IPART Independent Pricing and Regulatory Tribunal | NSW

NSW Retail Gas Market Monitoring

Final Report

November 2025

Energy »

Acknowledgment of Country

IPART acknowledges the Traditional Owners of the lands where we live and work. Our office is located on Gadigal land and our work touches on Aboriginal lands and waterways across NSW.

We pay respect to their Elders both past and present, and recognise Aboriginal people's unique and continuing cultural connections, rights and relationships to land, water and Country.

Image taken on Worimi Country (Myall Lakes)

The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from IPART's website.

Tribunal Members

The Tribunal members for this review are:

Carmel Donnelly PSM, Chair
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Jonathan Coppel
Sharon Henrick

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Glossary

Term	Definition
10th percentile market offer	The price level below which 10% of market offers fall.
25th percentile market offer	The price level below which 25% of market offers fall.
75th percentile market offer	The price level below which 75% of market offers fall.
abolishment	Permanent removal of a gas connection from the network.
active retailer	A retailer currently selling gas to customers in NSW under authorised arrangements.
Asian LNG spot price	The prevailing price for liquefied natural gas in Asian spot markets, influencing export parity pricing.
authorised retailer	A retailer licensed under the National Energy Retail Law to sell gas to small customers in NSW.
ACCC (Australian Competition and Consumer Commission)	The national regulator responsible for promoting competition and fair trading.
AEMC (Australian Energy Market Commission)	The rule maker for national energy markets, including gas retail frameworks.
AER (Australian Energy Regulator)	Regulates energy markets and sets compliance standards for retailers in NSW.
BASIX	Building Sustainability Index.
DCCEEW (NSW Department of Climate Change, Energy, the Environment and Water)	The government department responsible for energy, climate, environment, and water policy. There is a Commonwealth DCCEEW and a NSW DCCEEW.
distribution costs	Charges for transporting gas through local distribution networks to end-users.
disconnection	Temporary removal of gas supply to a customer's premises.
dormant connection	A gas connection that exists but is not actively supplying gas.
EWON (Energy and Water Ombudsman NSW)	Independent dispute resolution body for energy and water complaints in NSW.
export market value	The price or revenue derived from selling LNG into international markets.
flat-rate plan	A retail tariff where the same rate applies regardless of usage level or time.
gas supply agreement	A contract between a retailer and a producer for the supply of gas over a defined term.
generally available offer	A retail offer that is publicly available to all customers, not restricted or negotiated.
HHI (Herfindahl-Hirschman Index)	A measure of market concentration calculated by summing the squares of market shares.
legacy offer	An older retail plan no longer actively marketed but still available to existing customers.
LNG	Liquefied natural gas
LNG netback price	Domestic gas price benchmark, based on LNG export parity minus shipping and liquefaction costs.
long-term gas supply agreement	A contract for gas supply spanning multiple years, often linked to wholesale procurement.
LPG	Liquefied petroleum gas
market concentration	The degree to which a small number of retailers dominate the market, often measured by HHI.
market offer contract	A retail contract with negotiated terms and conditions, often including discounts and incentives.
market share	The proportion of total customers or sales held by a retailer in the NSW gas market.
median market offer	The midpoint price among all market offers available.
median standing offer	The midpoint price among all standing offers available.

Term	Definition
NERL (National Energy Retail Law)	The law governing retail sale of energy, including gas, to small customers in NSW.
National Energy Retail Rules	Detailed rules under NERL specifying retailer obligations and customer protections.
price spread	The difference between the highest and lowest retail offers in the market.
price volatility	The degree of variation in wholesale or retail gas prices over time.
reconnection	Restoring gas supply to a previously disconnected premises.
regulated rate of return	The allowed return on capital for regulated network businesses, set by the AER.
retail margin	The difference between retail prices and underlying costs (wholesale, network, operating).
retail operating costs	Costs incurred by retailers for billing, customer service, and compliance.
standing-offer contract	A basic, ongoing retail contract with standard terms and no discounts.
small customer	Residential customers and small business customers.
uncontracted gas	Gas volumes not committed under long-term contracts, available for spot or short-term sales.
wholesale gas spot market	A market where gas is traded for immediate delivery at prevailing spot prices.
wholesale gas supply agreement	A contract for bulk gas purchases between producers and retailers.

1 Executive summary

IPART is required to report annually to the Minister for Energy on the performance and competitiveness of the NSW retail gas market for small customers.[a]

A well-functioning and competitive retail gas market helps to ensure that gas prices reflect the cost of supply and a reasonable margin, customers receive high quality and reliable service and offers meet changing customer needs and preferences as the energy transition[b] unfolds.

1.1 Electrification and falling demand are reshaping the market

Gas demand in NSW is declining, with fewer new connections and more gas connections becoming dormant than in 2023-24. This reflects a growing policy shift and community preferences moving towards electrification.

This shift creates challenges for both customers and retailers. Customers face high abolishment costs — replacing cooking, hot water and heating with electric alternatives could cost a household at least $7,800 upfront, while renters depend on their landlords to make changes. For retailers, a shrinking customer base makes it harder to recover fixed network and retail costs. They also face uncertainty about long-term gas supply contracts, which may affect incentives to enter the market or expand.

1.2 The NSW retail gas market remains highly concentrated

The NSW retail gas market remains highly concentrated with 82% of customers buying gas from the 3 largest retailers (AGL, Energy Australia, and Origin Energy), although smaller retailers increased their market share by 1% in 2024-25.

In 2024-25, 2 new smaller retailers began offering gas plans to NSW customers. One new active retailer joined the market and one exited.

Entry remains limited, especially in smaller regional markets due to their size. Ongoing barriers, including access to pipeline capacity and wholesale gas contracts, make entry and expansion harder despite a short-term improvement in the gas supply outlook.

[a] Small customer is defined in the National Energy Retail Law (NSW) as a residential or business customer who consumes less than the relevant small customer consumption threshold for gas per year.

[b] The energy transition refers to a systemic shift away from an energy system based on fossil fuels, like natural gas, to once centred on renewable energy sources.

1.3 Retail gas prices eased after several years of price rises

In the Jemena Coastal network, the median market offer fell in 2024-25 — $57 for households and $287 for small businesses — after 4 years of price rises. Despite these falls, the lowest market offer and median standing offer both rose.

For households, the gap between the 25th and 75th percentile market offers widened by 14% compared with June 2024, while for small businesses it narrowed.

In other network regions in NSW, only a few networks saw median market offers fall for households, including AGN Temora and Culcairn, AGN Adelong and Gundagai and AGN Albury, most others rose by 1-8%. The largest increases were in Evoenergy Shoalhaven (residential customers) and Allgas/Evoenergy Queanbeyan (small business customers).

1.4 Price changes broadly aligned with changes in supply costs

Overall, changes in retail gas prices broadly reflected underlying supply costs movements. Wholesale gas costs fell slightly in 2024–25, mainly due to lower average prices under gas supply agreements. Distribution costs rose by 14%, becoming the main driver of higher gas supply costs. Assuming transmission and retail operating costs increased in line with inflation, it is likely that retail margins fell for customers on the median market offer.

1.5 Customers are not confident they are on a good deal

More residential customers are on a market offer, but this does not always mean they are getting a better price. Almost a third of NSW respondents with a gas connection in the Energy Consumers Australia's survey said they do not feel confident they are on a competitively priced home energy plan, and a third review their plan less than once a year.

Customers must be proactive, regularly checking and switching plans to stay on the lowest offers. In the Jemena Coastal region, households could save about $128 a year by switching from the median market offer to one of the lowest offers, but the process can be time-consuming and complicated. In 2024-25, the proportion of customers switching retailer fell slightly to 16%.

Complaints to EWON remained high but steady compared to 2023-24, with high bills the most common issue.

1.6 Affordability pressures persist for low-income households

Affordability remains a concern, especially for low-income customers and those at risk of experiencing energy hardship. Gas bills account for around 1.4% to 5.2% of income for the lowest-income customers on government support, rising to 3.4% to 13.5% when combined with electricity costs, even after rebates.

Hardship program participation fell 2.6%, but remains well above 2022-23 levels. More than 6,841 customers cleared their debts and exited hardship programs in 2024-25 — reversing a downward trend since 2020. At the same time, hardship debt rose and the risk of disconnection remains a concern.

Rebate take-up is still low with 52.7% of eligible customers receiving the NSW gas rebate in 2023-24, up only slightly from 50% in 2022-23.

Since 2020, the median annual gas bill has risen by 29% while the rebate remained the same. Many vulnerable customers struggle to pay their energy bills.[1]

We note that the NSW Department of Climate Change, Energy, the Environment and Water is currently leading a review of rebates on behalf of the NSW Government.

1.7 Several reforms are underway to protect customers and build confidence

Several new rule changes and reforms are underway to protect customers and build confidence in the retail gas market. They include making it easier to access eligible rebates, stronger hardship and disconnection safeguards and clear switching and billing rules. Many of these will not take effect until 2026.

As a result we have made no new recommendations in this report, but will continue to monitor whether these reforms deliver better outcomes for retail gas customers in NSW.

1.8 List of findings

List of findings

2 What stakeholders told us

In July 2025, we released our Energy Market Monitoring Consultation Paper and invited feedback on:

- our approach to market monitoring and the metrics we report on
- customers' experience with new energy products and services, including VPPs and demand response programs, and whether they have enough information to make decisions
- any emerging issues we should explore.

We received 23 submissions from individuals, consumer advocacy groups, businesses, an industry association and the Ombudsman (see Table 2.1). Most submissions related to the electricity market, while 3 submissions focused on the retail gas market.

This chapter summarises the key themes from retail gas market submissions and explains how we have considered them in this report.

Table 2.1 Number of submissions

Stakeholder group	Number of submissions	Name of stakeholder(s) that provided a submission
Individuals	17	A. Sumit, B. Ratten, B. Watson-Will, R. Webb, G. Sage, S. Cromie, G. Olsen, R. Irwin, B. Allen, 7 names suppressed, 1 confidential submission
Consumer advocacy groups	2	Justice and Equity Centre (JEC), National Seniors Australia (NSA)
Businesses	2	Origin (retailer), Freewatts Pty Ltd (accredited certificate provider)
Industry associations	1	Master Electricians Australia (MEA)
Ombudsman	1	Energy and Water Ombudsman NSW (EWON)

2.1 Energy affordability is still a concern

Three submissions raised concerns about energy affordability and the ongoing challenges customers face with higher energy bills.

Two individuals noted that gas prices have risen sharply in recent years[2] and one suggested that IPART consider the cumulative effect of these increases.[3]

The JEC said affordability should be a stronger focus — particularly for disadvantaged and vulnerable customers.[4] It noted that while IPART's standard affordability indicators show payment difficulty and hardship trends, they do not reflect the full range of customer experiences, nor the diverse impact of energy poverty.[5]

The JEC recommended IPART draw on the ECA 2025 study — *Understanding and measuring energy hardship in Australia* — which explores new ways to measure energy hardship, including expenditure-based, self-reported and direct measures.[6]

The JEC also raised concerns that many eligible customers are still missing out on the NSW Gas Rebate.[7] and that the rebate is not enough to prevent payment difficulty. It highlighted that almost 70% of Energy Accounts Payment Assistance (EAPA) recipients also received the rebate in 2023-24.[8]

How we have considered these views

Chapter 7 reports on energy affordability and hardship, including trends in in hardship program participation, payment plans, disconnection, rebates and assistance. It also reports on new reforms to improve support to vulnerable customers. This year we have included analysis of estimated gas bill-to-income ratios for low-income customers, who are more likely to be vulnerable to, or experiencing, energy hardship.

Chapter 5 analyses retail gas price trends from June 2020 to June 2025, and shows cumulative price increases.

2.2 Energy markets are getting more complex

Two submissions highlighted the increasing complexity of the energy market. One individual noted that multiple state and federal reforms and reviews are adding complexity to the energy market[9] — creating a mental burden for customers. The JEC also said that as the energy system transforms, the retail market is becoming more difficult for customers to understand.[10]

How we have considered these views

Chapter 4 examines customer engagement, switching behaviour and complaints with the retail gas market. It also outlines reforms designed to simplify customers' choices and build confidence in the market.

2.3 There are barriers to electrification for households

The JEC said household electrification is essential for emissions reduction.[11] but that several barriers affect how consumers take part in the energy transition.[12] The JEC suggested that IPART track how retailers and consumers are engaging with electrification.[13] and report on related complaints, including those about leaving the gas network.[14]

How we have considered these views

Chapter 3 presents trends in gas supply and demand, including new connections and abolishment.

Chapter 4 covers customer gas engagement and complaints. It also discusses household attitudes and barriers to electrification.

Chapter 5 analyses gas price trends and reforms aimed at stabilising prices for remaining customers as the gas customer base declines.

3 Market overview and barriers to entry and expansion

Chapter summary

- Gas demand in NSW continued to fall, with fewer new connections and more dormant connections than in 2023-24. This reflects ongoing policy shifts and community preferences towards electrification.
- Despite declining demand and a mature market, 2 new retailers published offers in 2024-25, 1 new retailer became active and 1 exited the market.
- Market concentration remains high. The 3 largest retailers — AGL, EnergyAustralia, Origin — supply 82% of customers, down 1% from 2023-24.
- Some regional markets may be too small to attract new retailers, but electrification may provide some price constraint.
- Access to gas supply and pipeline capacity continues to limit competition. The short-term outlook has improved slightly since 2023-24, with new investment planned to expand capacity.

Competition in the retail gas market is influenced by the balance between supply and demand across the broader gas supply chain. Wholesale supply conditions, such as production costs, transportation and contract availability affect retailers' costs and pricing. Demand from households and businesses shapes market size, switching activity and the intensity of competition between retailers.

New entrants can improve competitive outcomes by challenging existing suppliers on price, product offerings and customer service. Even the prospect of new entrants can incentivise existing suppliers to compete more aggressively or innovate their offerings. This highlights the importance of keeping barriers to entry sufficiently low.[15]

Business exits are also part of a well-functioning market. These can occur for reasons such as changing customer preferences, evolving market dynamics, or economic shocks. However, several exits at once — or retailers no longer competing for new customers — can be detrimental to competition.

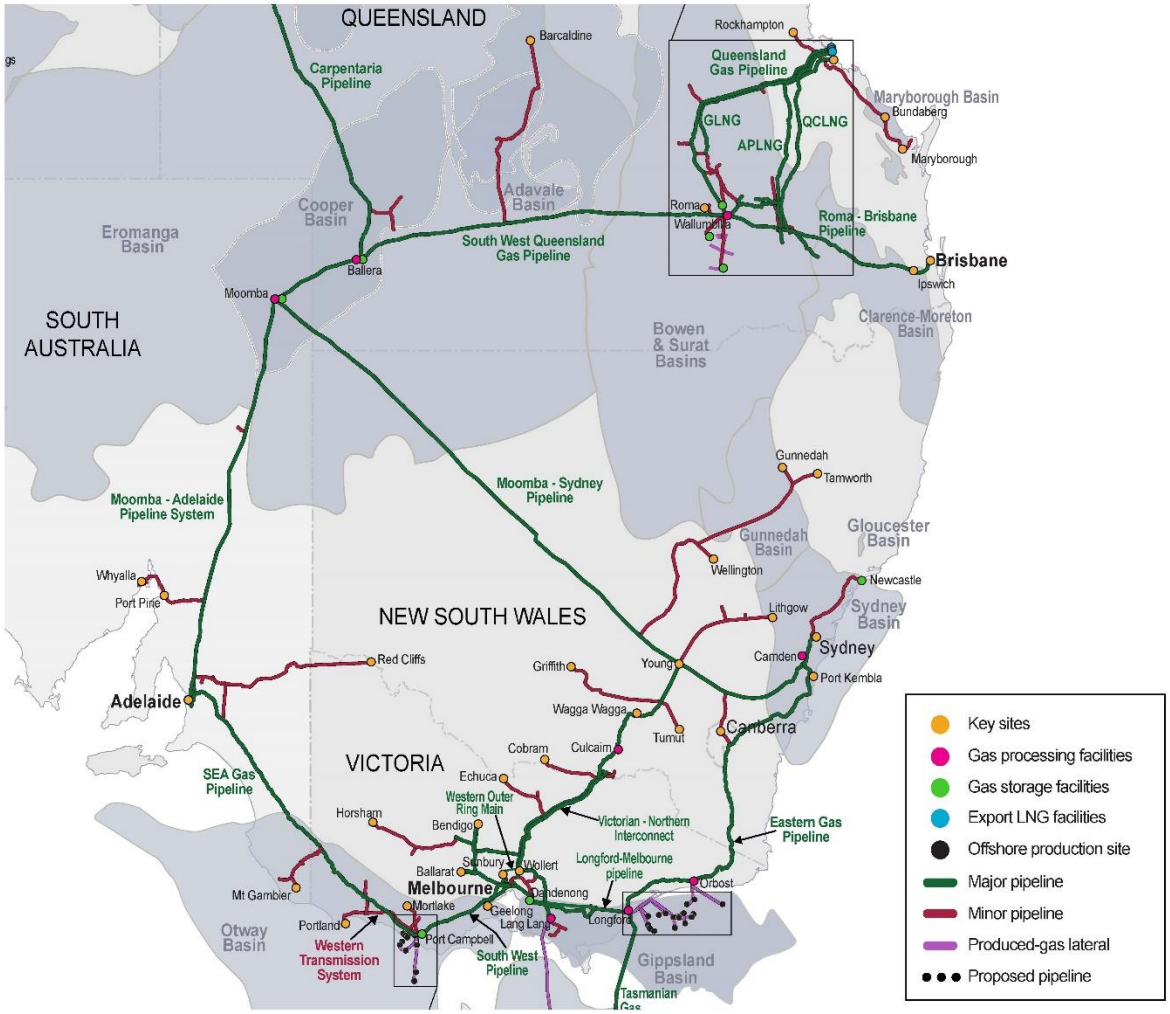
This chapter provides an overview of the NSW gas market and reports on:

- changes in the gas demand
- retailer entry and exit
- the number of active retailers and retailers with offers available to new customers
- market concentration
- barriers to entry and expansion.

3.1 Where NSW's gas comes from and how the market operates

NSW has several gas basins located in NSW, including the Clarence-Mortin Basin, Sydney Basin and Gunnedah Basin. However, NSW mainly receives gas from the Bowen & Surat Basins in Queensland, Cooper Basin in South Australia, and Gippsland Basin in Victoria (see Figure 3.1).[16]

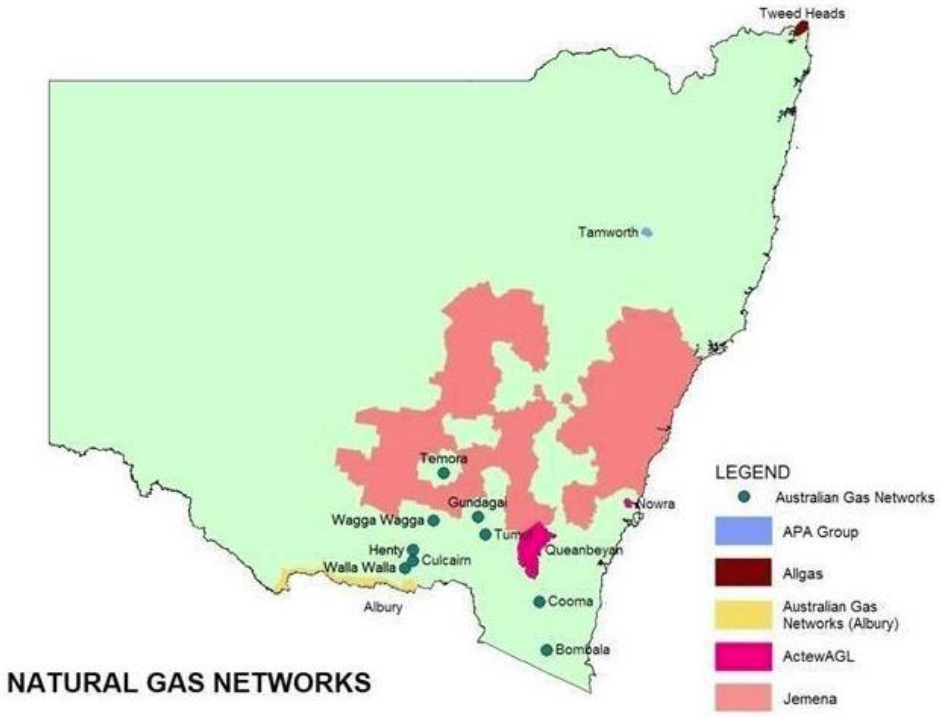
Figure 3.1 NSW and east coast gas markets



Source: AEMO, About the Gas Bulletin Board, accessed 30 October 2025

Gas is transported to NSW through high-pressure transmission pipelines, such as the Moomba to Sydney Pipeline and the Eastern Gas Pipeline (see Figure 3.1). When it reaches NSW, the gas is depressurised and injected into local distribution networks, which deliver it to homes, businesses, and industrial facilities. Retailers then manage customer accounts, billing, and service delivery. There are 6 authorised natural gas network operators in NSW (see Figure 3.2).

Figure 3.2 Gas distribution networks in NSW



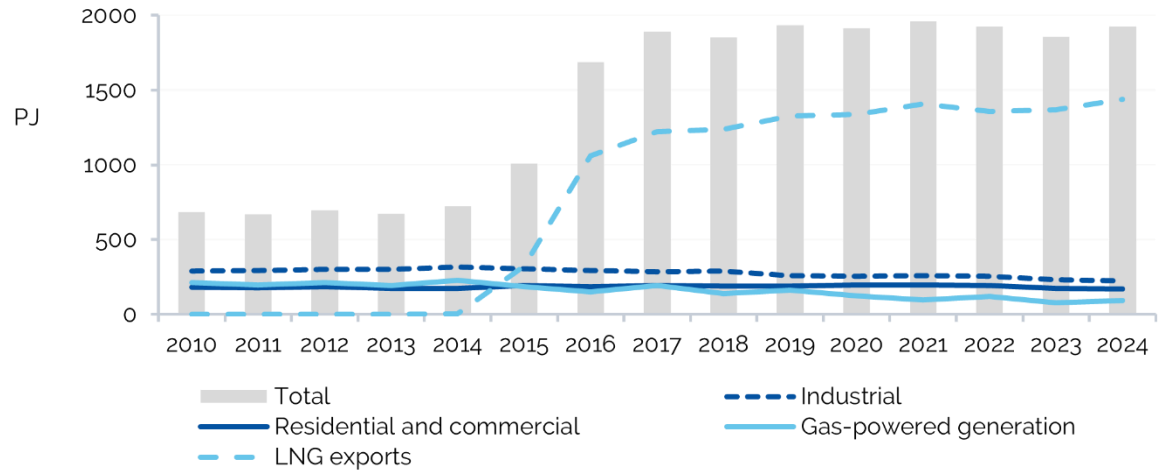
Source: NSW Government, *Gas network operators*, accessed 20 October 2025

The Jemena Coastal distribution network is the largest, supplying around 91% of NSW residential and business gas customers.

Residential and business customers must purchase their gas from a retailer. Most retailers purchase wholesale gas from producers under bilateral gas supply agreements, but they can also buy gas on the spot market to balance their needs. Traditionally these agreements locked in prices and terms and conditions for long periods (15 to 20 years). However more recently there has been a trend to shorter contracts. Retailers must also purchase pipeline capacity from pipeline owners and distribution services on the low-pressure network to deliver the gas. Retailers set gas prices to recover their total costs.

Australia's natural reserves and recent investment in production capacity mean it is now one of the world's largest exporters of natural gas. In 2024, around 75% of gas produced in the east coast gas market (excluding the Northern Territory) was exported (see Figure 3.3).[17] As a result, wholesale gas prices are influenced by international markets.

Figure 3.3 Exports compared to domestic gas use

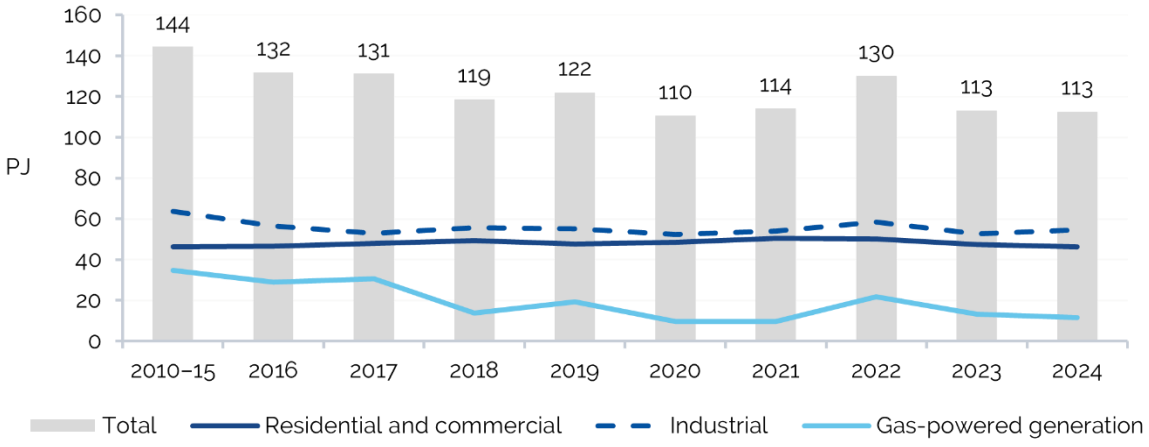


Source: AER, *Data - State of the energy market 2025 – Gas markets in eastern Australia*, accessed 20 October 2025

3.2 Gas demand from small customers in NSW is declining

In NSW, natural gas is used by industrial customers as an input to manufacturing processes, for gas-powered electricity generation and by residential and commercial customers for heating and cooking. In 2024, demand from gas-powered generation on the east coast fell 12%, residential and commercial gas demand fell 2% and industrial use rose 4% (see Figure 3.4).

Figure 3.4 Gas demand in NSW



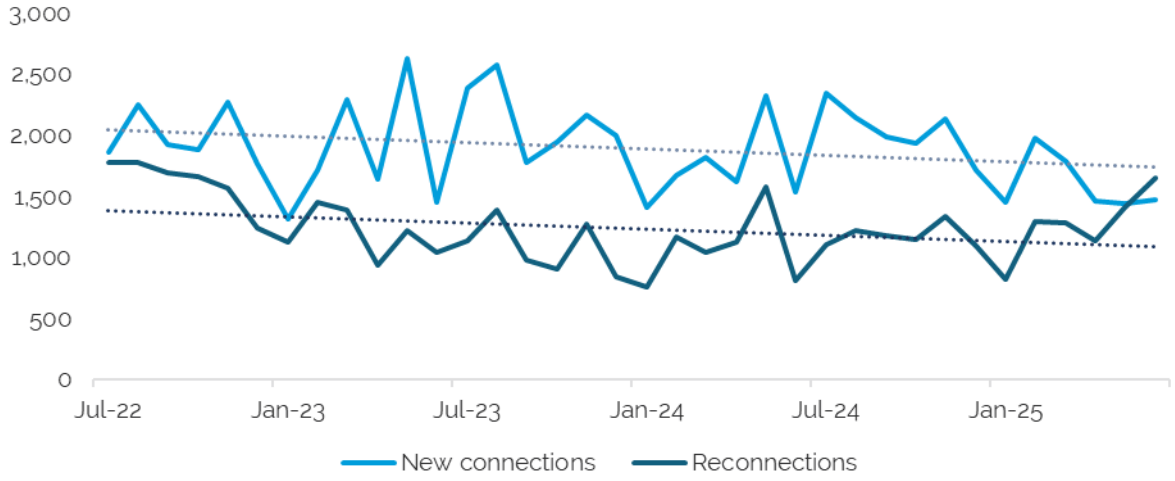
Source: Source: AER, *Data - State of the energy market 2025 – Gas markets in eastern Australia*, accessed 20 October 2025

Despite declining demand in 2024-25, gas-powered generation is projected to rise until 2030 to help avoid shortfalls in electricity generation.[18] However, residential and commercial use is expected to keep falling as customers shift towards electric alternatives.[19]

3.2.1 Slowing growth in new gas connections

At the end of June 2025, there were around 1.5 million residential, 35,000 commercial and 380 industrial customers in the Jemena region.[20] New gas connections are still growing overall, but the pace has slowed. In 2024-25, there were 21,835 new connections in the Jemena network — 6% fewer than in 2023-24 (see Figure 3.5). Meanwhile, there were 14,666 reconnections — 12% more than in 2023-24. Reconnections have been rising since January 2025.

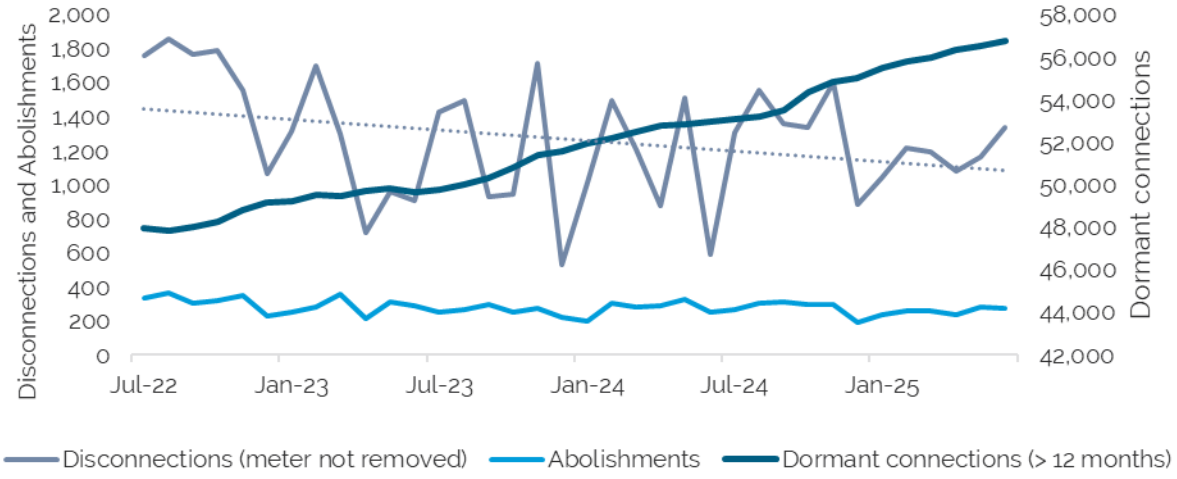
Figure 3.5 Trend in new connections and reconnections



Source: IPART analysis of AER, *Gas quarterly disconnection reporting*, July 2025

There were only 3,222 abolishments,[c] which was about the same as last year and fewer disconnections where the meter is not removed. However, 41,817 more connections have been dormant.[d] for more than 12 months (see Figure 3.6).

Figure 3.6 Disconnections, abolishments and dormant connections



Source: IPART analysis of AER, *Gas quarterly disconnection reporting*, July 2025

[c] Abolishments remove the provision of gas services from a property by removing the meter.

[d] A dormant connection means no gas has been used at a premises for over 12 months.

3.2.2 Policy shifts and community attitudes towards electrification

NSW is moving towards electrification with the NSW Consumer Energy Strategy setting targets to increase the electrification of homes and small businesses by 2035 and 2050.[21] While the ACT and Victoria have banned new gas connections outright, the NSW Government has taken a more incentive-based approach.

For example, updating its BASIX.[e] standards to require higher energy performance ratings for new buildings, which are often easier to achieve with all-electric systems than gas.[22] In December 2024, it published its Net Zero Government Operations Policy, which requires all new office buildings commissioned for or by the NSW Government from 1 July 2026 to be all-electric, with no fossil fuels.[23] Some local councils have moved to ban new gas connections in their planning controls in new developments.[24]

Since 2009, the NSW Government has also provided incentives to households and businesses to install energy-efficient appliances and equipment. The Energy Savings Scheme (ESS) provides financial incentives for installing equipment such as electric hot water systems and heating/cooling units.[25] This scheme will remain operational until 2050.

In January 2025, the ECA published a report, based on a December 2024 survey of household gas use and attitudes towards electrification.[26] The survey found that almost half of NSW households currently use gas.[27] Around one third of these households use gas for only one purpose — cooking, hot water or heating — while just under 15% of NSW households use gas for all purposes.[28]

Around one third of NSW gas-connected households plan to disconnect gas within the next 10 years.[29] The ECA noted that electrification can be more challenging and costly for households that use gas for multiple purposes.

In March 2025, the Senate Economics References Committee published a report on residential electrification.[30] It identified 2 main barriers — high upfront costs and renters needing to rely on their landlords to make changes.[31] It found that replacing gas appliances with electric alternatives for cooking, hot water and heating could cost a household at least $7,800 upfront. The report also highlighted that renters have limited ability to upgrade their homes, and landlords are currently not incentivised to electrify their properties, because they do not pay the energy bills.[32]

Finding

1. Gas demand from small customers in NSW is declining and growth in new connections is slowing as policy and community preferences shift towards electrification.

[e] Building Sustainability Index.

3.3 NSW customers can choose from 13 gas retailers

Since 2002, customers have been able to choose their gas retailer. Retailers must offer gas to small customers on either a standing offer (also known as a 'standard retail plan') or a 'market offer.' All retailers must provide a standing offer.

As of June 2025, there were 13 retailers offering retail plans to customers on Energy Made Easy (see Table 3.1).[f]

Table 3.1 Retailers with offers on Energy Made Easy by gas distribution region, as of June 2025

Retailer/ Distribution region	Jemena	Adelong	Albury	Bombala	Murray	Temora	Wagga	Allgas	Tamworth	Queanbeyan	Shoalhaven
AGL[a]	✓		✓		✓	✓	✓	✓		✓	✓
Alinta Energy	✓										
CovaU	✓						✓		✓		
Dodo Power & Gas	✓										
Energy Locals	✓										
EnergyAustralia	✓		✓		✓		✓			✓	
Globird Energy	✓										
Origin Energy	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Powershop	✓										
Red Energy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Sumo	✓										
ENGIE	✓										
Perpetual Energy	✓							✓			
Total retailers	13	2	4	2	4	3	5	4	3	3	1

a. Includes ActewAGL.

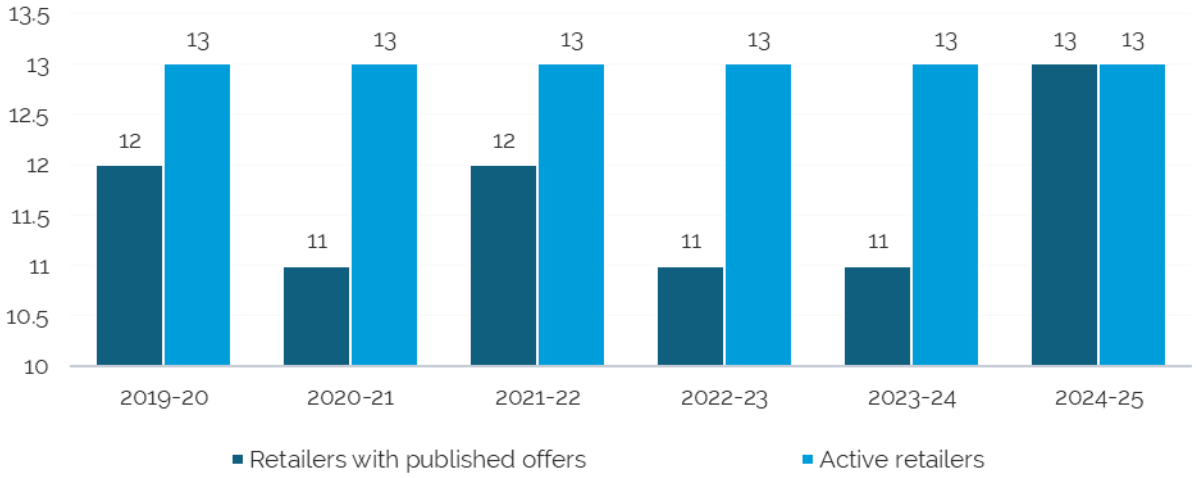
Source: Energy Made Easy

There are 2 additional retailers servicing the Jemena distribution region in 2024-25 compared to 2023-24 — Energy Locals, which also provides electricity plans, and Perpetual Energy, an independent retail gas provider. Perpetual Energy also introduced offers in the Allgas region. However, AGL offered no new retail gas plans in the Adelong region and Origin offered no new plans in the Queanbeyan region, reducing the number of retailers with offers in those regions to 2 and 3 respectively.

[f] Under section 63 of the National Energy Retail Law (NSW) 2012, a retailer must submit information and data relating to the presentation of standing offer prices and market offer prices that they make available to classes of small customers in a jurisdiction to the AER. The AER publishes these offers on Energy Made Easy so customers can compare plans.

In addition to these retailers, there are active retailers that supply gas to existing customers, but are not seeking new customers. Active retailers are those with more than 50 customers.[9] As of quarter 3 in 2024-25, Savant Energy was the only retailer in this category with more than 50, but less than 100 customers. Savant Energy entered the market in 2019–20 and only offered to supply gas in that year. Its customer numbers have since halved from around 160 to 80.[33] Figure 3.7 shows how active retailers and those with published offers have changed since 2019-20.

Figure 3.7 Number of retailers with published offers in NSW and active retailers (2019-20 to 2024-25)



Note: Retailer numbers as of June each year, except for 2024-25, which uses retailer numbers at March. Not all the retailers with published offers are active retailers, because they may not yet have 50 customers.
Source: AER, *Schedule 2 - Quarter 3 2024-25 Retail Performance Data*, accessed 3 November 2025

[9] This definition of active retailer is consistent with that used in the ACCC's Inquiry into the National Electricity Market. For example, see ACCC, *Inquiry into the National Electricity Market*, December 2023, p 24.

Box 3.1 Authorised, active and retailers with published offers

In this chapter we refer to different categories of retailers, which we explain below.

Authorised retailer: a retailer that holds formal authorisation from the AER to sell gas to customers under the National Energy Retail Law (NERL). Authorisation means they have met regulatory, financial and compliance requirements to operate, but may not be currently operating or serving customers in a region.

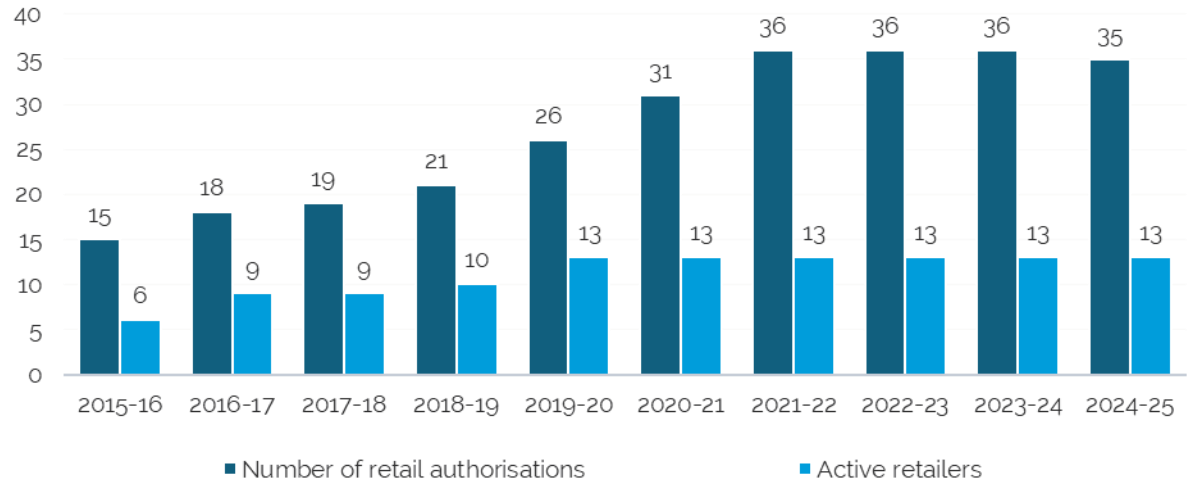
Active retailer: A retailer that is currently supplying gas to customers and participating in the market. All active retailers are authorised, but not all authorised retailers are active. The number of active retailers is generally a better indicator of competition.

Retailer with published offers: A retailer that has offers listed on the AER's Energy Made Easy website and is actively seeking new customers. Some active retailers may not publish new offers so the number of retailers with published offers is sometimes smaller than the number of active retailers.

3.3.1 Active retailer numbers have remained the same since 2019-20

The number of retailers authorised by the AER to provide gas services rose from 15 in 2015-16 to 36 in 2023-24. In 2024-25, this fell slightly to 35 as ReAmped Energy's authorisation was surrendered in September 2024.[h] Over the same period, the number of active retailers increased from 6 to 13, where it has remained since 2019-20 (see Figure 3.8).

Figure 3.8 Number of active retailers and retail authorisations (2015-16 to 2024-25)



Note: Retailer numbers as at June each year, except for 2024-25, which uses retailer numbers at March

Source: AER, *Schedule 2 - Quarter 3 2024-25 Retail Performance Data*, accessed 3 November 2025.; AER, *Schedule 2 - Retail performance data Q4 2020–21*, accessed 3 November 2025

[h] At the time it surrendered its authorisation, ReAmped Energy was not an active retailer in NSW.

Few new entries or exits in a market can indicate several things about the state of the market and level of competition. For example, it can show the market is mature and stable with established retailers holding steady market shares or there are still sizeable barriers to entry and/or exit. This can limit competition, reducing pressure on retailers to lower prices or improve service.

In 2024-25, Energy Locals became an active retailer and Discover Energy effectively exited after its customer numbers dropped below 50. Table 3.2 shows market entries, acquisitions and exits since 2015-16.

Table 3.2 Entries and exits of active retailers in the NSW gas market

Year	Entries	Acquisitions	Exits
2015-16			
2016-17	Alinta, Amaysim, Simply		
2017-18			
2018-19	Real utilities		
2019-20	Globird, Savant, Sumo		
2020-21	Discover Energy[a]	AGl acquires Amaysim	
2021-22	Powershop		
2022-23			Real utilities
2023-24			
2024-25	Energy Locals		Discover Energy[a]

a. Discover Energy began offering for the first time in 2019–20 but did not gain more than 50 customers until the following year. In 2024-25, its customer numbers dropped below 50.

Source: AER, *Schedule 2 - Quarter 3 2024-25 Retail Performance Data*, accessed 3 November 2025.; AER, *Schedule 2 - Retail performance data Q4 2020–21*, accessed 3 November 2025,

Given the demand outlook and market maturity, these changes suggest retailers are still responding to competitive pressures.

3.4 Market concentration remains high

Market concentration refers to how much of a market is controlled by a few large businesses. It helps show whether the market is dominated by a small number of large retailers, or if there is stronger competition among many smaller retailers. If market concentration is high and stable, it suggests that new or smaller retailers may struggle to enter or grow. This can reduce innovation, limit customer choice, and lead to higher prices over time.

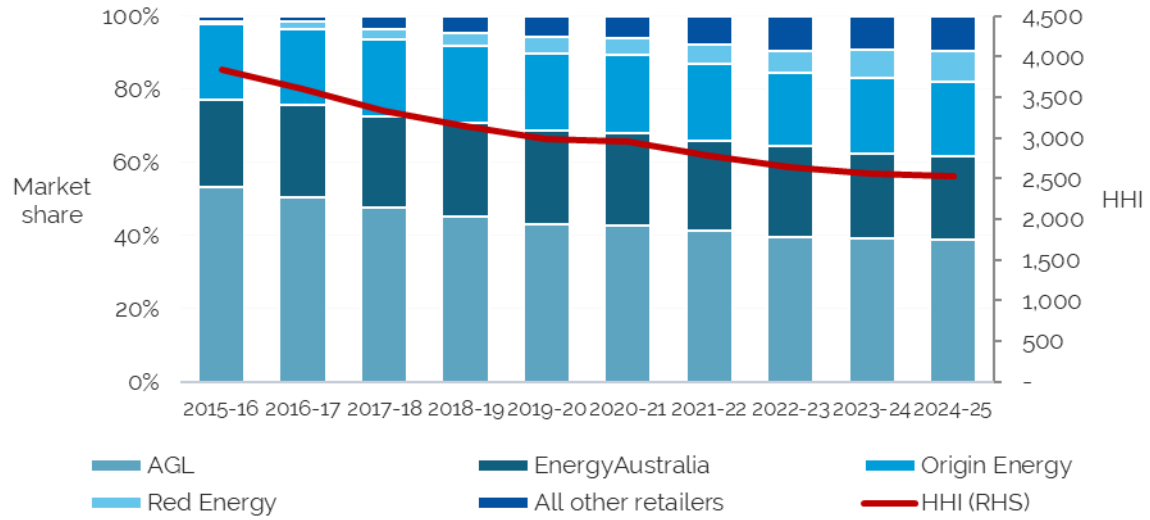
Despite a decline in market share among the 3 largest retailers over the last 10 years, the NSW retail gas market remains highly concentrated. In 2024-25, market shares were largely unchanged (see Figure 3.9).

In March 2025, the largest gas retailer, AGL, had a market share of 39% — unchanged from March 2024, but down from 53% in June 2016. The 3 largest retailers — AGL, Energy Australia, and Origin Energy — had a combined market share of 82%. This is a fall from an 83% market share in March 2024, but down from 98% in June 2016.

The next largest retailer, Red Energy, had a 9% market share, up from 8% in March 2024 and 1% in June 2016. Overall, market shares are mostly stable as of March 2025 compared to the year before, indicating limited shifts in market power.

In March 2025, the Herfindahl-Hirschman Index (HHI) (see Box 3.2) for the NSW retail gas market fell to 2,532, from 2,568 in March 2024 and 3,835 in June 2016 (see Figure 3.9). Despite this decrease, the HHI remains above 2,000 which indicates a highly concentrated market.

Figure 3.9 Market shares and HHI, NSW retail gas market, residential and small business customers, 2015-16 to 2024-25



Source: IPART calculations; AER, Retail energy market performance update for Quarter 3 2024-25 - Schedule 2, June 2025

Box 3.2 The Herfindahl-Hirschman Index (HHI)

The HHI is a commonly used measure of market concentration in horizontal merger analysis and market studies.

It is calculated by summing the squared market shares of each supplier in a market at a point in time. The HHI ranges from close to zero (highly competitive market) to 10,000 (monopoly).

Under the ACCC's new merger assessment framework:

- a HHI **above 2,000** indicates a highly concentrated market
- an increase in HHI exceeding **100 points** indicates a significant rise in concentration.

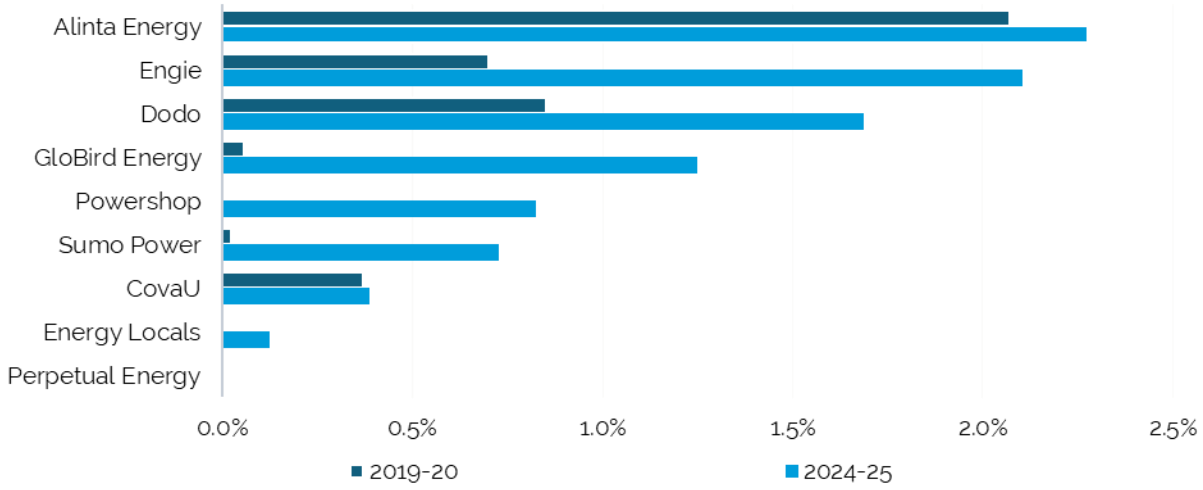
While concentration alone does not prove a lack of competition, it can indicate a greater risk of businesses exercising market power.

Source: ACCC, *Merger assessment guidelines*, June 2025, pp 13, 58

There are 9 smaller retailers in the NSW retail gas market. Their market shares were largely unchanged in March 2025 compared with March 2024. As of March 2025, they held a combined 9% market share, the same as March 2024 and up from 6% in June 2020 (see Figure 3.10).

Among them, Alinta Energy holds the largest market share with 2.3% (a rise from 2.1% in June 2020), followed by Engie with 2.1% market share, up 1.4% since June 2020.

Figure 3.10 Market shares of smaller retailers, 2019-20 and 2024-25

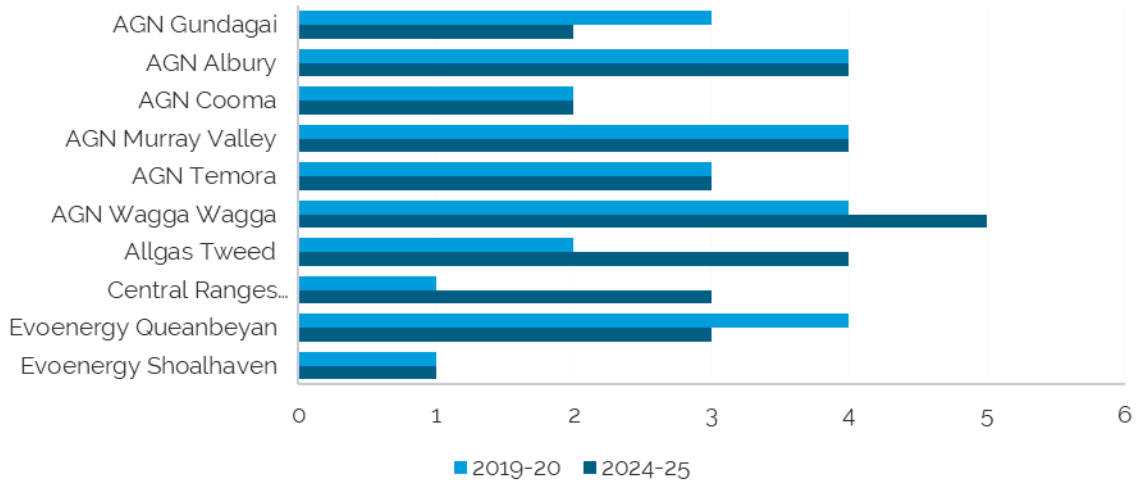


Source: IPART calculations; AER, Retail energy market performance update for Quarter 3 2024-25 - Schedule 2, June 2025

3.5 Regional gas markets are small

There are fewer retailers competing in gas markets outside the Jemena region. Figure 3.11 shows that most regions are supplied by between 2 and 4 retailers, with 5 in AGN Wagga Wagga. Since 2023-24, one retailer has left AGN Gundagai and Evoenergy Queanbeyan and one has expanded supply into the Allgas Tweed region.

Figure 3.11 Number of retailers with published offers outside the Jemena region



Source: Energy Made Easy

In the Shoalhaven distribution network, there is only one retailer (ActewAGL) offering one standing offer. A single retailer without competitive pressure may have the opportunity to exercise market power and increase profitability — for example, by raising prices without higher underlying costs or reducing service quality to reduce their costs. However, there is currently no evidence that this is occurring with ActewAGL's offer price comparable to standing offers in other regions (see Chapter 4).

Markets with few retailers can still deliver competitive outcomes for customers if the barriers to entry are low, allowing other suppliers to enter quickly and start competing for customers. The availability of electricity as an alternative may also help limit gas prices. Customers would have a greater incentive to replace their gas appliances with electric ones if gas prices remain high for a sustained period.

3.6 Retailers face challenges accessing gas and pipeline capacity

Difficulty accessing reasonably priced gas and pipeline capacity can be a barrier to retailer entry and expansion. Gas producers and gas pipelines are owned by separate companies, which means retailers must negotiate individually to buy gas and have it delivered. Where gas needs to flow across multiple pipelines, retailers may need several transport agreements.[34]

In its September 2025 Gas Inquiry Interim Report, the ACCC forecast that wholesale gas supply is expected to improve in early 2026 due to lower contracted exports. It reported stronger contracting activity in 2025, with long-term supply agreements in 2026 and 2027, and greater flexibility in commercial terms.[35]

However, NSW gas retailers would still rely on Queensland producers to meet demand and face challenges meeting winter peaks, because supply has not yet adequately replenished storage facilities.[36] The ACCC expects this easing in supply conditions is short-lived, with east coast supply unlikely to meet demand from 2028.[37]

The ACCC reported that current Australian Government market interventions to guarantee gas supply have not materially influenced supply or prices.[38]

Some pipelines are already heavily contracted, which makes it difficult for new entrants to negotiate access. In our 2024 Gas Market Monitoring Report, we noted that the Southwest Queensland Pipeline and Moomba to Sydney Pipeline had increased capacity by 25% and were considering further expansion.[39] In February 2025, the final investment decision was made to provide an additional 25TJ/day of gas from Moomba to Sydney.[40]

Finding

2. NSW gas market concentration remains high with the 3 largest retailers providing gas to 82% of customers. However, the entry of a new retailer and 2 others expanding into new regions in 2024-25 suggest retailers are competing actively for customers.

4 Trends in retail gas prices

Chapter summary

- In 2024-25, the median market offer in the Jemena Coastal network fell by $57 (5%) for residential customers and $287 (3%) for small business customers. These small falls followed price rises over the past 4 years — 35% for residential customers and 46% for small business customers.
- Over the same year, the lower market offer and median standing offer both rose for residential customers — by 3% and 4% respectively. For small business customers, the lower market offer and median standing offer rose by 1% and 5% respectively.
- Only a few regional networks experienced price falls for residential customers in 2024-25. These included AGN Temora and Culcairn (-0.2%), AGN Adelong and Gundagai (-1%) and AGN Albury (-0.5%). Most others experienced increases between 1-8%, including Evoenergy Shoalhaven (+8%).
- As of June 2025, there was a wide spread of offers across NSW gas networks. In the Jemena Coastal network, the difference between 25th and 75th percentile offers was 29%, and in several regional networks it was 22-28%.
- For residential customers in the Jemena Coastal network, the gap between the 25th and 75th percentile residential offers was $311 — 14% wider than June 2024 — showing greater price variation for households. For small businesses, the spread narrowed, indicating more stable prices.
- Retail gas prices could rise in the future as NSW moves towards electrification. In September 2025, the AEMC released a draft rule requiring new gas customers to pay the full connection cost from 1 July 2026, to protect existing customers from higher prices.

This chapter presents retail gas price trends from June 2020 to June 2025 for residential and small business customers across the Jemena Coastal and regional networks.

The analysis covers a range of retail gas offers — the 10th percentile, median market and median standing offer — published on the Australian Government's *Energy Made Easy* website. A typical residential customer is assumed to use 24.4 GJ of gas in a year, and a typical small business 250 GJ.

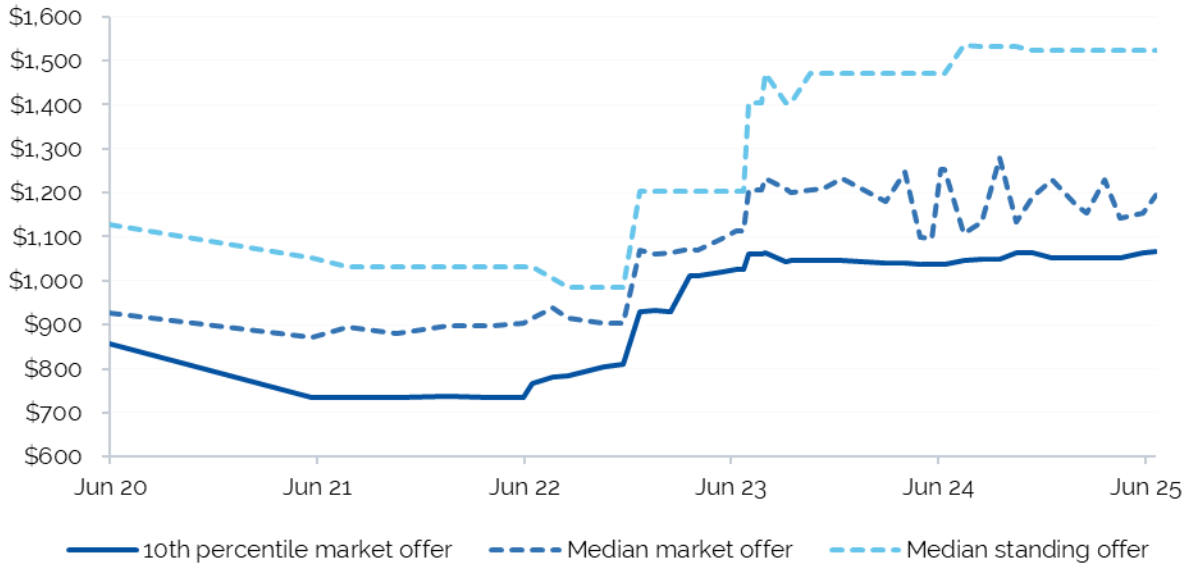
Changes in these offers show how market prices move but do not necessarily reflect what customers pay. Many remain on legacy offers that are not listed on *Energy Made Easy*.

4.1 Median market offers eased for Jemena Coastal network customers after several years of price rises

Median market offers in the Jemena Coastal network rose strongly between June 2020 to June 2024 before easing in 2024-25.

For residential customers, the median market offer rose from $925 to $1,195 — an increase of $270 or 29% (Figure 4.1). The 10th percentile market offer rose from $858 to $1,065 — an increase of $208 or 24%. The median standing offer rose from $1,127 to $1,524 — an increase of $396 or 35%. However, uncertainties with gas supply, demand and geopolitical factors led to some price volatility over the period.

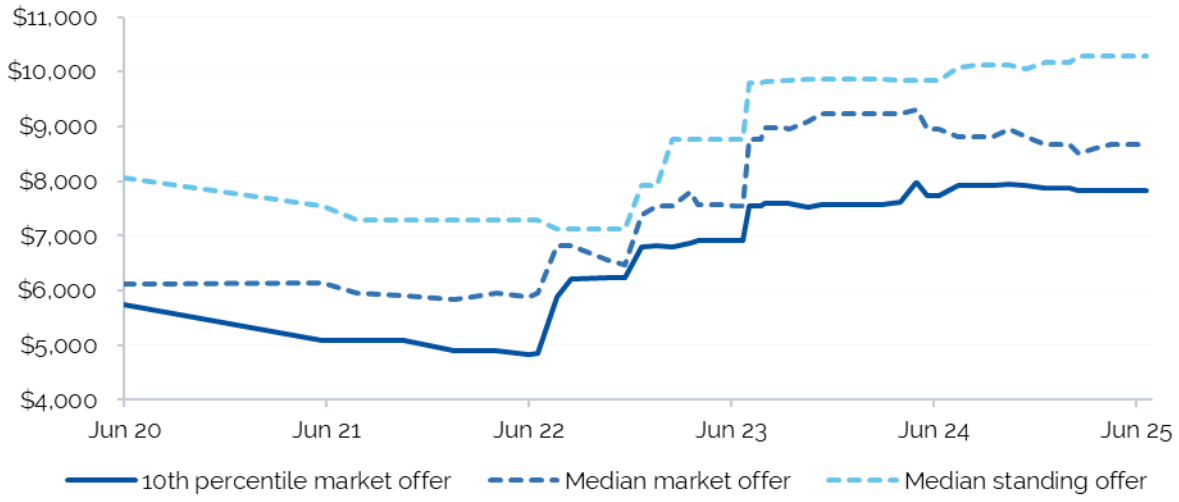
Figure 4.1 Retail gas offers to residential customers, Jemena Coastal network, June 2020 to June 2025 ($ nominal, incl. GST)



Source: IPART analysis of Energy Made Easy data

For small business customers, the median market offer rose from $6,115 to $8,664 — an increase of $2,550 or 42% (Figure 4.2). The 10th percentile market offer rose from $5,749 to $7,835 — an increase of $2,085 or 36%. The median standing offer has increased from $8,054 to $10,297 — an increase of $2,243 or 28%.

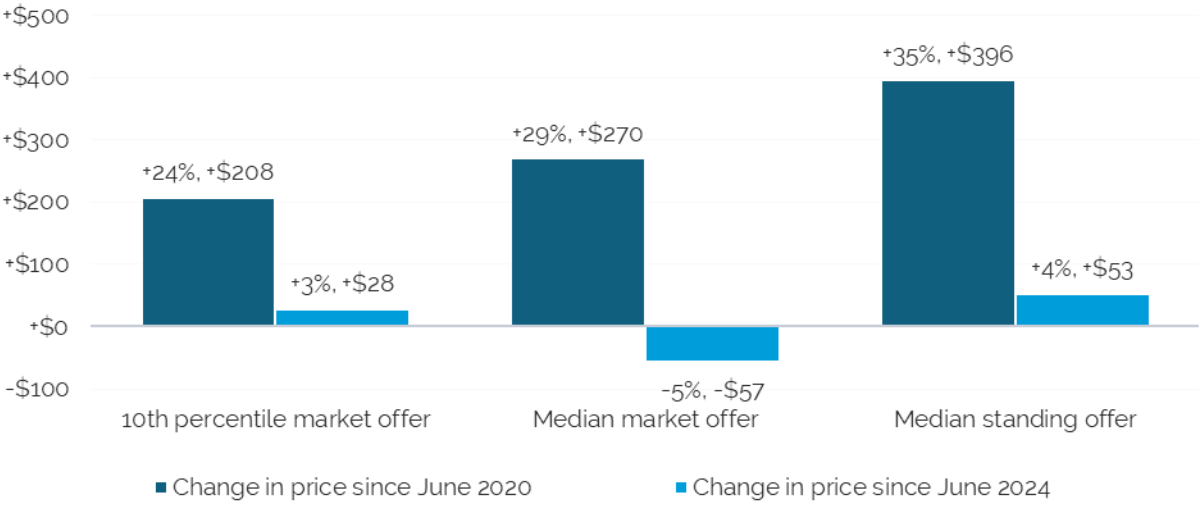
Figure 4.2 Retail gas offers to small business customers, Jemena Coastal network, June 2020 to June 2025 ($ nominal, incl. GST)



Source: IPART analysis of Energy Made Easy data

In 2024-25, the median market offer for Jemena Coastal network residential customers fell by $57 or 5% (Figure 4.3). Over the same period, the 10th percentile market offer and median standing offers rose by $28 or 3% and $53 or 4% respectively.

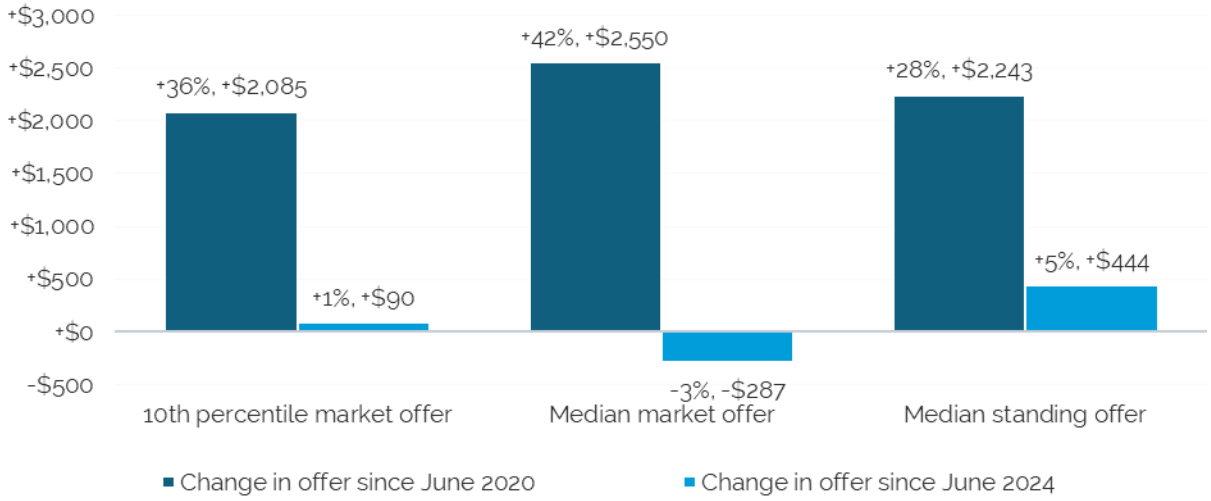
Figure 4.3 Retail gas offers to residential customers, Jemena Coastal network, June 2020, June 2024 to June 2025 ($ nominal, incl. GST)



Source: IPART analysis of Energy Made Easy data

In 2024-25, the median market offer for small business customers in the Jemena Coastal network fell $287 or 3% (Figure 4.4). Over this period, the 10th percentile market offer rose by $90 or 1% and the median standing offer rose by $444 or 5%.

Figure 4.4 Retail gas offers to small business customers, Jemena Coastal network, June 2020, June 2024 to June 2025 ($ nominal, incl. GST)



Source: IPART analysis of Energy Made Easy data

In the Jemena Coastal network, residential and small business customers on the median market offer were better off in 2024-25 than in 2023-24. However, the gap between the median market offer and 10th percentile market offers narrowed, suggesting fewer discounts among lower-priced offers. The gap between the median market and median standing offers widened, indicating that customers who were not engaged in the retail gas market were worse off in 2024-25.

4.2 Median market offers rose in many regional networks

Figure 4.5 shows changes in median market offers for residential customers across regional networks between June 2020, June 2024 and June 2025.

Since June 2020, median market offers for residential customers across regional networks rose by 10%-27%. The smallest rise was in Central Ranges Tamworth — $117 or 10%. Offers in AGN Bombala and Cooma and AGN Murray Valley rose by $188 and $195 respectively — around 20% — over the past 5 years. The largest rises were in AGN Wagga Wagga and AGN Albury — $246 and $191 respectively, or 27% — since June 2020.

In the same period, the median market offers for residential customers across regional networks changed between -2% and 8%. The median market offer in AGN Temora and Culcairn fell by $22 or -2%. The median market offers in AGN Adelong, Gundagai and AGN Albury also fell by $16 and $5 respectively — -1% and -0.5%. The median market offer in AGN Bombala and Cooma rose by $50 or 5%. Evoenergy Queanbeyan rose by $83 or 7%. The largest rise was in Evoenergy Shoalhaven, where the median market offer rose by $107[i] or 8%.

[i] This comparison is made against Evoenergy Shoalhaven's median standing offer in June 2024, as median market offers for residential customers were unavailable for that period.

Figure 4.5 Changes in median retail gas offers to residential customers, regional networks, June 2020 and June 2024 to June 2025 ($ nominal, incl. GST)

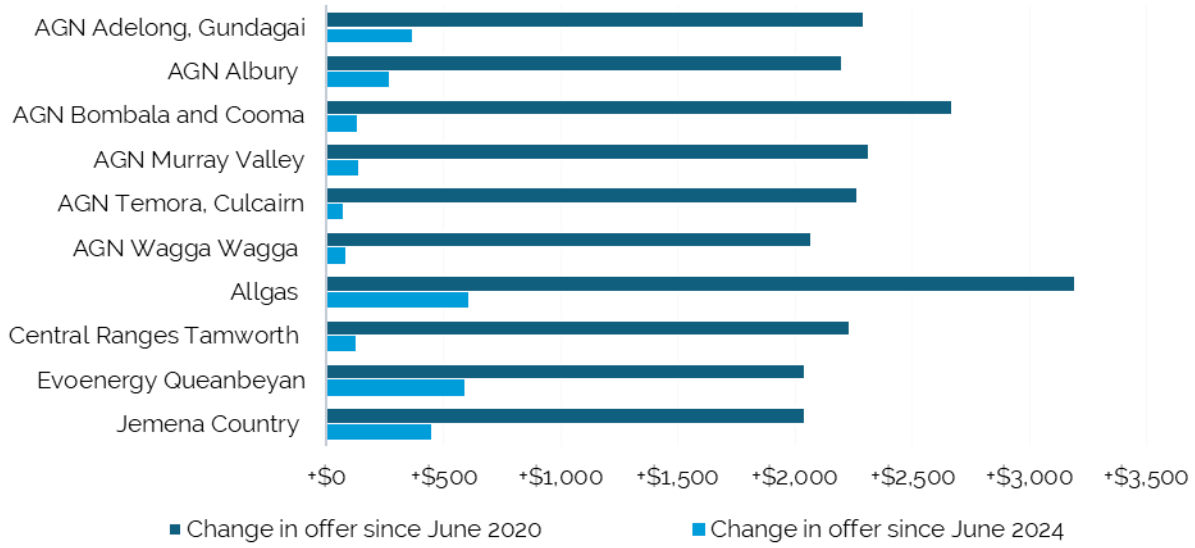
Note: The Evoenergy Shoalhaven network only had one retailer as of June 2025. It did not provide market offers for residential customers in June 2020, 2022, or 2024. As a result, we have reported market standing offers for those years.
Source: IPART analysis of Energy Made Easy data

Figure 4.6 shows the changes in median market offers to small business customers across regional networks between June 2020, June 2024 and June 2025.

Since June 2020, median market offers for small business customers across regional networks rose 25%-49%. The smallest rise was in Central Ranges Tamworth, where offers rose $2,231 or 25%. The median market offer in AGN Bombala and Cooma rose $2,668 or 44% over the past 5 years. The largest rise was in the Allgas network, where the median market offer rose $3,197 or 49%.

Since June 2024, the median market offers for small business customers across regional networks have risen by 1%-7%. The smallest rises were in AGN Temora, Culcairn, AGN Wagga Wagga, Central Ranges Tamworth, and AGN Bombala and Cooma, where median market offers rose $70, $81, $125 and $127 respectively — or 1%. The median market offer in Jemena Country rose $477 or 6%. The largest rises were in the Allgas network and Evoenergy Queanbeyan, where the median market offers rose $604 and $591 respectively — or 7%.

Figure 4.6 Changes in median market offers to small business customers, regional networks, June 2020 and June 2024 to June 2025 ($ nominal, incl. GST)



Note: The Evoenergy Shoalhaven network did not provide market offers for small business customers in 2020, 2024 or 2025 and has not been included in this analysis.
Source: IPART analysis of Energy Made Easy data

Finding

3. After several years of price increases, the median market offers for customers in the Jemena Coastal network fell. However, most regional customers experienced a rise of 1 to 8% in the median market offer.

4.2.1 Median market and standing offers in regional networks as of June 2025

Across the regional networks, most residential and small business customers on the median market offer were worse off in 2024-25 compared with 2023-24. Residential customers in the Evoenergy Shoalhaven network, and small business customers in the Allgas and Evoenergy Queanbeyan networks, experienced the largest rises in median market offers in 2024-25.

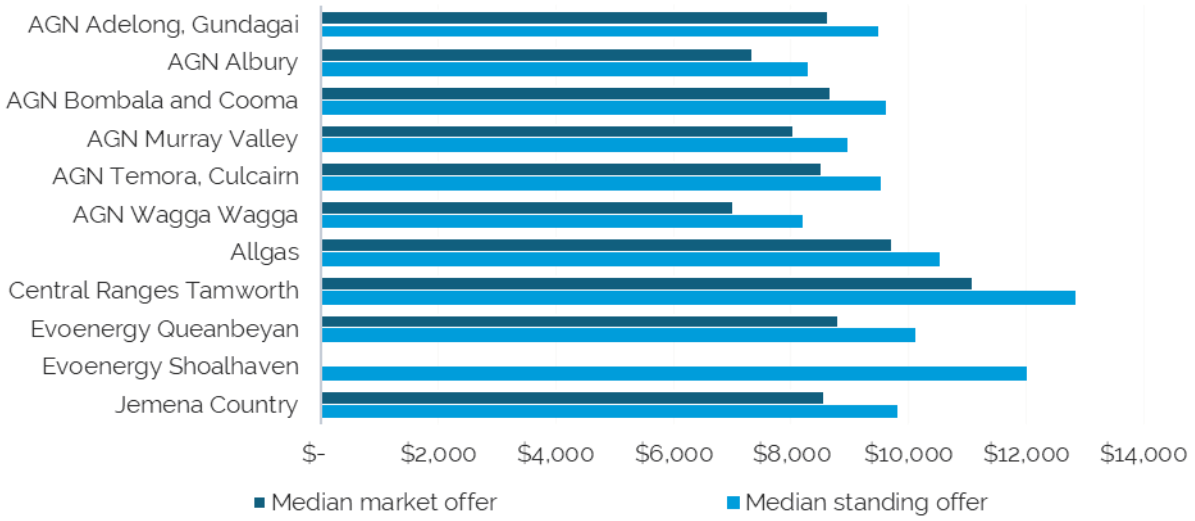
Figure 4.7 shows the median market offers and standing offers for residential customers across regional networks as of June 2025. The lowest median market offer was $906 in AGN Albury, while the highest was $1,397 in the Allgas network. The lowest median standing offer was $1,082 in AGN Albury, and the highest median standing offer was $1,620 in Central Ranges Tamworth.

Figure 4.7 Median market and standing offers for residential customers, regional networks, as of June 2025

Source: IPART analysis of Energy Made Easy data

Figure 4.8 shows the median market offers and standing offers for small business customers across regional networks as of June 2025. The lowest median market offer was $7,012 in AGN Wagga Wagga and the highest was $11,088 in Central Ranges Tamworth. The lowest median standing offer was $8,191 in AGN Wagga Wagga and the highest median standing offer was $12,829 in Central Ranges Tamworth.

Figure 4.8 Median market and standing offers for small business customers, regional networks, as of June 2025



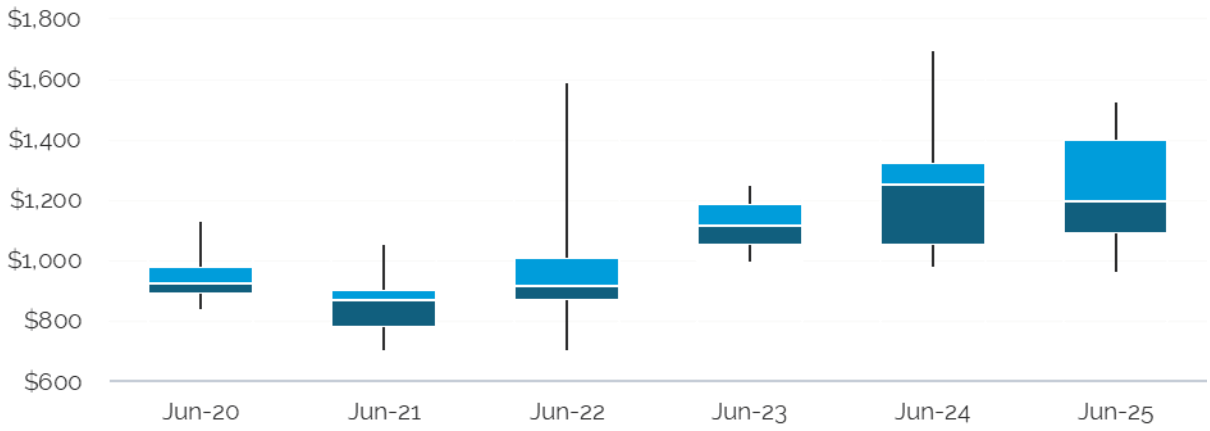
Note: Evoenergy Shoalhaven did not provide market offers to business customers in June 2025.
Source: IPART analysis of Energy Made Easy data

4.3 The spread of gas offers widened for households and narrowed for small business customers

The charts below show the spread of offers for residential and small business customers in the Jemena Coastal and regional networks. They show the spread across the minimum, 25th percentile, median, 75th percentile, and maximum offers.

In the Jemena Coastal network, the gap between the 25th percentile and 75th percentile market offers for residential customers was $311 in June 2025 — a 14% rise from $273 in June 2024 (Figure 4.9). This was the largest rise in the past 5 years, suggesting that gas prices became more volatile over this period.

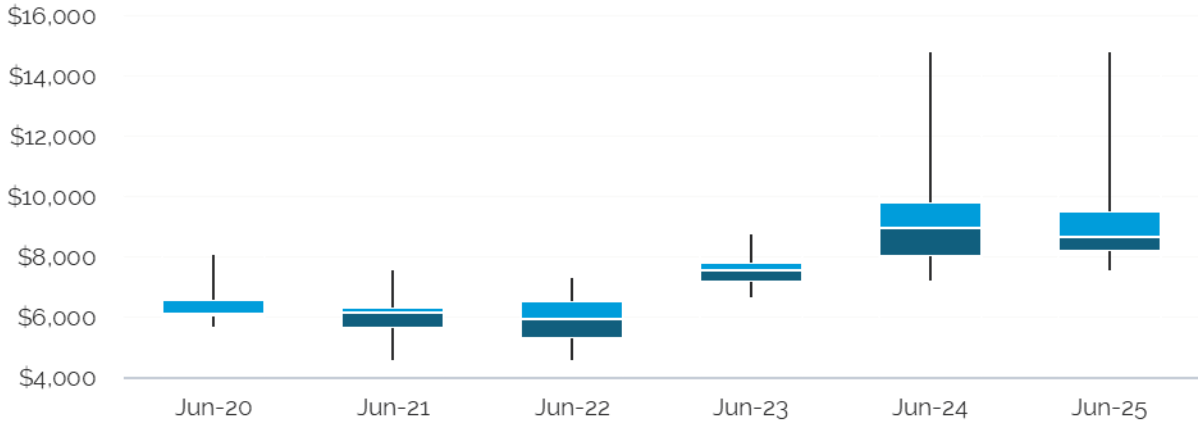
Figure 4.9 Distribution of market offers for residential customers, Jemena Coastal network, June 2020 to June 2025 ($ nominal, incl. GST)



Note: The bottom of the dark blue bar represents the 25th percentile offer. The white line between the dark and light blue bars indicates the median market offer. The top of the light blue bar shows the 75th percentile offer. The black line reflects the full range (minimum and maximum) of all market offers
Source: IPART Analysis using Energy Made Easy data

In the Jemena Coastal network the gap between the 25th percentile and 75th percentile market offers for small business customers was $1,315 in June 2025 — 27% narrower than $1,796 the previous year. This shows prices stabilised for small business customers during this period (Figure 4.10).

Figure 4.10 Distribution of market offers for small business customers, Jemena Coastal network, June 2020 to June 2025 ($ nominal, incl. GST)



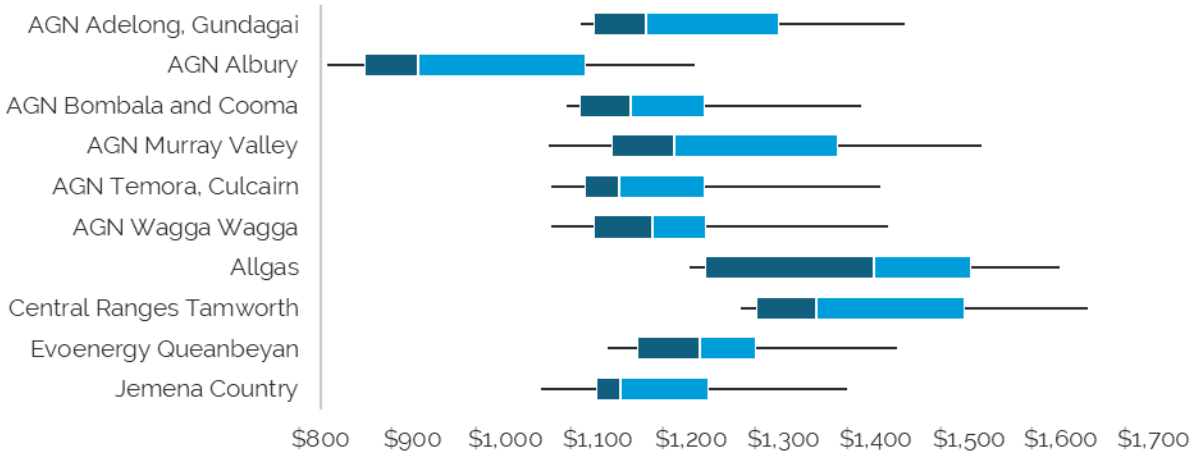
Note: The bottom of the dark blue bar represents the 25th percentile offer. The white line between the dark and light blue bars indicates the median market offer. The top of the light blue bar shows the 75th percentile offer. The black line reflects the full range (minimum and maximum) of all market offers
Source: IPART Analysis using Energy Made Easy data

Finding

4. In the Jemena Coastal network, the spread of offers widened for residential customers, indicating that customers who switch regularly can benefit from lower prices.

In June 2025, across regional networks for residential customers, the gap between the 25th and 75th percentile market offers was $121 to $288 (Figure 4.11). This shows that prices were less volatile in regional areas than in the Jemena Coastal network.

Figure 4.11 Distribution of market offers for residential customers, regional networks, June 2025 ($ nominal, incl. GST)



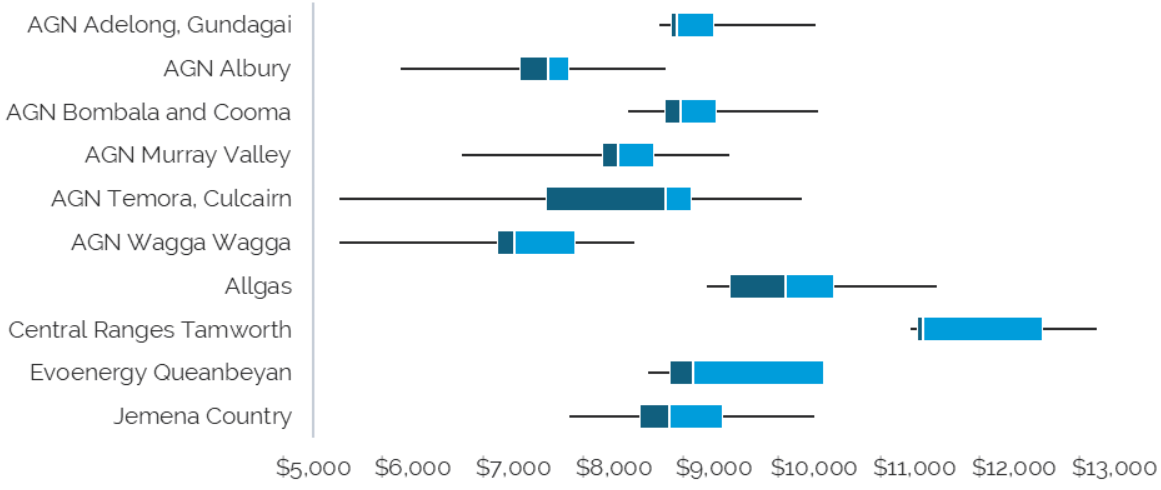
Note: There was only one market offer in the Evoenergy Shoalhaven network in June 2025. As a result, Evoenergy Shoalhaven is not included in the above chart.

The bottom of the dark blue bar represents the 25th percentile offer. The white line between the dark and light blue bars indicates the median market offer. The top of the light blue bar shows the 75th percentile offer. The black line reflects the full range (minimum and maximum) of all market offers

Source: IPART Analysis using Energy Made Easy

In June 2025, across regional networks for small business customers, the gap between the 25th percentile and 75th percentile market offers was $432 to $1,541 (Figure 4.12). These gaps were mostly narrower than in the Jemena Coastal network and show prices were less volatile in most regional areas.

Figure 4.12 Distribution of market offers for small business customers, regional networks, June 2025 ($ nominal, incl. GST)



Notes: Evoenergy Shoalhaven did not provide market offers to business customers in June 2025. As a result, EvoEnergy Shoalhaven is not included in the above chart.

The bottom of the dark blue bar represents the 25th percentile offer. The white line between the dark and light blue bars indicates the median market offer. The top of the light blue bar shows the 75th percentile offer. The black line reflects the full range (minimum and maximum) of all market offers

Source: IPART Analysis using Energy Made Easy data

Overall, the range of offers shows clear differences in what customers are paying. This means some customers could save money by switching retailers. Chapter 6 looks at customer engagement and the barriers to switching.

4.4 Electrification may raise retail gas prices

NSW is moving towards electrification as part of the NSW Government plan to reduce emissions. As households and businesses replace gas appliances with electric ones, demand for gas falls. With fewer customers sharing fixed network and retail costs, average gas prices are likely to rise under the current regulatory framework.

In February 2025, the Australian Energy Market Commission (AEMC) received a rule change request from Energy Consumers Australia (ECA) to amend the *National Gas Rules* (NGR).[41] The proposal would require gas network distributors to charge new customers the full upfront cost of connection. This rule change request is one of 4 rule change requests submitted by ECA that seek to address the impacts of declining demand on gas distribution networks.

The AEMC released its draft determination and rule in September 2025. The draft rule would require all new retail gas connections to pay cost-reflective charges upfront from 1 July 2026. This change aims to protect existing gas customers from higher prices as demand falls and to stabilise future retail gas costs.

5 Changes in gas supply costs

Chapter summary

- The changes in retail gas prices broadly reflect the changes in underlying costs of providing gas, which is what would occur in a competitive market.
- Wholesale gas costs fell slightly by 3% in 2024-25, mainly due to lower average prices under gas supply agreements. However, international gas prices were higher than domestic gas prices for half of the year.
- Distribution costs rose by 14% becoming the main driver of higher gas supply costs in 2024-25.
- Assuming transmission and retail operating costs have increased in line with inflation, retail margins have fallen in relation to the median market offer.

This chapter presents the changes in the costs of supplying gas to small customers from 2019-2020 to 2024-2025. We compare these costs with retail prices to assess the retail margin. This analysis forms part of our assessment on whether a detailed review of retail prices and profit margins is needed for the retail gas market in NSW.

5.1 Costs to supply gas rose slightly in 2024-25

Retailers incur several costs in supplying gas to small customers - wholesale, transmission, distribution and retail operating costs. They also need to make a reasonable profit to reflect the risks of providing their service, which is called the retail margin (see Box 5.1).

Box 5.1 Retailers' costs to supply gas to small customers

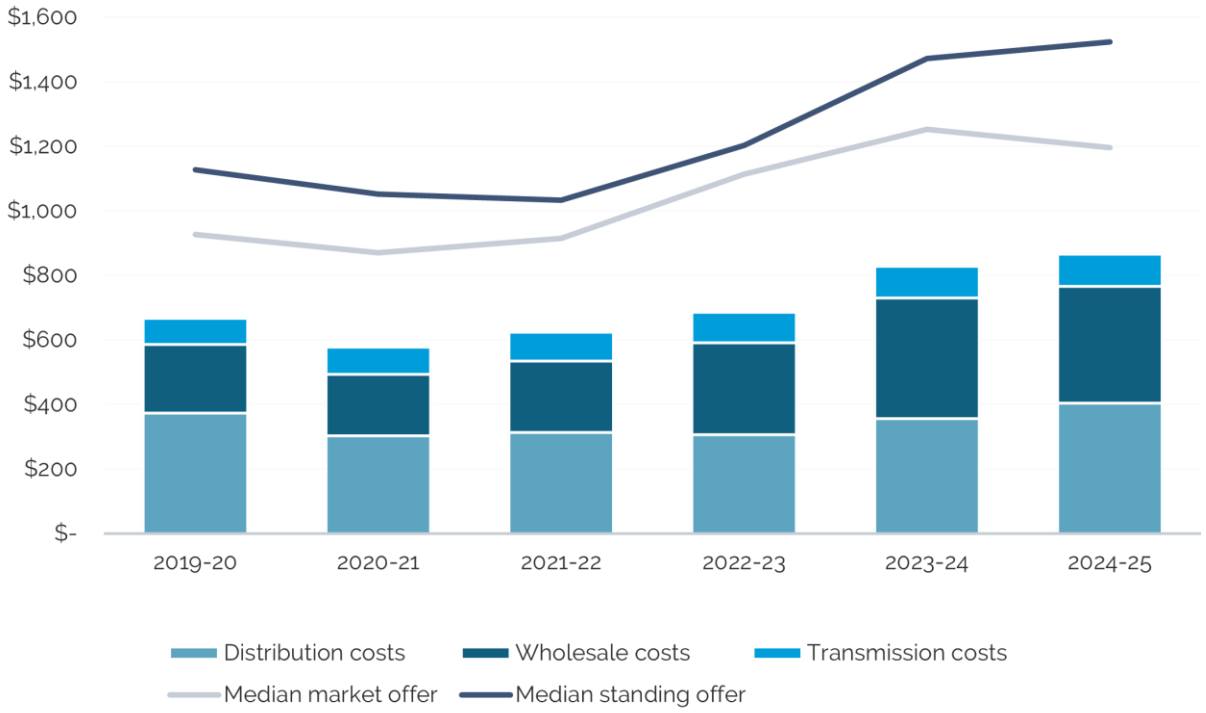
Retailers' costs to supply gas to small customers include:

- **Wholesale costs:** the costs of buying wholesale gas under gas supply agreements or through trades in the wholesale gas spot market.
- **Transmission costs:** the costs of transporting gas through transmission pipelines.
- **Distribution costs:** the costs of transporting gas through distribution networks.
- **Retail operating costs:** the costs of running a retail business, such as billing, customer service, marketing, compliance, and IT systems.
- **Retail margin:** the amount that retailers earn to cover their risk.

Figure 5.1 shows our estimates of the key cost components of supplying gas to small customers in NSW compared to the standing and median market offers. We have not reported on retail costs and margins due to limited publicly available data.

In 2024-25, the key cost driver for the supply of gas was distribution costs, which rose 14% since 2023-24. This differs from previous years where wholesale costs have been the key driver of price increases. Transmission costs increased 2% and wholesale costs decreased 3% between 2023-24 to 2024-25.

Figure 5.1 IPART estimate of costs to supply gas to a small customer, compared to retail gas offers, NSW, 2019-20 to 2024-25 ($ annual)



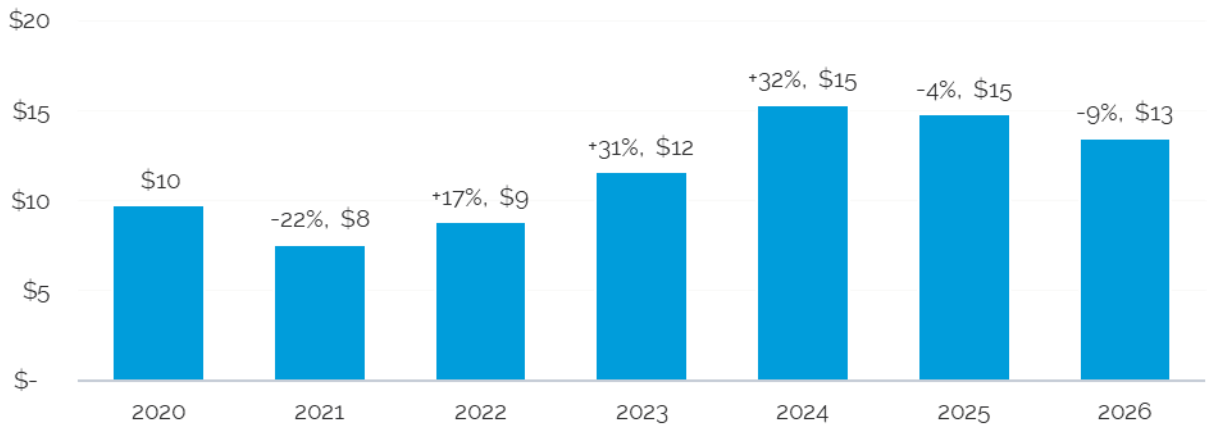
Source: IPART analysis of Jemena reference tariff schedules, ACCC interim Gas Inquiry Reports, and Energy Made Easy. data.

5.2 Average prices for 2024-25 under gas supply agreements fell

Wholesale gas prices are determined by gas supply agreements and spot market trades, with most purchases made through supply agreements.

Figure 5.2 shows the volume weighted average gas price under gas supply agreements for NSW, Victoria, and South Australia (i.e. southern states) from 2020 to 2026. Since 2023-24, the weighted average price for gas supply fell to $15/GJ. This declining trend continues for gas supply in 2026, with the weighted average price at $13/GJ.

Figure 5.2 Average gas prices under gas supply agreements, southern states, 2020 to 2026 ($/GJ)



Note: Gas supply agreements are executed 2 years before the supply period. For example, the 2025 gas supply price is based on agreements that were executed since January 2023.
Source: ACCC Gas Inquiry Reports.

Finding

5. Distribution costs rose by 14% in 2024-25, becoming the main driver of gas supply costs, while wholesale costs fell slightly, due to lower average prices under gas supply agreements.

5.3 NSW gas spot prices were stable

The wholesale gas spot market helps market participants manage daily imbalances between their contracted supply of gas and the actual demand for gas. In 2024-25, the NSW spot price was mostly stable around $13 to $14/GJ.

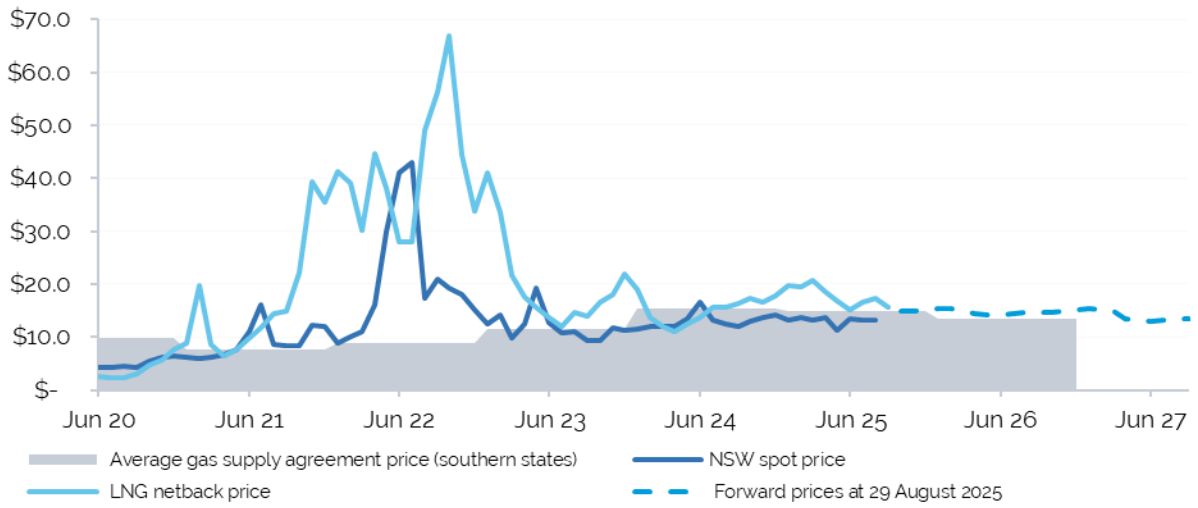
5.4 International gas prices rose in 2024-25

Gas producers on the east coast of Australia can sell gas in the domestic market or export gas internationally. So, domestic gas prices are influenced by international gas prices.

International gas prices can be measured using the ACCC's Liquified Natural Gas (LNG) netback prices, which are based on Asian LNG spot prices. The 'LNG netback price' is the price that a domestic gas producer would expect to receive for exporting gas, instead of selling it domestically. It is calculated as the export market value of gas minus transportation costs.

In 2024-25, international gas prices ranged from $15 to $21/GJ, which represents a smaller range than previous years. In Q3 2024-25, international gas prices rose from $18 to $21/GJ, but in Q4 2024-25, they fell to $15/GJ. From 2025-26 to 2026-27, international gas prices are expected to fall to $13/GJ (see Figure 5.3).

Figure 5.3 LNG netback price, NSW spot price, and average gas supply agreement price, June 2020 to June 2027 ($/GJ)



Source: ACCC Gas Inquiry 2017-2030 reports; ACCC LNG netback price series; AEMO STTM price and withdrawals.

The ACCC expects gas supply on Australia's east coast to improve in Q1 2026. Although, this depends on how much uncontracted gas LNG producers decide to export.[42]

5.4.1 The Gas Market Code and related policies have not delivered lower prices yet

In our 2023-24 Gas Market Monitoring Report, we noted that the Australian Government had introduced a mandatory Gas Code of Conduct, which caps wholesale gas prices at $12/GJ.[43]

The ACCC's Gas Inquiry September 2025 interim report found that while the Gas Market Code and other measures,[j] may have increased the volume of gas offered domestically, they have not yet delivered material improvements in market outcomes and may have had unintended effects on supply negotiations.[44]

Most producers are exempt from the reasonable price provisions, and committed supply (including volumes committed at the price cap of $12/GJ) makes up a relatively small share of domestic demand. The Code's focus on gas supply agreements with a term of 12 months or longer has affected the willingness of producers to enter longer-term agreements.[45]

Our analysis of the LNG netback price shows they remain above $12/GJ and while it is expected to fall in 2026, it will remain above this level.

The Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEEW) will provide a final report on its review of these gas policies to the Government by the end of 2025.[46]

[j] Including the Heads of Agreement with LNG exporters (HoA) and the Australian Domestic Gas Security Mechanism (ADGSM).

5.5 Gas transmission and distribution costs rose in 2024-25

In 2024-25, distribution costs rose notably by 14%. This reflects adjustments for unaccounted gas, an annual update to the regulated rate of return, and inflation.[47] Distribution costs now account for just over a third of median gas bills. We estimate that transmission costs rose slightly by 2% in line with inflation.

5.6 We do not recommend a detailed review of retail prices and profit margins at this time

Under Section 234A(4)(g) of the *National Energy Retail Law* (NSW), IPART must report on whether a detailed review of retail prices and profit margins is needed in the retail electricity market and retail gas markets in NSW.

There is limited information publicly available about gas retail operating costs and margins. In 2019, the ACCC conducted a detailed review of margins using data obtained from major retailers, and found retail margins in NSW for small customers ranged between 12% and 16%. Assuming retail operating costs have increased in line with inflation, and the median market offer represents the average price paid by gas customers, retail margins are likely to have decreased. However, we do not have data about the average price paid by gas customers.

As such, we consider that an in-depth review of retail prices and profit margins in the gas market isn't needed at this time.

Finding

6. An in-depth review of retail prices and profit margins in the gas market is not warranted at this time because our analysis indicates prices have broadly moved in line with costs and retail margins are likely to have decreased for customers on the median market offer.

6 Customer engagement, switching and complaints

Chapter summary

- In 2024-25, 92% of residential customers were on market offer contracts, while the share of small business customers on market offers fell 2% to 83%.
- The annual switching rate was 16%, compared to 17% in 2023-24. The lower switching rate likely reflects smaller price differences between median market offers (see Chapter 4), which gave customers less incentive to change retailer.
- In 2024-25, a typical residential customer in the Jemena Coastal region could save:
  - $128 or 11% by switching from the median market offer to one of the lowest market offers
  - $456 or 30% by switching from the median standing offer to one of the lowest market offers.

  These results reflect the fall in the median market offer and rise in the median standing offer.
- Small business customers in the Jemena region could save up to $2,462 a year by switching to one of the lowest offers.
- In other NSW gas regions, residential customers could save between $58 and $192 by switching from the median market offer to one of the lowest market offers. Evoenergy Shoalhaven was the exception, as it had only one retailer and one market offer.
- Customers who stay on the same plan for long periods are likely to pay more than those who switch regularly, often referred to as a loyalty tax.
- Many customers remain disengaged. About 32% of NSW customers with a gas connection do not feel confident they are on a competitively priced plan, and 31% review their plan less than once a year. Stakeholders also raised concerns that frequent plan reviews add an unreasonable burden.
- Reforms introduced in 2025 will limit retailers to one price rise per year from 1 July 2026. Retailers will also be required to make bill information clear and help customers compare and switch when plan names are re-used.
- Gas complaints to EWON remained high, but comparable to 2023-24 levels. High bills continued to be the most common issue.

For markets to deliver good outcomes, customers need to be willing and able to shop around for the best product for their circumstances. To do this, they need clear information and tools to assess, compare and switch offers with minimal effort. This gives retailers incentives to:

- develop products that meet customer needs and preferences
- compete on price to attract new customers and retain existing ones.

This chapter discusses how gas customers are engaging in the market, including their decisions to switch retailers, the potential savings from switching and barriers they face when doing so.[k]

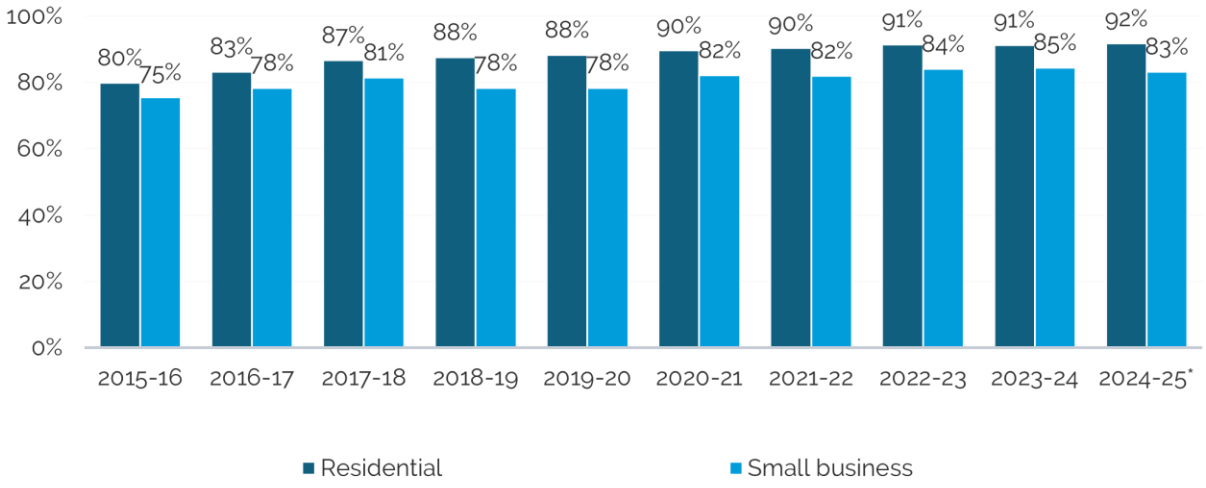
6.1 Most residential gas customers are on market offers

Under the National Energy Customer Framework, retailers can supply gas to households and businesses under either a market offer contract or standard offer contract.[48] Customers must actively sign up to a market offer, while those who do not choose are placed on a standard offer by default.

For example, when a customer moves into a new premises, their previous gas supply contract ends. If they do not choose a new market offer, the retailer automatically places them on a standard offer contract.[l] Being on a market offer indicates that the customer has made an active choice.

In 2024-25, 92% of residential customers and 83% of business customers were on market offer contracts (see Figure 6.1). This represents a slight increase for residential customers, but a decline for small business customers.

Figure 6.1 Proportion of small gas customers in NSW on market offer contracts



Note: 2024-25* numbers are based on quarter 3 data (as of 31 March 2025). Data for other years are as of 30 June.
Source: AER, *Schedule 2 - Quarter 3 2024-25 Retail Performance Data*, June 2025, accessed 1 October 2025 and IPART analysis

This indicator shows how actively customers are engaging in the market. However, more customers on market offers does not necessarily mean they are paying lower prices. Customers who have recently switched may be paying less than those on standing offers, but others who have not switched for some time could be paying the same — or even more — than customers on standing offers.

[k] Unless stated otherwise, the price impacts in this chapter are based on publicly available prices from the Australian Government's Energy Made Easy website for the Jemena coastal network, which supplies about 90% of NSW customers. References to 'lowest offers' refer to the 10th percentile (10p) to exclude outliers and reflect offers likely available to customers.

[l] This happens when a customer's chosen retailer fails financially or is suspended to ensure the customer's gas supply continues without interruption.

There is limited data on the actual prices customers pay in the retail gas market, but 22.5% of retail electricity customers on flat-rate market offers in NSW pay more than the default market offer.[49]

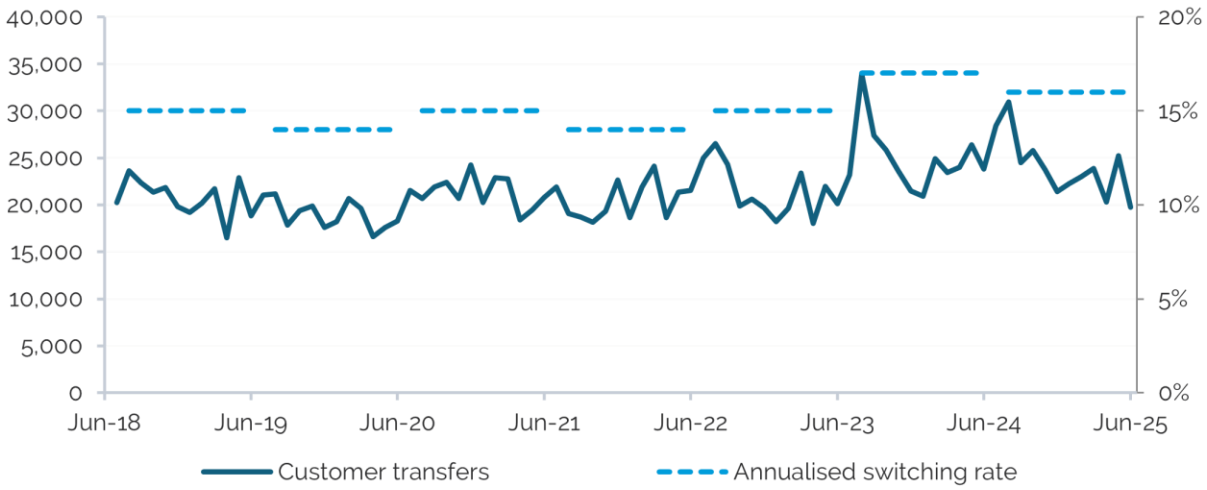
6.2 Fewer customers switched retailer in 2024-25

The number of customers switching retailers is another indicator of how engaged customers are in the retail gas market. A higher switching rate suggests customers are shopping around more often, while a lower rate may reflect lower customer awareness, small price differences or barriers to switching.

Figure 6.2 shows that the proportion of customers switching retailer in NSW has been stable over a long period. In 2024-25, 16% of customers switched retailer.

There was a spike in retailer switches in August 2023 and August 2024. This was likely driven by gas retailers adjusting prices at the start of the financial year to reflect network tariff changes, which make up a large share of total costs.

Figure 6.2 Number of customers who switched gas retailer per month and annualised rate of switching



Source: AEMO, *Gas retail market reports and data.*, accessed 7 October 2025

There are some limits to what the switching rate shows:

- it does not capture customers who stayed with their retailer but switched to a better plan
- it includes cases where a customer moved house but kept their current retailer
- it captures when the same customer switches more than once.

Analysis of the Energy Consumers Australia (ECA) Consumer Energy Report Card data found that around 27% of NSW respondents with gas connections had switched energy provider in the past 12 months.[50]

6.3 Customers can save money by switching retailer or plan

Retailers can offer multiple market offers to customers. When more than one retailer operates in a region, this creates a spread of offers. The offer spread increased for most regions in 2024-25.

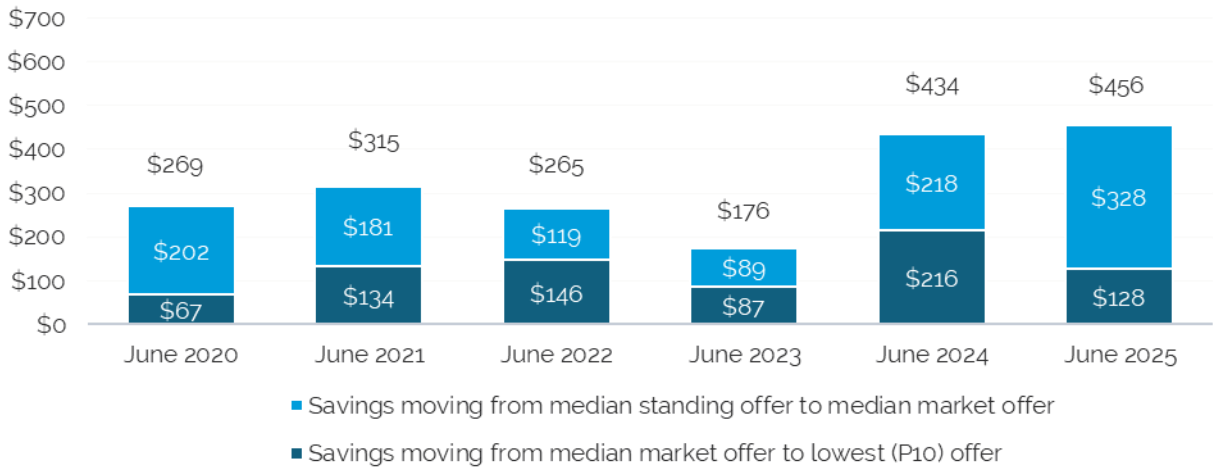
This means customers could save on their gas bills by moving to a lower offer with their current retailer or by switching to a different retailer, where more than one retailer operates.

The savings available to residential customers increased in 2024–25. As of June 2025, a typical residential customer in the Jemena region could save:

- $328 or 22%, by switching from the median standing offer to the median market offer.
- $128 or 11%, by switching from the median market offer to one of the lowest market offers

A residential customer who has not reviewed their gas plan for a long time and is on the median standing offer could save up to $456 a year by switching to one of the lowest market offers.

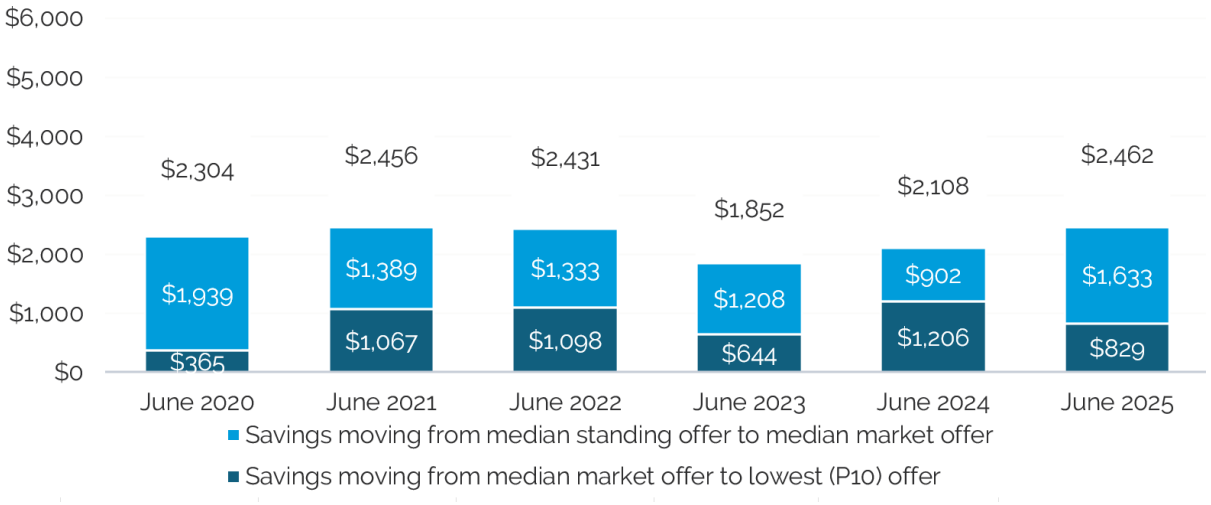
Figure 6.3 Savings from switching offers over time for residential customers (Jemena coastal, 24.4 GJ, nominal including GST)



Source: IPART Analysis using Energy Made Easy data

Small business customers in the Jemena region could save up to $2,462 a year on their gas bills by switching from the median standing offer to one of the lowest market offers, as shown in Figure 6.4.

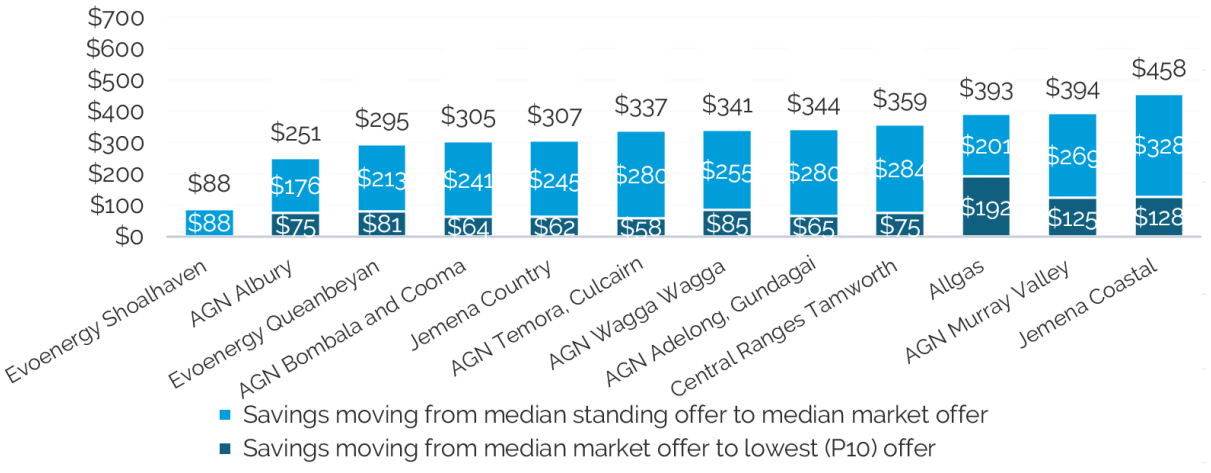
Figure 6.4 Savings from switching offers over time for small business customers (Jemena Coastal, 250 GJ, nominal, including GST)



Source: IPART analysis using Energy Made Easy data

In other gas distribution regions in NSW, residential customers could save between $251 and $458 by switching from the median standing offer to one of the lowest market offers, as shown in Figure 6.5.

Figure 6.5 Savings from switching offers by distribution region as of June 2025 (residential customers using 24.4 GJ, including GST)



Note: Evoenergy Shoalhaven has one retailer with one market offer.
Source: IPART Analysis using Energy Made Easy data

6.3.1 Customers who do not switch can end up paying a loyalty tax

Gas customers who do not switch retailer can find themselves paying a loyalty tax — a higher price for staying with the same provider or on the same offer rather than switching to a more competitive one.

In its December 2024 inquiry into the National Electricity Market, the ACCC found that NSW customers on the same flat-rate plan for over 2 years pay 15% more on average per year, while those on a plan for 1-2 years pay 6% more than customers on a newer plan.[51] Given that many electricity retailers also offer gas and gas tariffs are structured in a similar way, gas customers are likely to face similar premiums.

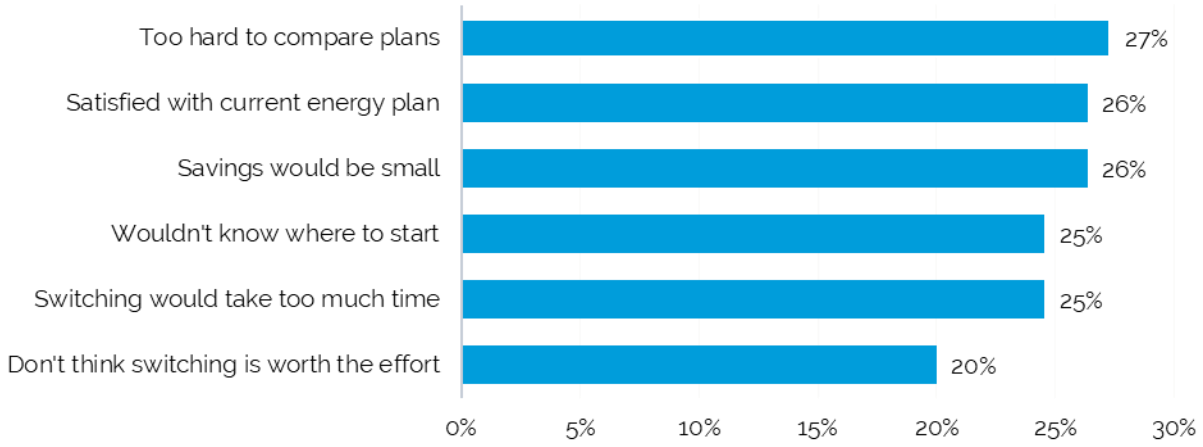
6.4 Frequent switching adds complexity for gas customers

The growing spread of gas offers mean gas customers need to review their plans and be ready to switch regularly to stay on an affordable offer. As discussed in Chapter 2, stakeholders identified the complexity of the energy market as a barrier to engaging in the market as often as needed.

In its submission to our consultation paper, the JEC said this expectation is unreasonable, given that energy is an essential service.[52] Another individual also described frequent changes to electricity and gas prices as a mental burden to consumers.[53]

According to our analysis of the ECA's *Consumer Energy Report Card* data, about 32% of NSW customers with a gas connection do not feel confident that they are on a competitively priced energy plan.[54] Around 31% review their plan less than once a year. The most common reasons were that it is too hard to compare plans, potential savings would be small and that they are satisfied with their current plan (see Figure 6.6).

Figure 6.6 Reasons why NSW gas customers may not review their plans annually



Source: IPART analysis of Energy Consumers Australia, *Consumer Energy Report Card – Raw survey data*, June 2025, accessed 25 October 2025

6.4.1 Reforms to improve customer confidence in the retail gas market

In June 2025, the AEMC introduced a new rule that limits energy retailers to one price increase every 12 months for both existing and new market contracts. The change is designed to build customer confidence and protect them from price shocks, ensuring the benefits of a contract lasts its full term. The rule takes effect from 1 July 2026.[55]

In May 2025, the AER also decided, under the *Better Bills Guideline*, that retailers who re-use plan names must include a statement in customer bills explaining that the customer is on an older version of the plan and may save money by switching to a newer one. This aims to make bills clearer and ensure a consistent approach across retailers.[56]

Finding

7. More residential customers are on market offers, but this does not guarantee a lower price. Customers must actively monitor and switch plans to remain on the best available offer, which can be time consuming and complex.

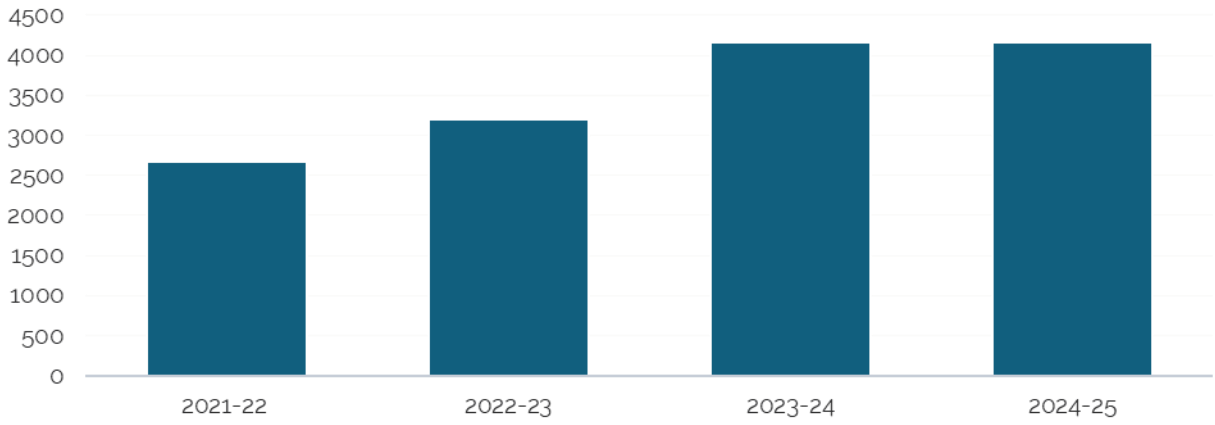
6.5 Customer complaints to EWON remained at 2023-24 levels

The Energy and Water Ombudsman (EWON) publishes quarterly statistics on complaints received about electricity, gas and water services.

NSW customers are encouraged to first raise their complaint with their retailer. If the issue is not resolved or the customer is unhappy with the response, they can the contact EWON.[m] The number of EWON complaints reflects the number of customers who have could not resolve their issue with their retailer, and the total number of complaints made to retailers is likely to be significantly higher.

Complaints to EWON about gas services remained high, but comparable to 2023-24 levels in 2024-25 (Figure 6.7).[57] High bills were the most common cause of complaints, although this has trended downwards as a share of total issues raised. Complaints from customers experiencing payment difficulties or debt remained consistent.[58]

Figure 6.7 Number of EWON complaints about gas services in NSW



Source: IPART calculations based on EWON, *EWON Insights Apr-Jun 2025*, accessed 9 October 2025

[m] Data is not available on the number of complaints made to retailers about gas, which is why we have reported on EWON complaints data.

7 Affordability, hardship and disconnections

Chapter summary

- Gas costs and affordability remain a concern for many customers, particularly those who are vulnerable to, or experiencing, energy hardship. Gas bills account for around 1.4% to 5.2% of income for government payment recipients, depending on household size and eligibility for rebates. Combined with electricity bills, this rises to around 3.4% to 13.5%, with regional customers spending more of their income on energy.
- Hardship program participation fell by 2.6% to 16,936 customers, although it remains 60% higher than 2022-23 levels. More than 6,800 customers cleared their debt and exited hardship programs compared with 2023-24 (2,503 customers) — reversing a downward trend since 2020.
- Average hardship debt rose to $782 or 37.4% at program entry and $873 or 9.5% overall. This suggests hardship customers may be paying more than necessary. From 30 December 2026, a new AEMC rule will require retailers to identify better offers for hardship customers and ensure they are no worse off if they do not switch.
- Potential harm from threat of disconnection remains a concern. Around 1.0% or 15,084 customers, were disconnected for non-payment with 97.2% reconnected. The AER is consulting on measures to make disconnection a last resort.
- Rebate uptake remains low. In 2023-24, 52.7% of eligible households received the gas rebate, up from 50% in 2022-23. Several reforms aim to automate concessions, better target rebates and strengthen retailer engagement with vulnerable customers.
- Rebate levels have not kept pace with rising costs. Since June 2020, the median annual gas bill has risen by around 29%, while the NSW Gas Rebate has remained unchanged.

Gas is an essential service for households and businesses in NSW. Challenges with access to gas — including disconnection, rising prices, managing payments and difficulty accessing rebates — not only impact the financial position of households and business owners but may also impact their physical and psychological wellbeing.

Several stakeholders, including the Justice and Equity Centre (JEC), raised concerns about rising energy costs in NSW. They said higher prices add to cost-of-living challenges, increase energy poverty and lead some vulnerable consumers to:

- use less energy to cut bills
- skip essentials, such as food or medical care to pay bills on time
- borrow from family or friends, delay other bills, or use credit such as Buy Now Pay Later or credit cards.[59]

This chapter reports on:

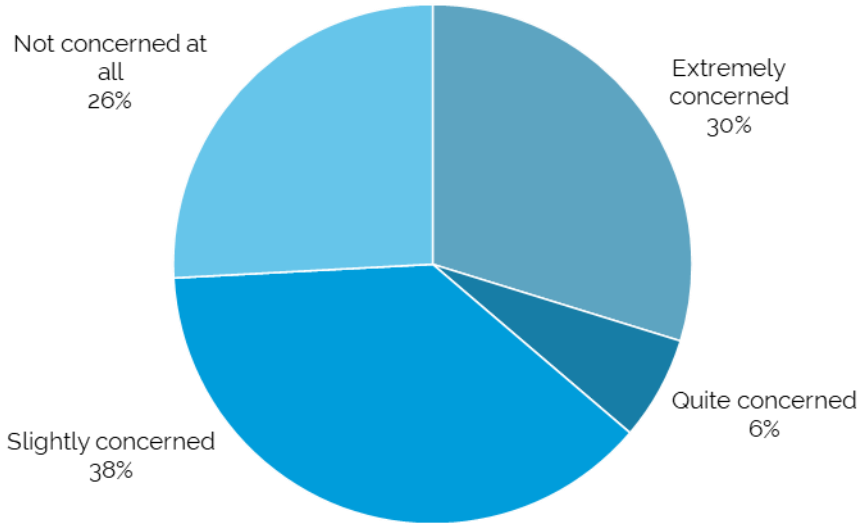
- gas bill affordability for low-income and vulnerable customers
- trends in hardship programs, payment plans, disconnections and debt
- uptake and value of rebates and other assistance
- recent reforms to improve support for vulnerable customers.

7.1 Gas costs and affordability pressures

Our analysis of the ECA's June 2025 *Consumer Energy Report Card* survey data found that over two thirds or 67% of survey respondents in NSW with a gas connection were concerned about gas costs. Concern was higher in Greater Sydney with 70% compared with 62% in regional areas.[60]

About 46% of respondents said their gas bill had risen a little over the past year, 24% said it had risen a lot and 27% said it had stayed about the same. Looking ahead, 80% expected costs to rise, including 30% who expected them to rise a lot. About 18% expected gas costs to stay about the same.[61]

Figure 7.1 Customers concerned about gas costs



Source: IPART analysis of Energy Consumers Australia, Consumer Energy Report Card – Raw survey data, June 2025, accessed 25 October 2025

7.1.1 Low-income and regional households are the most affected

In its submission, the JEC recommended IPART expand its focus on affordability, citing the ECA 2025 study on *Understanding and measuring energy hardship in Australia*. The study examined 3 indicators of energy hardship:

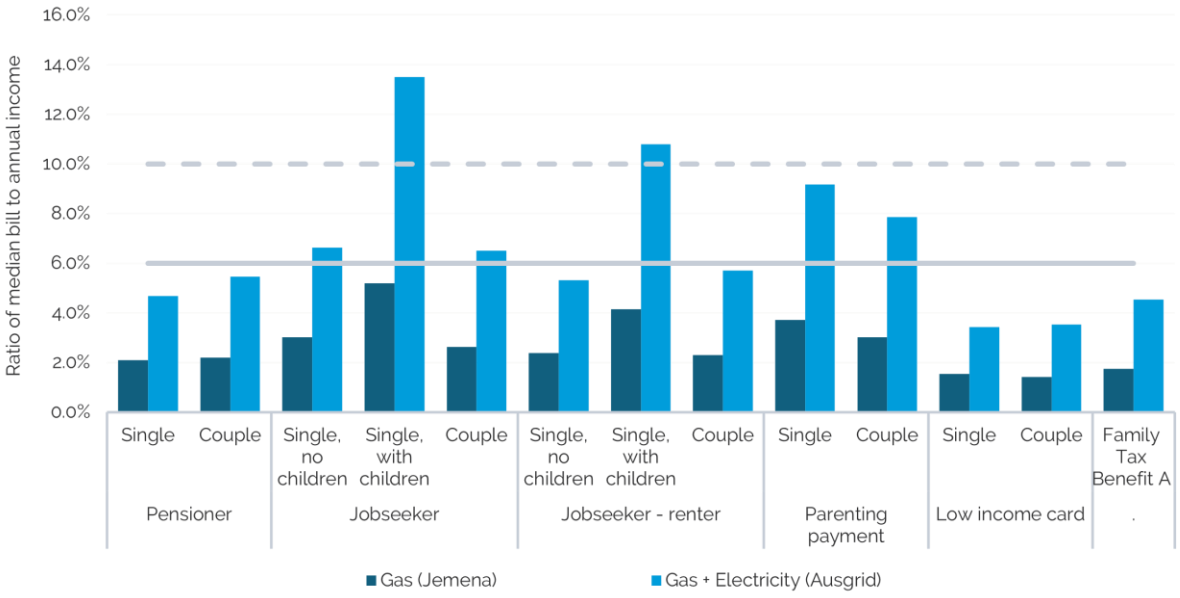
- spending more than 6% of income on energy bills
- finding it very difficult to pay energy bills
- financial stress and avoiding heating or cooling to save money.[62]

The ECA found that people receiving government income support were more likely to be vulnerable to, or experiencing, energy hardship.[63]

Jobseekers with children and Parenting Payment recipients spend more than 6% of income on energy

Using publicly available information on 2024-25 government income payments and rebates, we compared median gas bills to the annual income for NSW customers receiving different income support payments.[n] Gas bills accounted for 1.4% to 5.2% of income, depending on payment type and household size. When electricity is included, bill-to-income ratios range from 3.4% for a single person with a Low Income Health Care Card to 13.5% for a single JobSeeker with children (see Figure 7.2).[o]

Figure 7.2 Ratio of median gas bill and total median energy bill to annual income for different income support customer groups, September 2024



a. The horizontal axis shows the government income support category. The vertical axis shows the ratio of the median annual gas bill in September 2024 in the Jemena Coastal distribution region (which supplies 90% of NSW gas customers) and median annual energy (gas plus electricity) bill for a customer in the Ausgrid distribution region, compared to annual income from government support payments for that category in September 2024.
b. The grey line is the 6% bill to income threshold indicating energy hardship suggested by the ECA. The grey dashed line is the 10% bill to income threshold used in the United Kingdom to assess whether a household is energy poor.
c. This analysis includes rebate payments that low income households in NSW are likely to receive, including the NSW Gas Rebate for gas customers, and Low Income Household Rebate, Family Energy Rebate and National Energy Bill relief payment for electricity customers.
d. Many households in NSW are on gas offers that are higher than the median market offer. As a result, this represents a conservative estimate of bill-to-income ratios.
Source: IPART analysis of Energy Made Easy data, AER, *Electricity and gas consumption benchmarks for residential customers 2020*, 11 June 2020

Customers in regional gas distribution areas are likely to experience higher-bill-to-income ratios. This is because median gas prices are higher in almost all regions outside the Jemena Coastal network.

[n] Government income support payments are indexed in March and September each year. We used the payment levels for September 2024.
[o] Based on a customer in the Jemena Coastal gas distribution network and Ausgrid electricity distribution network, who receives NSW Government energy rebates and the National Energy Bill Relief (NEBR) rebate of $300.

A quarter of NSW gas customers may be finding it difficult to pay gas bills

Our analysis of the ECA's June 2025 *Consumer Energy Report Card* survey data found that 5% of NSW customers with a gas connection said it was very difficult to pay their gas bill in the last 6 months, with a further 21% said that it was quite difficult. About 79% of these customers said they avoided heating or cooling to save money.[64]

Finding

8. Affordability remains a key concern, especially for low-income customers receiving Government income support payments, whose combined gas and electricity bills can account for up to 13.5% of their income.

7.2 Hardship programs and payment plans

Hardship or affordability programs are assistance schemes that help customers manage overdue bills and avoid disconnection. Support includes flexible payment plans, extensions, debt and payment assistance, and disconnection protection.

All energy retailers in NSW must offer hardship programs to customers facing financial hardship.[65] To apply, customers contact their retailer, who will assess eligibility. If the retailer cannot help or the response is unsatisfactory, customers can contact the Energy & Water Ombudsman NSW for free, independent advice or to lodge a complaint.[p]

7.2.1 Fewer customers in hardship programs as more clear debt

As of 31 March 2025, 16,936 residential customers were enrolled in hardship programs in NSW — about 1.1% of NSW gas customers. This represents a small fall of 2.6% or 461 customers, although participation remains about 60% higher than 2023 (Figure 7.3).[66]

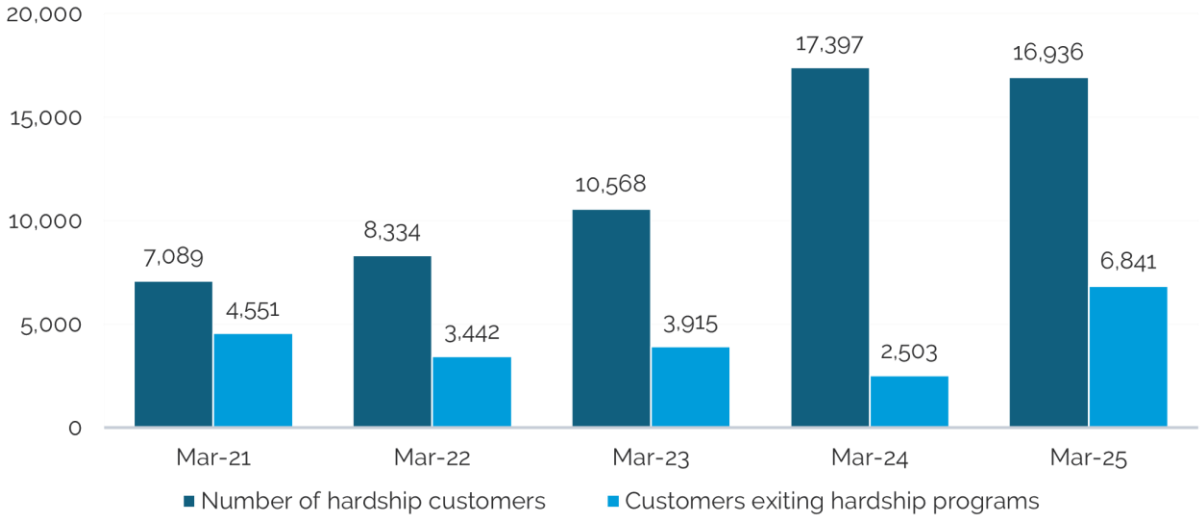
About 6,841 customers successfully cleared their debt and exited hardship programs — more than double last year's total (2,503 customers), reversing a downward trend seen since 2020. This shows that more customers are paying off debt and staying out of hardship than in previous years.[q]

The number of gas customers in hardship programs for more than 2 years fell 11.5% from 1,508 in March 2024 to 1,335 in March 2025.[67]

[p] If a complaint is made, EWON will investigate and try to resolve it by reaching an agreed outcome. See Energy & Water Ombudsman NSW, *Help paying bills*, accessed 18 September 2025.

[q] Most retailers require a customer to have paid off their debt, and not accrued further debt, to complete the hardship program.

Figure 7.3 Residential gas customers in hardship programs as at 31 March, compared to customers successfully exiting hardship programs annually (March to March)



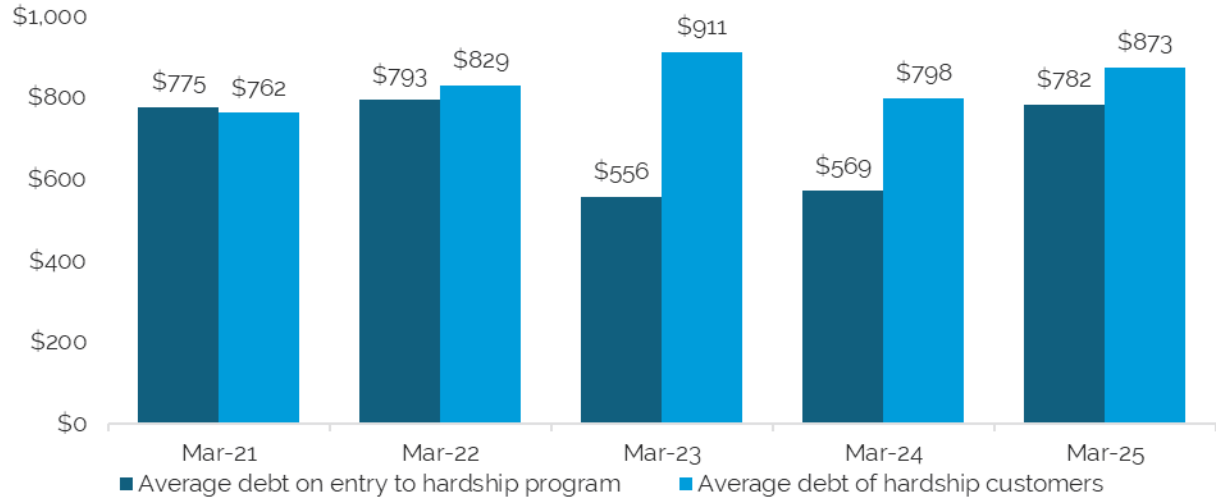
Source: AER, *Schedule 4 quarter 3 2024-25 retail performance data*, accessed 29 September 2025; AER, *Schedule 4 quarter 3 2023–24 retail performance data*, accessed 29 July 2024; and AER, *Schedule 4 quarter 4 2022–23 retail performance data*, accessed 12 August 2024, AER, *Schedule 4 quarter 3 2021–22 retail performance data*, accessed 10 October 2024

Fewer customers on hardship programs, and more customers exiting them, indicate that affordability and financial stress in the gas market may have improved compared to 2023-24. However, these figures may understate the actual number of customers experiencing hardship. Our analysis of the ECA survey data shows that, among customers demonstrating at least one financial hardship indicator, only 45% had contacted their retailer about difficulty in paying bills, and just 23% enrolled in a hardship program.

7.2.2 Hardship customers are entering programs with more debt

The average debt at entry rose to $782 or 37.4% from $569 between March 2024 and March 2025. The average debt while on a gas hardship program also rose to $873 or 9.5% from $798, after being $911 in March 2023 (see Figure 7.4).

Figure 7.4 Average debt of residential gas customers at entry and while on hardship programs ($)



Source: AER, *Schedule 4 quarter 3 2024-25 retail performance data*, accessed 29 September 2025;. AER, *Schedule 4 quarter 4 2022–23 retail performance data*, accessed 29 September 2025, AER, *Schedule 4 quarter 3 2021–22 retail performance data*, accessed 29 September 2025

This suggests that some gas customers are continuing to face gas bills that they cannot pay, even while on hardship programs.

7.2.3 New retails rules aim to reduce hardship debt

In June 2025, the AEMC made changes to the draft retail rule proposed under the *Assisting hardship customers* rule change put forward by the Hon. Chris Bowen, Minister for Climate Change and Energy, as Chair of the Energy and Climate Change Ministerial Council (ECMC). The rule is part of a broader package of measures to help households access cheaper energy deals, increase support for people experiencing hardship and strengthen consumer protections.[68]

The final rule removes the onus from hardship customers to switch to a retailer's deemed better offer — the lowest-priced plan available to them. Retailers must inform hardship customers if a better offer is available and ensure customers are no worse off than the deemed better offer, and do not incur unnecessary debt or costs, even if they do not switch.[r] It also provides for new hardship indicators on which retailers and the AER must report in its annual retail market report.[69]

7.3 Disconnections

As a last resort, retailers can disconnect customers who are unable to pay their bills. Before doing so, they must issue at least 2 written notices, make reasonable attempts to contact the customer and give them an opportunity to make a payment or enter a payment plan.[70]

[r] Under the National Energy Retail Law, retailers are prevented from moving customers to a new plan without their explicit informed consent.

7.3.1 Around 15,000 customers were disconnected in 2024–25

In 2024–25, 15,084 residential gas customers in the Jemena distribution region were disconnected for non-payment — 1.0% of total customers. About 97.2% of these customers had their gas supply reconnected.[s] This was slightly higher than the disconnection rate of 0.9% in 2023–24, when 94.6% of customers were reconnected.[71]

In its submission, the JEC stated that while disconnections remain lower than pre-COVID levels, statistics on disconnection warning notices are not reported. The JEC also said that the threats of disconnection can cause significant distress and anxiety. They may pressure customers into unaffordable payment plans, or cause them to restrict energy and water use and avoid social contact.[72]

7.3.2 AER is consulting on how to make disconnection a last resort

In May 2025, the AER published its findings in its *Review of payment difficulty protections in the NECF*. It found that disconnection is often used to prompt engagement with customers in energy debts, rather being treated as a last resort. The AER also found that disconnection and disconnection warning notices cause serious harm to households, including being unable to cook or store food, going without heating or cooling, skipping meals or medicine, or taking on high-cost or risky debt.[73]

The AER is now consulting on ways to reduce the harm of disconnection and ensure it is only used as a last resort. These include:

- increasing the minimum disconnection amount from $300 to $500
- improving engagement before disconnection
- introducing civil penalties for retailers who fail to treat disconnection as a last resort
- banning reconnection fees for customers experiencing payment difficulty
- considering alternatives to disconnection in the broader energy market.[74]

Finding

9. Fewer customers entered and more customers successfully completed hardship programs, However, hardship debt rose and the risk of disconnection remains a concern for vulnerable customers.

[s] Most residential gas consumers in NSW are connected to Jemena's gas distribution network.

7.4 Rebates and assistance measures

The NSW Government offers a range of energy rebates and financial assistance programs for eligible households (see Table 7.1). Through its Savings Finder program, Service NSW also operates an in-person service to help customers identify and access rebates and savings based on their circumstances. Currently, concession customers must identify and claim the rebates for which they are eligible.

Table 7.1 NSW Government gas rebates available

Rebate scheme	Description	Maximum per year
NSW Gas Rebate	Helps eligible concession card holders cover the costs of natural gas or bottled Liquified Petroleum Gas (LPG).	$110 retail (on-market) households $121 (on-supply) embedded network or bottled LPG households
Low Income Household Rebate	Helps reduce energy bills, primarily for electricity customers, but also supports those eligible for gas rebates.	$285 for retail (on-market) customers $313.50 for (on-supply) embedded network customers
Energy Accounts Payable Assistance (EAPA)	Helps people facing short-term financial hardship, crisis or emergency.	$500 per application (up to a maximum of $1,000 per year) [a]

a. This increased from $400 per application, twice per financial year in 2023-24.

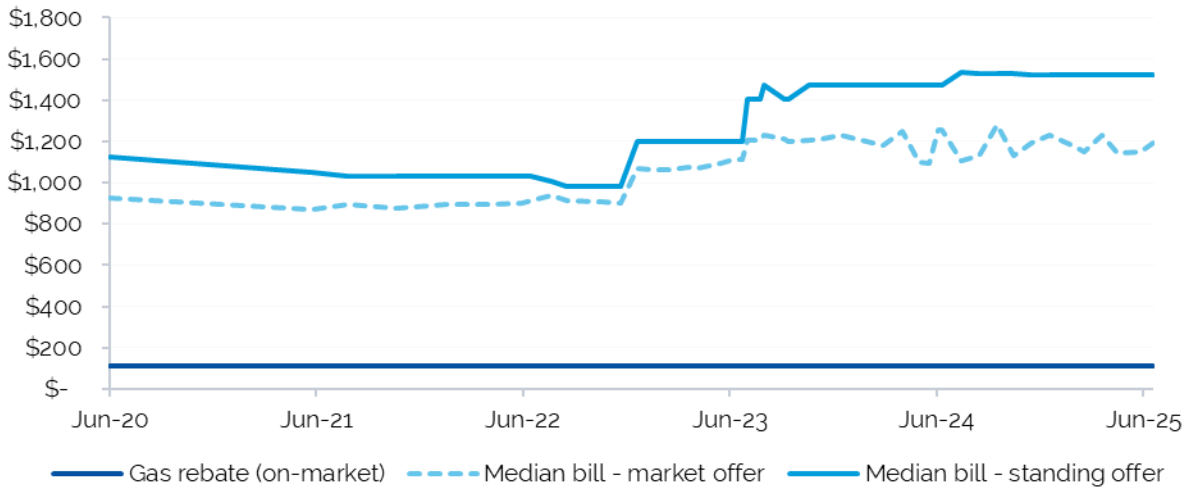
Source: NSW Government, *Find an Energy Rebate*, accessed 29 September 2025

7.4.1 Gas rebates have not kept pace with rising costs

A gas rebate of $90 per year was introduced on 1 July 2015 for retail natural gas customers. In 2016, it was extended to bottled gas customers and embedded networks.

From 1 July 2017, it rose to its current level of $110 per year for retail natural gas customers and $121 for embedded network or bottled gas customers. Since June 2020, the median annual gas bill has risen by around 29%, but the annual rebate has not changed (see Figure 7.5).

Figure 7.5 Annual rebate compared to median market and standing offers



Source: IPART analysis of Energy Made Easy data

7.4.2 Rebates and assistance remain underused by eligible households

The NSW Social Programs for Energy Code found that rebate programs remain underutilised with only 52.7% of eligible households accessing the gas rebate in 2023-24.[75] This is a slight rise from 50.0% in 2022-23, and consistent with previous years — ranging from 49% to 56%.[76]

Likewise, our analysis of the ECA survey data found that only about 37% of customers show at least one hardship indicator had applied for government assistance to help with bills.

This suggests that eligible households may still be unaware of the NSW Gas Rebate or face barriers to accessing it. This may contribute to households falling into hardship or becoming at risk of disconnection.

A 2024 study by the JEC found that participation rates in gas rebate schemes remain low among households at risk of disconnection. The study found that:

- 24% of households notified about disconnection but not disconnected were receiving the NSW Gas Rebate, compared with 14% of disconnected households
- 12% of households notified about disconnection but not disconnected were receiving an energy rebate or concession from a charity or community group, compared with 8% of disconnected households.[77]

The study also found that 14% of disconnected households reported having a rebate that was not applied to their bills.

7.4.3 New rules and AER resources aim to improve outcomes for vulnerable customers

The NSW Consumer Energy Strategy includes an action to review all NSW energy rebates to streamline existing rebates, improve the customer experience and ensure support reaches those who need it most. The review was expected to begin the second half of 2025.[78]

On 25 September 2025, the AEMC made a final retail rule to increase access to concessions for eligible consumer. From 1 July 2026, retailers must inform consumers about available concessions, rebates or relief schemes in their jurisdiction and ask if they are eligible.[79] The AEMC also recommended actions to reduce barriers to accessing concessions, including:

- automating application of concessions
- providing more information to consumers on rebates and concessions when they receive relevant concession cards through Services Australia and state agencies
- streamlining verification and resolving other process barriers
- improving retailer communications to remind customers that concessions do not automatically transfer when switching retailer and to add concession details to accounts.[80]

In February 2025, the AER released a customer engagement toolkit to help energy businesses improve engagement with vulnerable energy customers. The toolkit provides practical resources to support early identification of hardship and more effective responses.

Finding

10. Gas rebates have not kept pace with gas price increases over time and may not be adequate to protect vulnerable customers from energy hardship. A rebate based on a percentage of the total bill, could result in a more equitable outcome across eligible customers.

Appendices

A What we are required to report on and where we have done this

This appendix explains how we considered certain matters that we are required to consider under section 234A of the *National Energy Retail Law 2012* (NSW) (the NERL).

Matters under section 234A of the NERL

a. the participation of small customers in the retail electricity and gas markets
b. prices of electricity or gas for small customers in regional areas
c. any barriers to entry to or exit from, or expansion, in each market
d. the extent to which retailers are competing to attract and retain small customers
e. whether price movements and price and product diversity in each market are consistent with a competitive market
f. if the Market Monitor is of the opinion that it is required, steps necessary to improve the competitiveness of each market
g. whether there is a need for a detailed review of retail prices and profit margins in each market
h. any other matters the Market Monitor thinks appropriate.

Table A.1 IPART consideration of section 234A matters

Section 234A	Report reference
a. the participation of small customers in the retail electricity and gas markets	Chapter 3 provides an overview of the retail gas market in NSW including trends in connections and abolishment and changes in overall gas use. It reports on policy shifts and household attitudes towards electrification and barriers to electrification. Chapter 6 discusses customer engagement in the retail gas market. This includes switching rates and how much customers could save by switching. It also presents data on complaints about gas services. Chapter 7 reports on affordability and hardship in the retail gas market. It shows trends in the number of customers on hardship and payment plans, disconnection rates, and use of rebates and assistance.
b. prices of electricity or gas for small customers in regional areas	Chapter 4 presents trends in retail gas prices for residential and small business customers across the Jemena Coastal and regional networks.
c. any barriers to entry to or exit from, or expansion, in each market	Chapter 3 reports on the number of retailers entering and exiting the retail gas market and any barriers they face. It reports on measures of market concentration, including market share and the Herfindahl-Hirschman Index. Chapter 5 reports on changes in wholesale and network costs, wholesale gas supply outlook and trends in gas supply agreements which can be barriers to entry.

Section 234A	Report reference
d. the extent to which retailers are competing to attract and retain small customers	Chapter 3 reports on the number of retailers offering gas plans in the market. Chapter 4 reports on the range and spread of retail offers, which is one indicator of how retailers are competing to attract and retain customers. Chapter 6 reports on switching rates and proportion of customers on standing and market offers, which indicates how customers are responding to retailer offers.
e. whether price movements and price and product diversity in each market are consistent with a competitive market	Chapter 4 presents year-on-year and longer-term price changes. It also reports on the spread of prices across several years. Chapter 5 reports on changes in the underlying costs of supplying gas and considers how consistent this is with price changes.
f. if the Market Monitor is of the opinion that it is required, steps necessary to improve the competitiveness of each market	We have not made recommendations to improve the competitiveness of the NSW retail gas market in this report. In Chapters 1, 4 and 7 we discuss several rule changes and reforms that are already underway to improve the competitiveness of the retail gas market. We will continue to monitor whether these reforms deliver better outcomes for retail gas customers in NSW.
g. whether there is a need for a detailed review of retail prices and profit margins in each market	Chapter 5 reports on the costs for gas supply and compares it to retail gas prices. It discusses whether a detail review of retail prices and profit margins is needed.
h. any other matters the Market Monitor thinks appropriate	Chapter 2 summarises key issues raised by stakeholders in submissions and how we have addressed them in our report.

B Section 234A of the National Energy Retail Law (NSW) No 37a of 2012

1. In this Part, the Market Monitor is the person prescribed by the NSW regulations as the Market Monitor for the purpose of this Part.
2. The Market Monitor is to monitor the performance and competitiveness of the retail electricity market and the retail gas market in New South Wales for small customers.
3. The Market Monitor is to report annually to the Minister on the performance and competitiveness of each of the retail electricity market and the retail gas market in New South Wales for small customers, including on the following matters—
   a. the participation of small customers in each market and, if the Market Monitor thinks it appropriate, particular groups of small customers;
   b. prices of electricity or gas for small customers in regional areas;
   c. any barriers to entry to or exit from, or expansion, in each market;
   d. the extent to which retailers are competing to attract and retain small customers;
   e. whether price movements and price and product diversity in each market are consistent with a competitive market;
   f. if the Market Monitor is of the opinion that it is required, steps necessary to improve the competitiveness of each market;
   g. whether there is a need for a detailed review of retail prices and profit margins in each market;
   h. any other matters the Market Monitor thinks appropriate.
4. An annual report is to prepared for each year commencing on 1 July.

4A. The first annual report for the retail gas market is to be for the year commencing 1 July 2017.

5. The annual report is to be provided to the Minister not later than 30 November following the end of the year to which the report relates.
6. The Minister is to lay the annual report or cause it to be laid before both Houses of Parliament of this jurisdiction not later than 30 days after receiving the report.
7. In preparing an annual report, the Market Monitor is to have regard only to the following—
   a. information provided by the AEMC and the AER;
   b. any publicly available information;
   c. information provided by a retailer under subsection (8).
8. The Market Monitor may, by notice in writing served on a retailer, require the retailer to provide particulars to the Market Monitor of the number of market offer customers of the retailer, the market offer prices of those customers, the number of customers on each standing offer price offered by the retailer that has been publicly advertised and those standing offer prices.

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