fixing, or unfair consumer conduct for the gas or energy sector, and to issue determinations about specific conduct, or to make recommendations to the GIC and the Minister for Energy regarding any regulatory gaps.

Downward pressure on disconnection fees needed

The cost of permanent disconnection can be surprisingly high for many customers when they request disconnection from the gas network. As we note above, permanent disconnection fees are not transparently communicated, including to customers at time of connection and needs to be clearly communicated. Prices of around $2,000 charged to households for permanent disconnection are not uncommon.

Disconnection services are not contestable. Measures should be put in place to put downwards pressure on disconnection services. This could include requiring contestable provision of some services.

Today’s lack of transparency of disconnection fees, inconsistent practice and cost treatment across networks creates confusion, perverse incentives, and safety risks. It is crucial that

changes to lower and minimise the cost of safe and effective gas disconnection are explored and enacted. It is also crucial that disconnection fees are not used by gas networks to discourage consumer disconnection, or to recover lost revenue.

Current regulation of gas pipeline businesses is not fit to regulate sunset infrastructure

The purpose of the Commissions price quality regulation of gas pipeline services under Part 4 of the Commerce Act 1986 is “to promote the long-term benefit of consumers… by promoting outcomes that are consistent with outcomes produced in competitive markets such that supplier of regulated goods or services -

a) Have incentives to innovate and to invest, including in replacement, upgraded and new assets…”.

In point C 17.2 in the Issues paper the Commission notes “Faced with an unknown future, the challenge for us under a DPP framework is to identify which regulatory policy problems are a priority for the promotion of the long-term benefit of consumers under Part 4 regulation, and then to optimise, periodically, for the desired incentives and economic outcomes set out in paragraphs (a) to (d) of s 52A of the Act.”

The challenge here however is that Part 4 of the Commerce Act is designed to regulate monopoly infrastructure businesses that are growing or being maintained to provide ongoing services. For example paragraph s 52A (a) of the Commerce Act (above) provides for ongoing incentives to invest in network assets. This regulation is not fit for purpose for a sunset industry where supply is coming to an end and must be phased out in a way that provides the best outcomes for consumers.

Outcomes produced in competitive markets when supply is in decline are assets phase down and reallocation of resources to an alternative venture or become insolvent. The role of the Commission under the current regulatory framework risks extending the lifetime of gas network assets by providing increased certainty over cost recovery. This could result in an outcome that is not consistent with competitive market outcomes with the Commission’s price quality regulation acting as a defence mechanism against a declining infrastructure. To promote the long-term benefit of energy consumers it will be important to ensure all customers that wish to disconnect from the gas network can do so without financial or practical barriers.

Outside of the Commission’s regulation of gas pipeline businesses, the gas industry in New Zealand is regulated by the Gas Act 1992 (the Act). This establishes a co-regulatory structure under which the power to set rules for the industry (either by regulation or voluntary schemes) is shared between GIC and the Minister for Energy and Resources, currently the Hon Simon Watts. Accordingly, GIC has significant power over how the industry is regulated.

The purposes of GIC are set out in s 43ZN of the Act. Its principal objective is to ensure that gas is delivered to existing and new customers in a safe, efficient, and reliable manner. Its other objectives are to ensure:

1. the facilitation and promotion of the ongoing supply of gas to meet New Zealand's energy needs, by providing access to essential infrastructure and competitive market arrangements:

2. barriers to competition in the gas industry are minimised:

3. incentives for investment in gas processing facilities, transmission, and distribution are maintained or enhanced:

4. delivered gas costs and prices are subject to sustained downward pressure:

5. risks relating to security of supply, including transport arrangements, are properly and efficiently managed by all parties; and

6. consistency with the Government's gas safety regime is maintained.

Many of these purposes are fundamentally at odds with the goal of promoting long term benefits for consumers. Indeed, it would arguably be contrary to GIC's statutory objectives to encourage or support consumers to disconnect from the gas network.

The Commission should explore all avenues within the current regulatory framework to provide the best outcomes for energy consumers over the long term. This should include considering impacts on current gas consumers' total energy bills over time from a managed transition for households away from natural gas, compared to alternative outcomes. We encourage the Commission to have conversations with Ministers and central government agencies to advocate on the consumers behalf if it thinks changes to legislation and regulation could enable it to provide better long term outcomes for gas consumers.