



Hon Lily D'Ambrosio MP

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

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Robert McDonald
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Dear Robert McDonald

Thank you for your correspondence of 13 May 2025 on behalf of The Hon. David Davis, who submitted a petition on behalf of his constituents regarding building electrification.

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 45-50% below 2005 levels by 2030, a 75 to 80% reduction by 2035 and net zero by 2045. Victoria also has committed to reach 95% renewable electricity by 2035. In 2024, renewable sources accounted for 39% of Victoria's electricity generation.

Gas has played an important role in the Victorian economy for decades, but it is no longer the cheap and abundant resource it once was. As a result, prices are well above historical highs and expected to remain elevated into the future. This means that energy bills for gas-using Victorian families and businesses are also expected to remain above historical averages. Victoria's [Gas Substitution Roadmap 2022](#), [Roadmap Update 2023](#) and [Roadmap Update 2024](#) outline how we will use energy efficiency, electrification, biomethane and renewable hydrogen to gradually reduce gas consumption, cutting energy costs for families and businesses.

These initiatives are critical because gradually reducing residential and commercial fossil gas usage preserves more of Victoria's remaining gas supply, the cheapest in the nation, for our industrial base. The Victorian Government recognises that reliable and secure supplies of fossil gas are essential to maintaining Victoria's competitive advantage in manufacturing. As a result, the government is working to reduce household demand, freeing up the existing supply, while working to bring on new transitional sources of fossil gas.

Just this year, the government is expecting approximately \$2 billion of investment in new fossil gas supply and infrastructure from businesses including Esso, Woodside, Conoco Philips, the Korean National Oil Corporation, 3D Energi, Amplitude Energy, and GB Energy. Further onshore and offshore exploration is planned from a range of smaller players, including Lakes Blue, ADZ Energy, and Bridgeport. Separately, Royal Vopak is completing Environmental Effect Statement process for the proposed liquefied natural gas (LNG) import terminal in Avalon, while the Minister for Planning found that, subject to conditions, Viva's proposed import terminal can proceed with acceptable environmental effects.

Using less gas and more electricity saves Victorians money. Converting an existing home with solar panels from gas to electricity can save around \$2,000 a year on energy bills. Victorians in new all-electric homes will save around \$880 per year, or approximately \$1,820 with solar installed. [Fact sheets](#) outlining these savings are available online.

Departmental [analysis](#) also concludes that a new 7* all-electric home has 6% lower emissions than a new dual fuel home. Converting an existing dual-fuel home to all-electric will result in 19% lower GHG emissions in 2025. As the electricity grid is progressively supplied by renewable energy sources, as driven by Victoria's legislated renewable electricity targets, the emissions profile of all-electric homes will reduce further.



Homes don't need a 3-phase connection to switch to all-electric appliances. Most residential appliances, such as air conditioners and induction cooktops, are designed to work effectively with single-phase power. More information can be found at [Power Up Your Home - Navigating 3-Phase Power, Switchboard and Supply Capacity Upgrades](#).

In February 2025, the government concluded public consultation on a [Regulatory Impact Statement](#) (RIS) investigating options to progressively electrify all new residential and many new commercial buildings, along with the requirement for existing gas appliances in homes and relevant commercial buildings be replaced with efficient electric appliances at end-of-life. Gas cooktops in existing homes, as well as gas appliances in existing commercial buildings, are excluded from the preferred option in the RIS. Several exemptions are proposed to apply to these residential buildings under the regulations to address compliance limitations.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Lily D'Ambrosio', with a long, wavy horizontal line extending to the right.

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02 / 06 / 2025