



Hon Lily D'Ambrosio MP

Minister for Climate Action
Minister for Energy and Resources
Minister for the State Electricity Commission

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MIN-231104531

Mr. Robert McDonald
Clerk of the Legislative Council
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Dear Mr. McDonald

Thank you for your letter of 15 November 2023 notifying me of the petition tabled in the Legislative Council by David Limbrick, Member for the South-Eastern Metropolitan Region raising concerns regarding the Government's decision to phase out gas connections to new homes.

In July 2023, the Victorian government announced that from 1 January 2024, planning permits for new homes and residential subdivisions will not be able to connect to the gas network. I note that the petition requests the Government *"reject the decision made to stop natural gas connection to new dwellings from 1 January 2024, conduct a parliamentary debate on the matter and reject any regulations created to enact this change."*

The Victorian Government is taking strong action to accelerate the transition to net zero emissions and continues to invest heavily in Victoria's renewable energy future. Victoria has set ambitious emissions reduction targets of halving emissions below 2005 levels by 2030, a 75 to 80 per cent reduction by 2035 and net zero by 2045. Victoria also has committed to reach 95 per cent renewable electricity by 2035. Victoria's gas sector contributes around 17 per cent of the state's net emissions.

All-electric homes save hundreds of dollars a year in energy bills, and are healthier to live in. Residents of a typical new, all-electric detached home (without solar) will spend around \$2,600 a year on energy bills, compared with around \$3,600 per year for a dual-fuel (electric and gas) home. That means going all-electric puts around \$1,000 per year back in the pockets of new homeowners. And those savings can increase to more than \$2,200 a year with solar installed. The government's latest analysis confirms that new homes will immediately reduce emissions by going all-electric, rather than relying on dual fuel, and that only increases over time as more renewable energy comes online over the next decade.

Fact sheets on the cost savings and emissions reductions for new homes going all-electric, along with other information on *Victoria's Gas Substitution Roadmap*, can be found here:

<https://www.energy.vic.gov.au/renewable-energy/victorias-gas-substitution-roadmap>.

The Victorian Government will continue to consult local industry, including gas appliance manufacturers, the building and construction sector, local government, trade unions and consumer organisations to manage business, workforce and consumer impacts and support industry to take advantage of opportunities in the renewable energy economy.

As legacy Gippsland supply starts to decline, replacing gas use in buildings where cost-effective electric alternatives exist, such as high efficiency heat pump hot water systems and reverse cycle air-conditioners (RCAC) will help maintain reliable gas supply for essential industrial uses while renewable gas alternatives are being developed.

Thank you again for writing to me and I trust this information is of assistance.

Yours sincerely

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Official