

## 2025 consultation

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11 July 2025

## **Re Joint Submission: NSW Net Zero Commission 2025 Consultation**

350 Australia, Healthy Cities Australia, and local residents and community groups from the Illawarra region have been collaborating on the clean energy transition with a focus on household electrification and energy efficiency. We are currently working with Wollongong City Council to require the electrification of new developments in the LGA.

While we support decarbonising the entire economy, our submission will focus on our collective area of expertise - the residential sector. These comments largely relate to the following question from the Consultation Paper:

### **Q. 19 What additional measures could accelerate electrification and increase energy efficiency of new and existing buildings?**

## **Background**

The NSW state government has committed to emissions reduction targets which commit the state to reducing emissions by 50% on 2005 levels by 20230 and net zero by 2050. We commend these targets. However, as the government's own Net Zero Commission noted in its 2024 Annual Report, "achieving NSW's legislated 2030 and 2035 targets is not assured, and an acceleration in effort will be required to keep them within reach."

Emissions from the built environment sector in NSW have doubled between 2005 and 2022. There is simply no credible pathway to achieving the state's Net Zero Plan nor its targets without decommissioning the residential gas network. As such, we propose the below recommendations to assist the NSW government in achieving its own, legislated emissions reduction targets.

## **Recommendations**

Our recommendations focus on the residential sector, with an emphasis on both electrification and energy efficiency. Energy demand reduction, or energy efficiency measures, must be part of the picture to ensure that we are not overengineering the solutions - it's vital that we reduce energy demand at the same time that we electrify to reduce pressure on supply.

Our recommendations are also informed by a climate justice lens, meaning that emissions reduction on its own should not be the only goal of a holistic response to climate change. Climate justice means ensuring that no one is left behind in the energy transition, particularly low-income people, renters, and First Nations communities.

## **Recommendation 1**

### *Mandate the electrification of newly built residential developments*

The state government's housing reforms, which will be partially delivered through the Transit Oriented Development (TOD) program, is intended to create an additional 377,000 new dwellings across the state by 2029. But without mandatory electrification requirements, at least 131,950 of these dwellings will likely be connected to the gas network, based on current gas connection rates in NSW.<sup>1</sup> The Sydney region, Illawarra, and many other areas around the state are seeing a significant amount of greenfield development where the pipes are being laid now that will continue to pollute the indoor environment and exacerbate climate change for decades to come. It will be incredibly difficult for the NSW state government to achieve its goal of cutting the state's greenhouse gas emissions by 70% on 2005 levels by 2035, let alone achieving net zero by 2050, if it continues to allow gas connections in new homes. Any credible path towards net zero must include the decommissioning of the residential gas network. Stopping new gas connections is a straightforward regulatory change that can be delivered at almost no cost to the government. We urge the NSW government to look to Victoria for an ambitious model of ending gas connections to new homes.

It's worth noting that stopping new gas connections is popular amongst the community, as reflected by the 13 NSW councils that have committed to banning gas connections to new homes via their planning policies.<sup>2</sup> Seven NSW councils have now implemented changes to their Development Control Plans to ensure newly built homes are electric without gas, including City of Sydney, City of Canada Bay, Hornsby Shire Council, Lane Cove Council, City of Newcastle, Waverley Council, and City of Parramatta. Another six NSW councils are progressing similar changes to their DCPs - North Sydney Council, Inner West Council, Blue Mountains City Council, City of Ryde, City of Canterbury-Bankstown, and Wagga Wagga City Council. These councils represent around 30% of the state's total population, indicating widespread local support for mandatory electrification of new homes.<sup>3</sup>

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<sup>1</sup> 350 Australia (2023). *Electrifying new residential and commercial buildings in NSW – cost and emissions impact assessment*, prepared by Harrington, P. (February 2024). Strategy Policy Research. Accessed 10 July 2025  
[https://350.org.au/files/2024/06/2024\\_350\\_ElectricSavingsReport\\_v3.0\\_WEB.pdf](https://350.org.au/files/2024/06/2024_350_ElectricSavingsReport_v3.0_WEB.pdf)

<sup>2</sup> 350 Australia (2025). *Electrify Your Council Councils Tracker*. Accessed 10 July 2025  
<https://350.org.au/electrify-your-council-council-tracker/>

<sup>3</sup> NSW Department of Planning, Housing and Infrastructure (2024). *Key findings population projections - Highlights of the 2024 projections*. Accessed 10 July 2025  
<https://www.planning.nsw.gov.au/data-and-insights/population-projections/key-findings>

We recommend the NSW state government support the work already being done by local government by instituting a comprehensive set of measures to ensure all new buildings are all-electric and free of gas appliances in the first instance, accompanied by incentives and regulatory measures to accelerate the transition away from gas in existing buildings. Victoria's Gas Substitution Roadmap provides a model for how this could take place. A blanket ban on new gas connections could be instituted through the planning regulations, with BASIX the obvious place to ensure consistency across the state. This can be supplemented with appropriate measures to ensure all new government buildings are all-electric and free of gas connections.

In addition to community support, banning new gas connections is also supported by industry. For example the Property Council of Australia strongly supports the City of Sydney's recent decision to ban indoor gas appliances in new homes, telling the Sydney Morning Herald "this is a clear step towards cleaner, cheaper, all-electric buildings and it's what the future demands – we support it,"<sup>4</sup> The Owners Corporation Network of Australia, which represents strata homeowners, also supported the move, echoing a commonly held view amongst the property industry, saying "many strata homes don't have the power infrastructure to get rid of gas, leaving residents stuck with it until their building can upgrade."<sup>5</sup>

We propose that any opposition to banning gas connections to new homes is a minority view held by a handful of out-of-touch property developers and vested interests like gas corporations.

## **Recommendation 2**

### *Mandate solar and batteries for new homes*

The NSW government must take urgent action to ensure newly built homes are future-proofed and capable of reaping the benefits of onsite renewable energy generation and storage. We see no technical barriers to requiring minimum rooftop solar and battery storage for newly built detached dwellings. While there are constraints for multi-unit dwellings, particularly high-rise residential, Solar Citizens have created extensive resources and guidelines for how these homes can benefit from on and offsite generation and storage (see Solar Citizens' submission and resources for further info).

## **Recommendation 3**

### *Improve the energy efficiency requirement for new homes*

As stated above, energy efficiency measures must feature strongly in the state's energy transition. Ensuring that newly built homes are powered by electric appliances is vital. But it's

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<sup>4</sup> Fitzsimons, C. (2025). Minns criticised council's gas ban as an 'overstep'. Developers say it's a no-brainer, Sydney Morning Herald, 26 June 2025. Accessed 10 July 2025  
<https://www.smh.com.au/environment/climate-change/minns-criticised-council-s-gas-ban-as-an-overstep-developers-say-it-s-a-no-brainer-20250625-p5ma6p.html>

<sup>5</sup> Ibid.

equally important that new homes are built in such a way that they require less energy to operate efficiently. Energy efficient homes also produce co-benefits for occupants, including improved thermal comfort and health outcomes.<sup>6</sup>

As a minimum, we propose that the NSW government adopt the new energy efficiency requirements under the 2025 National Construction Code, under the state's BASIX regulations or via another suitable planning instrument, by no later than 1 October 2026. We also note that states have the power to exceed the minimum requirements of the NCC, so we strongly encourage the NSW government to consider increasing its own minimum energy efficiency requirements for new dwellings over time.

#### **Recommendation 4**

*Increase and expand subsidies for homeowners to install solar, batteries and energy efficiency upgrades for existing homes*

To support the transition to all-electric in existing homes, we can again look to the Victorian model for an example. The keystone of this is requiring the replacement of existing gas hot water systems at end of life with electric models.

Existing gas space heating poses additional challenges. NSW already offers incentives for upgrading to newer, more efficient reverse cycle air conditioners via its Energy Saver Scheme. While the scheme is assisting households to electrify and reduce their energy use and bills, the scheme could be simplified and streamlined to improve access and uptake. It should also be expanded to include a wider range of electrification and energy efficiency improvements. One way to accelerate the transition away from gas space heating could be by providing an incentive to homeowners who replace an existing gas space heater with an energy-efficient electric space heating alternative.

#### **Recommendation 5**

*Introduce mandatory energy performance standards for rentals, ratcheting up over time*

Around 33% of the NSW population rent their homes<sup>7</sup> but face major legal, financial and structural barriers to improving the energy performance of their homes. Renters face the split incentive dilemma, where landlords are not incentivised to invest in energy performance upgrades because the benefits accrue to tenants, not landlords, while tenants have little incentive to invest their resources in upgrading an asset they do not own.

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<sup>6</sup> Salimifard, P., Rainbolt, M., Buonocore, J., Lahvis, M., Sousa, B., and Allen, J. (2023). *A novel method for calculating the projected health and climate co-benefits of energy savings through 2050*, Building and Environment. 1 October 2023. Vol 244, 2023. 110618, ISSN 0360-1323. Accessed 10 July 2025 <https://doi.org/10.1016/j.buildenv.2023.110618>

<sup>7</sup> Australian Bureau of Statistics (2021). *New South Wales 2021 Census All persons QuickStats - Tenure type Occupied private dwellings (excl. visitor only and other non-classifiable households)*. Accessed 10 July 2025 <https://abs.gov.au/census/find-census-data/quickstats/2021/1>

Some energy and housing groups have advocated for government subsidies for landlords to improve their properties' energy performance. Aside from the equity issues of transferring public wealth to companies or individuals with the financial means to hold property portfolios, such subsidies have consistently failed historically, plagued by very low uptake rates.<sup>8</sup>

Further, public subsidies for landlords to improve their asset's energy performance also increase the resale value of that asset, further exacerbating the problematic equity issues associated with public subsidies for landlords.

Thus, we propose the introduction of mandatory, minimum energy performance standards for rental properties, ratcheted up over time. The Victorian government has just announced such standards for rentals in the state, starting with mandatory ceiling insulation and draft proofing.<sup>9</sup> We see no impediment to implementing a similar scheme in NSW, whose standards could be lifted slowly over time to eventually improve the energy performance of rental properties across the state. Such a scheme would allow renters to receive the health and financial benefits generated by energy efficient homes powered by electric appliances.

One way to implement mandatory energy performance requirements is to require the replacement of inefficient and dangerous gas appliances with electric models as a condition of a property being offered for rent. This would be the strongest and most equitable way to ensure renters have access to the same benefits of electrification as homeowners. Alternatively, a staged approach based on the Victorian model could require that end-of-life hot water and space heaters be replaced with electric alternatives.

## **Recommendation 6**

*Improve renters' access to solar and batteries on rental properties*

Due to the significant structural barriers that renters face in upgrading their homes, renters are also at risk of missing out on the substantial energy bill savings produced by rooftop solar and battery storage. While the NSW government's Solar for Apartment Residents (SoAR) program provides assistance for mid-rise apartment dwellers, renters in high-rise apartments miss out. Renters in existing high-rise apartment buildings will need tailored support to install solar, batteries or access to off site renewables and storage facilities. Renters in detached and easy-to-retrofit homes should be provided direct access to rooftop solar and battery schemes, similar to Victoria's Solar Victoria program.

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<sup>8</sup> Australian Council of Social Services (2019). *ACOSS Submission Senate Inquiry into Fair Dinkum Power*. Strawberry Hills NSW. Accessed 10 July 2025  
<https://www.acoss.org.au/wp-content/uploads/2019/05/ACOSS-submission-fair-dinkum-power-inquiry-Final-15032019.pdf>

<sup>9</sup> Victorian Department of Energy, Environment and Climate Action (2025). *Energy efficiency for rental properties in Victoria - the Victorian Government has improved minimum energy efficiency standards for rental homes*. Accessed 10 July 2025  
<https://www.energy.vic.gov.au/households/electric-and-efficiency-standards-for-buildings/energy-efficiency-for-rental-properties-in-victoria>

## **Recommendation 7**

*Strengthen no grounds evictions and expand renters rights'*

Simply implementing recommendations 6 and 7 for renters won't be enough if landlords retain the power to easily evict or punish tenants with rent hikes if they request home upgrades. Rental laws must be strengthened to ensure that renters who request energy performance upgrades to their homes cannot be evicted for doing so, nor have their rent unreasonably increased in retaliation. While the NSW government's recent rental reforms ending no grounds evictions are welcome, there remain loopholes that landlords could exploit against tenants who request upgrades to their homes (see Tenants Union of NSW for more details).<sup>10</sup>

## **Recommendation 8**

*Prioritise social and public housing tenants, especially First Nations housing providers, with energy performance upgrades*

Around 4% of people in NSW live in social housing,<sup>11</sup> which includes housing provided by the state government, local government, and not-for-profit housing providers, with the latter also including First Nations housing providers. Tenants in this sector often experience higher rates of poverty, disability and general disadvantage. As such, social and public housing units should be prioritised for energy performance upgrades, including rooftop solar, battery storage, and energy efficiency upgrades.

## **Recommendation 9**

*Remove gas space heaters from NSW schools urgently*

We strongly recommend that the NSW Department of Education act quickly to ensure the removal of gas space heaters in NSW Schools, a public health issue that has been well-documented.<sup>12</sup>

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<sup>10</sup> Mowbray, J. (2024). NSW is ending 'no grounds' evictions: what does it mean for renters? Evictions reform: A fundamental and necessary first step. Tenants Union of NSW. Accessed 10 July 2025  
<https://www.tenants.org.au/blog/nsw-ending-no-grounds-evictions-what-does-it-mean-renters>

<sup>11</sup> Australian Bureau of Statistics (2021). New South Wales 2021 Census All persons QuickStats - Tenure type Occupied private dwellings (excl. visitor only and other non-classifiable households). Accessed 10 July 2025  
<https://abs.gov.au/census/find-census-data/quickstats/2021/1>

<sup>12</sup> Marks, G., Ezz, W., Aust, N., Toelle, B., Belousova, B., Cosgrove, B., Jalaludin, B., and Smith, W. (2012). Respiratory health effects of exposure to low-NO<sub>x</sub> unflued gas heaters in the classroom: a double-blind, cluster randomized, crossover study. Environ Health Perspect. 118(10):1476-82. Accessed 10 July 2025  
<https://pubmed.ncbi.nlm.nih.gov/20663737/>

### **Signatories - organisations**



### **Signatories - local residents**

- Rachel White - member of Electrify Illawarra
- Fay Walker - member of Illawarra Knitting Nannas Against Greed