THE McKELL INSTITUTE

Connecting to gas is changing; so should SA's planning laws

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About this report

This report has been prepared by the McKell Institute with the support of Energy Futures Foundation.

Acknowledgement of country

This report was written on the lands of the Kaurna people. The McKell Institute acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of Country throughout Australia and their continuing connection to both their land and seas.

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Introduction

Household consumption of gas is changing, with major changes coming later this year that are set to fundamentally shift the economics of connecting households to gas. Without reform, South Australia's planning laws risk making building new homes more complex and expensive than they need to be.

In recognition of the reduced need for households to be connected to gas, the Australian Energy Market Commission (AEMC) has determined that from 1 October 2026, households who wish to connect to gas will have to pay an upfront connection fee. We estimate this is likely to be around $4,500, on average. Under the current system, connection fees are capitalised into gas bills and recouped over time.

In response to the coming changes, South Australian planning laws around gas connections to homes need to be modernised to reflect the times we are in. This should be done by removing all defaults in planning laws towards providing gas to new builds, making connecting gas to new builds explicitly opt-in, with transparent costings provided to purchasers of new homes to inform the decision.

Doing this will reduce the number of homes connecting to gas, making it cheaper and less complex to build new homes, and lower ongoing bills for their occupants.

In addition to the soon to be included direct upfront costs of connecting to gas, there are also the indirect costs of connecting a home to gas, including pipework, installation, compliance and certification, and facilitating civil works.

Together, new homes are looking at around $8,000 on average in direct and indirect costs to be connected to gas, at a time when households are turning away from gas and opting for high-efficiency electrical appliances instead.

In addition to the upfront costs of getting connected to gas, energy bills for dual-fuel homes are estimated to be around $700 per year higher than all-electric homes,[1] with other

[1] Grattan Institute, *Getting off gas: Why, how and who should pay?*, <https://grattan.edu.au/wp-content/uploads/2023/06/Getting-off-gas-why-how-and-who-should-pay.pdf>.

estimates suggesting the difference could be closer to $1,200.[2] This essentially explains what's driving this shift away from gas.

Given increasing costs of connecting to gas for households, and diminishing demand, we are proposing that the South Australian Government planning rules be updated to explicitly list gas as non-required.

This report intends to propose practical policy changes the South Australian Government should make with the aim to:

1. Stop new homes incurring avoidable costs to be gas-ready at a time when the desire and need for gas is declining, and gas connections are about to become materially more expensive upfront.

2. Ensure new homes are delivered in a way that are cheaper to run, simpler to build, and future-proof.

3. Reduce competition for gas so that remaining gas supply can be prioritised for higher-value, harder-to-substitute industrial uses.

[2] Energy Consumers Australia, *How households use gas and their attitudes towards electrification*, <https://energyconsumersaustralia.com.au/sites/default/files/wp-documents/survey-consumer-energy-report-card-dec-24-report-how-households-use-gas-attitudes-electrification.pdf>.

Key Findings

1. From 1 October 2026, the Australian Energy Market Commission will require **households to pay the upfront cost of gas connection of around $4,500**.

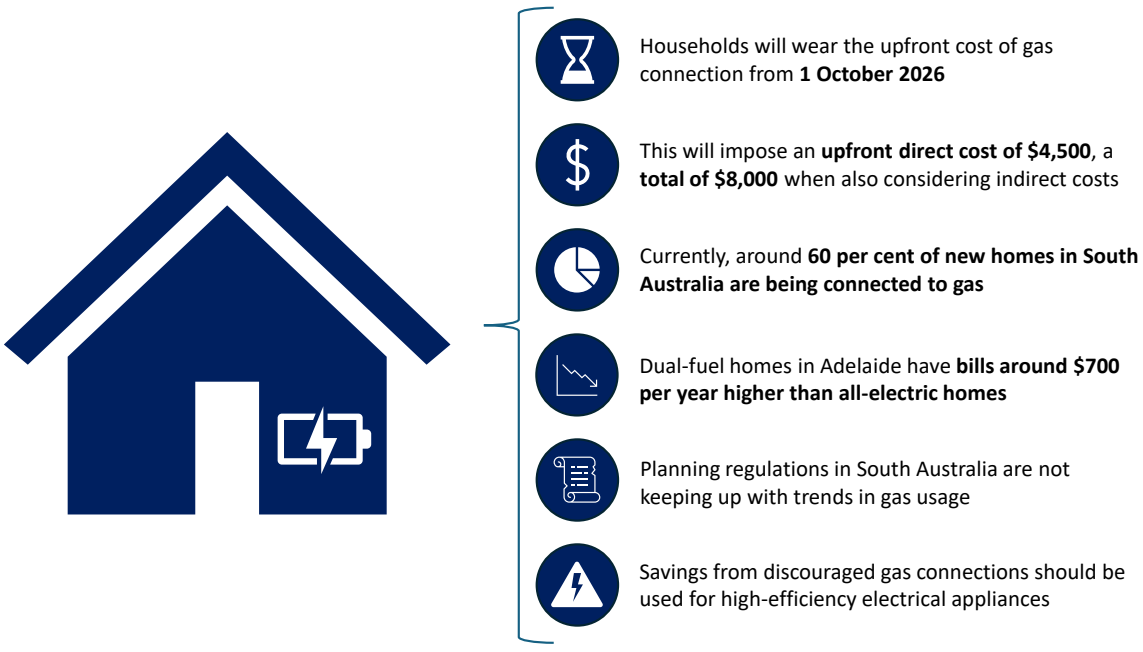
2. When considering the indirect costs from infrastructure, additional labour, and trades coordination, we estimate that the **total average cost of connecting a new home to gas will be around $8,000** from October 2026.

3. Modelling suggests that **dual-fuel homes in Adelaide pay around $700 per year more than all-electric households**, with occupants of all-electric homes also less subject to volatility in global commodity prices.

4. Currently, around **60 per cent of new homes in South Australia are being connected to gas**.

5. South Australian planning laws and regulations are not keeping up with changing consumer preferences around gas.

6. Without action, the South Australian government risks lumping additional and unnecessary costs on new home builds, and higher ongoing bills for households through the unnecessary provision of infrastructure that is in declining demand.



Recommendations

Table 1: Recommendations of the report

	Recommendation	Discussion
1	Ensure that the default position of South Australian planning rules explicitly state that gas is not-required for new builds	SA's planning framework still treats gas as a standard servicing option, which creates inconsistent expectations and "gas-ready" defaults in some developments Clarifying that gas is not required reduces cost, servicing complexity and approval friction, while future-proofing new housing for low-bill electrification
2	Make gas connection to new builds opt-in with clear cost disclosures to those impacted	Where reticulated gas is still proposed, it should be a deliberate, informed choice rather than a default. An opt-in statement and standardised cost disclosure makes the true upfront and ongoing costs visible and prevents gas being bundled in by habit
3	Stage and support delivery of these changes	Staging protects housing supply: start with the lowest-friction levers first, then expand once industry has adjusted. Providing standard specs, templates and guidance reduces compliance burden and makes the electric default easy to deliver at scale

Part 1: Current state

Key Points:

1. The number of gas connections in South Australia is expected to continue to increase by 0.3 per cent per year between 2026 and 2031.

2. This is despite the use of gas in currently connected homes being expected to fall by 5.5 per cent per year over the same period.[3]

3. Homes are already greatly reducing their reliance and consumption of gas.

4. 28 per cent of South Australians say they plan to cancel their gas supply in the next 10 years.[4]

5. Government planning laws have not changed to reflect changing consumption patterns, risking adding additional unnecessary costs to new builds and higher bills for households who increasingly don't want gas.

6. The justification for maintaining gas connections for new homes is progressively diminishing. Planning laws should reflect this.

7. Government intervention, as proposed in this report, to shift incentives, is aimed at ensuring that new dwellings are not incurring unnecessary costs for connections that the household may not want or use, or that will increase running costs of the house for decades to come.

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[3] Australian Gas Networks, *Core Energy Forecasting Report*, <https://www.aer.gov.au/system/files/2025-07/AGNSA_Attachment%2013.1_Core%20Energy%20Forecasting%20Report_20250701_PUBLIC.pdf>.

[4] Energy Consumers Australia, *How households use gas and their attitudes towards electrification*, <https://energyconsumersaustralia.com.au/sites/default/files/wp-documents/survey-consumer-energy-report-card-dec-24-report-how-households-use-gas-attitudes-electrification.pdf>.

Context

Under the current system, gas companies incentivise homeowners to connect to gas networks by waiving the upfront connection cost and capitalise those costs into bills of all customers. However, this is changing.

At the end of 2025, the AEMC made a ruling that newly connecting retail gas customers will be required to pay the upfront cost of their connection, moving away from the old system where costs were shared among all customers.

This rule will come into effect in South Australia from 1 October 2026. The aim of these changes is twofold:

- They seek to reduce network costs for existing customers, and
- Provide clear price signals to help customers make informed decisions about their energy choices.

This ruling was made as a direct response to address challenges posed to the energy market from declining gas demand.[5]

Trends

Current state planning regulations will result in more gas infrastructure being built for new housing developments than is necessary. Without changes to these rules, government will add unnecessary cost and complexity to the building of new homes at a time when affordable and sustainable housing is needed most.

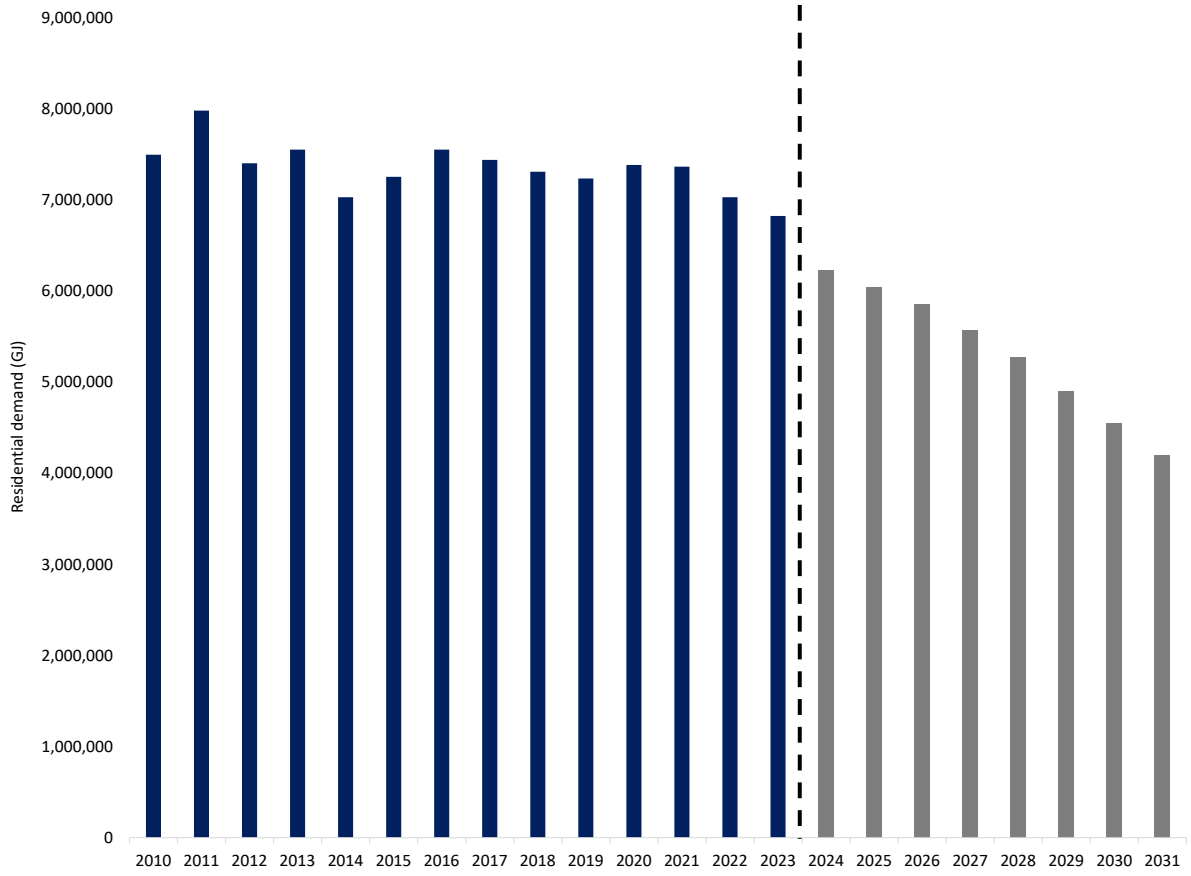
This drop in residential demand for gas is expected to be precipitous in the coming years in South Australia, with Australian Gas Networks (AGN) predicting a 5.5 per cent annual decline in gas demand per household between 2026 and 2031. In fact, the drop in demand has

[5] Australian Energy Market Commission, *AEMC makes changes to gas connection charges to support transition to net zero*, <https://www.aemc.gov.au/news-centre/media-releases/aemc-makes-changes-gas-connection-charges-support-transition-net-zero>.

outpaced that in recent years, with gas demand per connection falling by 5.8 per cent between 2022 to 2024.

This poses the risk that South Australian households are going to be left footing the bill for infrastructure that will not be used sufficiently to justify the upfront investment in establishing a gas connection.

Figure 1: Residential demand - history and forecast (normalised GJ)



Source: Australian Gas Networks

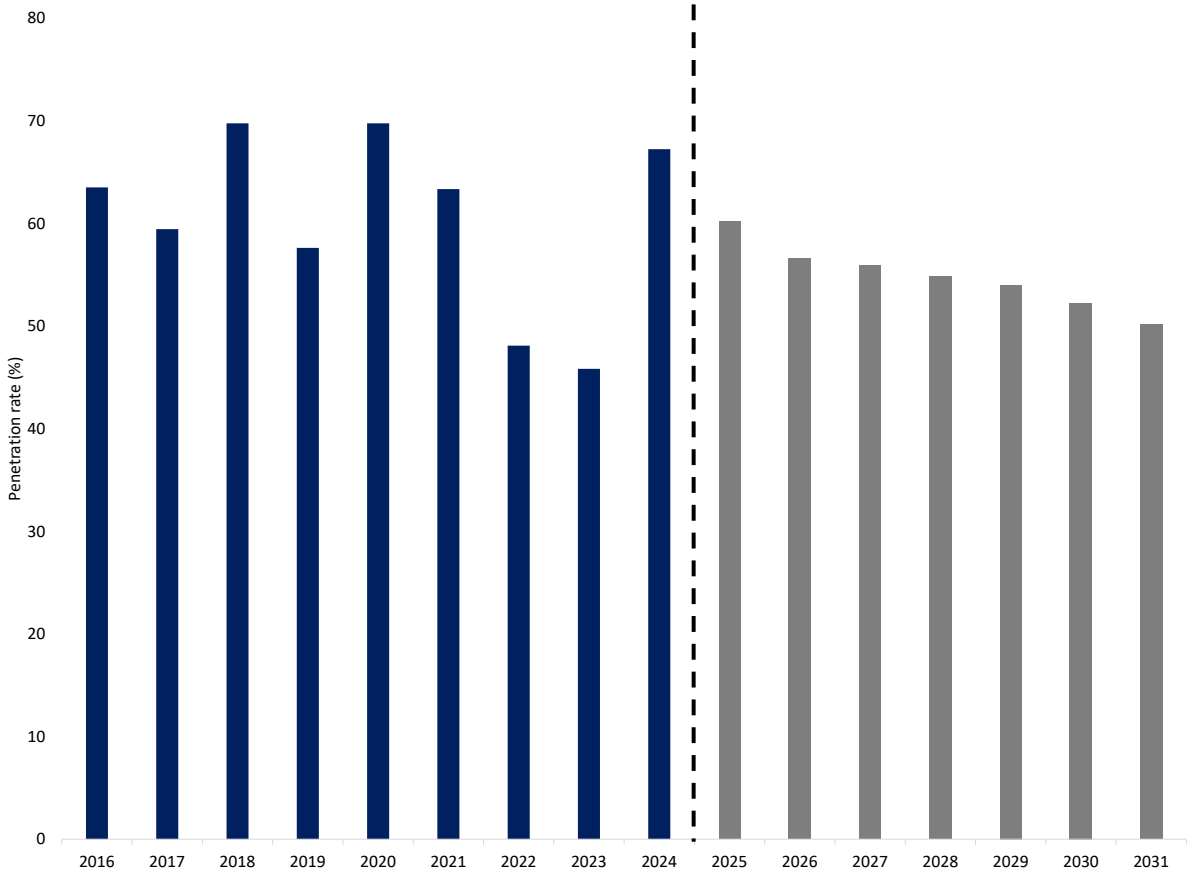
There are multiple reasons for this declining consumption of gas, including:

- A growing trend toward replacing gas heating with Reverse-Cycle air-conditioning,
- Growing use of alternative water heating systems, including solar and electric heat pumps
- Improvements in building standards boosting energy efficiency of new homes,

- Increasing solar and battery storage penetration.[6]

Despite the declining use of gas among homes that are already connected, the share of new homes connecting to gas mains is still expected to be above 50 per cent out to 2031, meaning that in the next five years, around 29,000 new South Australian households would incur higher upfront costs and be locked into higher ongoing operating costs. Currently, the share of new homes connecting to gas mains sits at approximately 60 per cent.[7]

Figure 2: Historical and forecast AGN network Penetration Rate (% connections/SA completions)



Source: Australian Gas Networks

[6] Australian Gas Networks, *Core Energy Forecasting Report*, <https://www.aer.gov.au/system/files/2025-07/AGNSA_Attachment%2013.1_Core%20Energy%20Forecasting%20Report_20250701_PUBLIC.pdf>.
[7] *Ibid.*

While there is a clear downward trend in the share of new homes connecting to gas over the past decade, the penetration of gas into new homes remains too high given the declining use of gas appliances.[8]

While this AEMC ruling will likely see new home builders/buyers opt out of connecting to gas (AGN predicts that this will reduce gas connections by 22 per cent),[9] state government systems should accelerate this trend.

State government intervention to adjust the system needs to account for changing preferences and trends. Done effectively, this will reduce the cost and complexity of delivering housing, save households money on bills, and assist with the energy transition.

Policy context

The Planning and Design Code does not require gas, but it normalises it

South Australia's planning controls are now governed through the Planning and Design Code (the Code), which sits underneath the *Planning, Development and Infrastructure Act* and applies across the state. The Code does not say "you must connect to gas" in the way it might mandate other development outcomes. But the Code embeds gas as a baseline service expected to be delivered in new developments.

For example, the Guide to the Planning and Design Code is explicit that infrastructure policies seek to ensure development is provided with "electricity, water and gas supply" alongside drainage, stormwater systems, roads and telecommunications. That framing sets the default mindset for how assessing authorities, designers, and developers approach servicing. Gas is treated as an essential service and part of the standard utility set, not as a discretionary add-on.

[8] *Ibid.*

[9] Australian Gas Networks, *Response to Draft Decision on Capital Expenditure*, <https://www.aer.gov.au/system/files/2026-01/AGN%20SA%20Attachment%209.13%20Response%20to%20Draft%20Decision%20on%20Capital%20Expenditure%2020260120%20PUBLIC.pdf>.

This "gas-as-normal" signal also shows up in the detail of the Code's policy outcomes. There are policies that deal with the location and screening of "services, including gas and water meters". Again, this demonstrates that the Code is written on the assumption that gas meters are a routine part of new development design. In a system where gas is already a significant cost to households, and the economics of gas connections are about to worsen, this matters.[10] Planning policy that still assumes gas is normal will tend to keep producing gas-ready designs, even when households increasingly don't need or want gas.

Separately, land division provisions reinforce the idea that new development should be planned around utility servicing from the outset. For example, the Code contains policy outcomes stating that land division incorporates public utility services within road reserves or dedicated easements. This is not gas-specific, but it is part of the same story. The planning system is designed to embed servicing early, and where gas is treated as part of the default suite of services, it becomes easier for gas to be embedded by default rather than by choice.[11]

The practical effect is that the Code is not agnostic about gas. It is more so that gas is not always strictly required, but the planning system is still written and administered as if gas is a standard utility that will often be present. That default orientation is the problem this report is trying to update.

Gas can be "hard-wired" through developer standards

Another issue with the current state is that the default for what gets built is often shaped by developer delivery models and estate guidelines, not just by what the Code explicitly mandates.[12]

There are examples where estate design guidelines specify that reticulated LPG will be provided throughout a development and that connection is mandatory, including minimum appliance requirements (e.g., gas hot water and another gas connection point). This

[10] PlanSA, *Guide to the Planning and Design Code*, <https://plan.sa.gov.au/__data/assets/pdf_file/0010/799939/Guide_to_the_Planning_and_Design_Code.pdf>.

[11] Technical Regulator, South Australia, *2023-24 Annual Report*, <https://www.energymining.sa.gov.au/__data/assets/pdf_file/0010/1093249/2023-2024-Annual-Report-OTR.pdf>.

[12] Parliament of South Australia, Legislative Council, *Planning, Development and Infrastructure (Gas Infrastructure) Amendment Bill, Introduction and First Reading*, 9 June 2021.

demonstrates that if the state system does not set a clear default position, private delivery models can still normalise, or even mandate, gas in new housing, locking in costs and limiting household choice. [13]

This is directly relevant to the policy question in this report. If gas connections are about to become materially more expensive up-front from late 2026, then developments that hard-wire gas through delivery standards risk embedding avoidable costs into the housing pipeline.

[13] Springbrook Mount Barker, *Design Guidelines*, <https://springlake.com.au/wp-content/uploads/2022/05/Springbrook-design-guidelines-2020.pdf>.

Part 2: The time for action is now

Key Points:

1. The economics of connecting new homes to gas is about to change materially.
2. From 1 October 2026, the cost recovery model for new residential gas connections will change.
3. Households will need to pay the connection fee upfront, instead of the fee being capitalised into all bills across the network.
4. This means that homes that wish to be connected to gas will pay an approximately $4,500 on average direct cost for the service upfront.
5. This will add additional cost to the building of new homes.
6. Combine this with the approximate indirect costs of connecting a new home to gas of $3,500, households are looking at around $8,000 in total cost to be connected to gas.
7. Connection to gas is becoming less attractive as bills become more volatile and electrical appliances become higher quality and lower cost to run.
8. Dual-fuel homes pay around $700 per year more on bills, with one survey suggesting the difference may be $1,200.

The rule change: from hidden costs to upfront price signals

The AEMC rule change forcing connection fees to be paid upfront from October 1 2026 will fundamentally shift the economics of connecting new homes to gas. With direct costs about to rise dramatically, and the need to build more houses rapidly, now is the time to change the way the planning system looks at gas.

The direct cost

We estimate that this rule change will impose a direct upfront cost of around $4,500, on average, to homes looking to connect to gas. Note that this estimate implies that costs will vary among households, depending on factors like density, complexity, access etc.

This is estimated based on AGN's forecast capital expenditure on connections of $155 million over the period 2026 to 2031. Across the same period, they forecast 34,000 connections to occur, implying an average cost per connection of around **$4,500**.[14]

The indirect cost

Even if the network connection cost were zero, as they are now, a "gas-ready" home still needs internal works, including:

- internal gas reticulation/pipework to appliances,
- fittings, appliance connection points, and
- the practical overhead of design, installation and commissioning.

In preparation for the introduction of the Victorian Government's Gas Substitution Roadmap (GSR)[15], the government commissioned GHD to estimate the indirect costs to new dwellings of facilitating supporting gas equipment.

The detailed cost assessment by GHD estimated that the cost for supporting gas equipment to a new home was between $1,300 and $4,960, with a mean of $3,090.

The same report repeatedly identifies internal gas reticulating pipework as a material driver of the cost difference between dual-fuel and all-electric new homes, noting that the cost of

[14] Australian Energy Regulator, *Draft decision, Australian Gas Networks (SA) access arrangement 2026 to 2031*, <https://www.aer.gov.au/system/files/2025-12/AER%20-%20Draft%20decision%20-%20AGN%20%28SA%29%20access%20arrangement%202026%E2%80%9331%20-%20Attachment%202%20-%20Capital%20expenditure%20-%20November%202025.pdf>.

[15] Victoria State Government, Department of Environment, Land, Water and Planning, *Victoria's Gas Substitution Roadmap*, <https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/victorias-gas-substitution-roadmap>.

gas reticulating pipework can exceed the incremental wiring needed for all-electric configurations.[16]

These estimates were generated in 2022. To account for notable inflation over this period, we round to an estimate of $3,500 as the mean indirect cost of building the necessary infrastructure to facilitate gas connections to a new home.

Total cost

This means that from October 2026, the total cost, both direct and indirect, for connecting a new South Australian home to gas will be in the order of $8,000, on average. Of course there will be variability in this cost. Table 2 outlines these ranges. However, even at the low end of this range, the costs are meaningful.

Table 2: Summary of costs and estimated ranges

Cost component	What it covers (plain English)	Low	Mid (headline)	High	Notes
A. Upfront gas network connection (direct cost)	Upfront, cost-reflective connection charge exposure once the rule change applies	$4,500	$4,500	$4,500	Implied average from AER draft decision inputs; actual varies by site/connection type
B. In-dwelling gas enabling works (indirect cost)	Internal gas pipework/reticulation and related enabling works inside the home	$1,300	$3,500	$4,960	Benchmark mean $3,090; range shown is the benchmark range; we use $3,500 as a practical allowance
Total "gas premium" (A + B)	Combined upfront "gas-ready" cost exposure (direct + indirect)	$5,800	$8,000	$9,460	Order-of-magnitude; varies by dwelling type and site conditions

Source: GHD, The McKell Institute

The need for change now

There are two reasons this matters in the context of a housing and cost-of-living crisis:

[16] GHD, *All-Electric New Homes Cost Assessment*, <https://www.parliament.vic.gov.au/4a198f/globalassets/tabled-paper-documents/tabled-paper-8434/1---all-electric-new-homes-cost-assessment.pdf>.

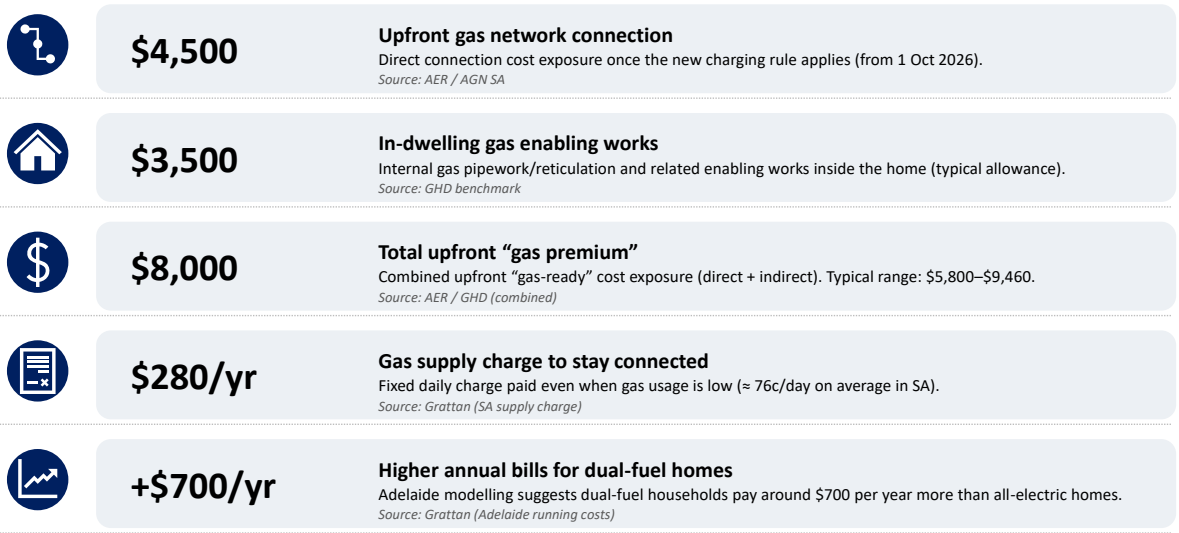
1. This is a new upfront cost hitting new builds. The connection rule change makes a gas connection look and feel like a material extra during construction or purchase of a new home, not something that disappears into bills.

2. The housing pipeline is still connecting households to an energy source they're increasingly using less. Even the AER's own summary notes connections are forecast to keep growing despite declines in consumption per connection, driven by factors including higher gas prices and improved appliance and dwelling efficiency.

If the government does not act, they risk lumping households with higher ongoing costs. These higher ongoing costs are largely driven by daily supply charges to stay connected to the network, even if usage is low.[17] One survey suggests that households with mains gas spend around $100 per month extra on bills, or $1,200 per year.[18]

Figure 1 summarises the costs that make a dual-fuel home far less cost effective than being all-electric.

Figure 1: Cost stack making dual fuel homes notably less cost-effective than all-electric homes



[17] Grattan Institute, *Getting off gas: Why, how and who should pay?*, <https://grattan.edu.au/wp-content/uploads/2023/06/Getting-off-gas-why-how-and-who-should-pay.pdf>.
[18] Energy Consumers Australia, *How much does going all-electric save a household on their energy bills?*, <https://energyconsumersaustralia.com.au/news/how-much-going-electric-save-household-energy-bills>.

Part 3: The proposed changes

Key Points:

1. South Australia should move to an *electric-by-default* model for new homes. Not by banning gas outright, but by making gas an opt-in premium choice, rather than an implied default.

2. The Planning and Design Code and supporting planning guidance should be updated to explicitly state that gas is not required to service new residential development.

3. Where gas is proposed, including reticulated LPG estates, the proponent should be required to make an explicit opt-in declaration and provide standardised cost disclosure, including both upfront and ongoing costs.

4. The policy should be staged so it is deliverable and pro-supply.

5. Government should clearly communicate these changes to the industry and offer resources and support to impacted builders and developers.

Intended goal

This report proposes a set of practical reforms that align the planning system with where household energy choices are already heading. The central aim is to:

- Stop new homes incurring avoidable costs to be gas-ready at a time when the desire and need for gas is declining, and gas connections are about to become materially more expensive upfront.

- Ensure new homes are delivered in a way that are cheaper to run, simpler to build, and future-proof.

There are, of course, broader considerations around residential gas consumption, beyond just the impact on home building cost and complexity, and the additional ongoing costs to households. Reducing residential consumption of gas will not only reduce emissions, which

has its own major benefits, but it will free up gas supply to support Australia's industrial strategy.

The Australian Government's Future Gas Strategy is explicit that gas will remain important for manufacturing and minerals processing until alternatives are viable.[19]

The ACCC also notes that while residential and commercial gas demand is projected to fall, this is not the case for larger industrial users, where gas can be a core input in manufacturing and chemical processes, and reducing usage may not be technically or commercially feasible in the foreseeable future.[20]

Essentially, the idea is that reducing competition for gas is beneficial to the productive parts of the economy, so that remaining gas supply can be prioritised for higher-value, harder-to-substitute industrial uses.

Change 1: Clarify in planning policy that gas is not required for new residential developments

We propose that the Planning and Design Code, and its supporting guidance, is updated to make the default position explicit:

- Gas is not required as a servicing prerequisite for new residential development or land division approval.
- Assessing authorities and scheme coordinators should not require, assume, or condition approvals on the provision of gas infrastructure for residential development.
- Development can still proceed with electricity and other essential services in place, without needing to demonstrate gas availability.

[19] Australian Government, Department of Industry, Science and Resources, *Future Gas Strategy*, <https://www.industry.gov.au/publications/future-gas-strategy>.
[20] Australian Competition and Consumer Commission, *Gas Inquiry 2017 – 2023*, <https://www.accc.gov.au/system/files/gas-inquiry-june-interim-gas-inquiry-report_1.pdf>.

What this practically changes:

- Removes ambiguity for developers and planners.
- Stops gas being embedded as a silent default in greenfield servicing and subdivision design.
- Reduces duplicated servicing complexity and coordination across trades and providers.

Taking this approach ensures that consumer choice is preserved. It does this simply by removing the presumption that gas is a standard or required service for new housing. This is a notably less strict approach to what has been implemented elsewhere, with Victoria banning gas connections for residential developments from 1 January 2024.[21]

Change 2: Use infrastructure schemes to reinforce the electric default

We propose that infrastructure schemes align with the "electric-by-default" approach:

- Where growth area infrastructure schemes are applied, ensure scheme design and servicing assumptions do not treat gas as a default inclusion for new residential neighbourhoods.
- Where energy servicing sits outside the scheme via augmentation/connection agreements, planning guidance should still be clear that gas is optional, not presumed.
- Any proposal to include gas infrastructure within a scheme should require a clear justification and an opt-in approach, rather than being treated as standard enabling infrastructure.

This matters because infrastructure schemes are a relevant lever, but they are not a silver bullet. In practice, energy infrastructure is often delivered through separate mechanisms. The

[21] Victoria State Government, Department of Transport and Planning, *Victoria's Gas Substitution Roadmap*, <https://www.planning.vic.gov.au/guides-and-resources/strategies-and-initiatives/victorias-gas-substitution-roadmap>.

planning system therefore needs a clear default position that carries through regardless of the funding and delivery pathway.

Change 3: Make gas opt-in, with cost disclosure

We propose that where a developer or buyer proposes a gas connection for a new home. including reticulated natural gas or reticulated LPG, require:

- An explicit opt-in declaration:
    - A clear statement that gas is being chosen as a deliberate option rather than assumed by default.
    - The developer lodges the declaration to opt-in to gas provision at the point of lodging the development application through the PlanSA system. Through this system, it is then lodged with the relevant authority, which is typically the council or the Minister, depending on the project and its development pathway.
    - The logic for this is relatively simple: setting defaults is a powerful tool for policy makers. Carefully designed defaults can nudge people towards making choices that the government would prefer them to make, while maintaining the ability to choose.[22]
- Standardised cost disclosure:
    - For defaults to be effective and ethical, there needs to be appropriate disclosure of information to the person choosing. This is why this change should implement a standardised cost disclosure to the purchasers of new homes.
    - The estimated upfront cost exposure of connecting to gas (network-side),

[22] Australian Government, Department of the Prime Minister and Cabinet, Behavioural Economics Team of the Australian Government, *Harnessing the Power of Defaults*, <https://www.pmc.gov.au/sites/default/files/resource/download/harnessing-power-defaults.pdf>.

    - internal gas enabling costs (pipework/reticulation), and
    - the ongoing fixed charges associated with maintaining a gas connection, so households understand the long-term cost implications.

- No “gas loophole” around low-bill outcomes:
    - Choosing gas should not exempt a dwelling from delivering energy efficient appliances.

This approach keeps consumer choice while removing the current reality where gas can be bundled into new builds through habit, estate rules, or incomplete information.

Implementation support: make the new default easy for industry and consumers

A reform that changes defaults should be paired with practical delivery support, so it does not slow housing supply.

Proposed support measures include:

- Standard specifications and template conditions for planners and certifiers, so implementation is consistent.
- A “builder-ready” deemed-to-satisfy pack with clear product classes and sizing guidance.
- Clear consumer messaging focused on:
    - upfront cost avoidance,
    - lower running costs, and
    - reduced exposure to volatile gas prices.
- Communications campaign to ensure all impacted participants in the industry are aware of the changes and understand what their obligations are.

- Support services available to impacted industry participants to answer questions and provide guidance.

Staging

To protect housing supply and give industry time to adjust, the reforms should be staged:

Stage 1 (near term): reset defaults and the key lever

- Update planning guidance/code settings to clarify gas is not required for new residential development.

Stage 2 (aligned with October 2026): activate opt-in and disclosure

- Implement the opt-in declaration and standardised cost disclosure requirements, timed with the shift to upfront connection charging.

Conclusion

Lowering upfront housing costs and reducing ongoing household energy bills should be central objectives of South Australia's housing and planning policy. This also supports energy security and the wider economy, by freeing up gas for gas-dependent industry, and will help deliver emissions reduction targets.

From 1 October 2026, new residential gas connections will shift to an upfront cost recovery model, materially increasing the immediate financial burden on households that opt to connect. When combined with the broader infrastructure and trade coordination required to enable gas, the additional capital cost associated with making a home "gas-ready" is significant.

At the same time, high-efficiency electric appliances now offer reliable and cost-competitive alternatives for heating, hot water and cooking. For many new homes, avoiding gas infrastructure altogether will deliver both lower construction costs and lower ongoing energy bills.

Planning frameworks should reflect these evolving economics. Gas should not remain embedded as a default assumption within development settings where it is no longer necessary. Updating South Australia's planning regulations to clearly classify gas infrastructure as optional would remove avoidable capital costs, improve transparency for households, and support more cost-effective building outcomes.

Reducing gas supply to households who are decreasingly demanding gas will also free up gas supply for higher value-add, harder to transition industrial uses.

The report proposes a practical and fiscally responsible pathway to reducing both upfront housing costs and ongoing household energy bills.