

2025 consultation

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NSW Government consultation for its Net Zero Commission Work Plan

Submission from the Gas Appliance Manufacturers Association of Australia (GAMAA)

11 July 2025

About GAMAA

The Gas Appliance Manufacturers Association of Australia (GAMAA) was formed in 1957 and is the peak industry body representing the interests of Australian manufacturers and suppliers of domestic and commercial gas heating, hot water and cooking appliances and components.

Our 37 member companies currently employ a combined total of 4,000 workers in Australia. The vast majority of the 18 million domestic gas products enjoyed by Australian consumers are supplied by GAMAA members, with significant local design and manufacturing content.

Our primary activity is to work with our members, government agencies, political representatives and other industry stakeholders to develop and implement workable, equitable and practical initiatives, standards and regulations that result in better economic, social and environmental outcomes and address the unique role of domestic and commercial gas products in Australian homes, businesses and buildings in the economy wide transition to net zero.

Support for Net Zero

GAMAA welcomes the opportunity to provide a submission to help shape and inform the NSW Government's path to net zero and adapting to a changing climate.

GAMAA supports progressive and sensibly paced, cost-effective decarbonisation measures for businesses, homes and manufacturers.

We also believe that the principles of fairness and equity are paramount considerations in considering significant regulatory changes regarding the energy transition.

There is significant uncertainty in the energy sector regarding ongoing and future policymaking with respect to the acceleration of decarbonisation.

Any future policy settings must strike a pragmatic balance between promoting clean energy and minimising cost increases for consumers and businesses.

Natural Gas Plays a Critical Role

It is increasingly recognised that natural gas will play a critical role in supporting a smooth energy transition to net zero and in supporting Australia's industrial base.

Simply put, achieving these goals without an adequate supply of natural gas for electricity generation, industrial feedstock and household and commercial use makes achievement of net zero virtually impossible.

Natural gas supplies around 46 PJ of energy to the residential and commercial sectors in NSW (around 43 per cent of the State's overall gas consumption) with a relatively steady level of demand over the past decade.

While its use for cooking, heating and process heat remains important in these sectors, it accounts for a very small proportion of overall state GHG emissions at ~2.6 million tonnes of CO₂e in 2021, or just over 2 per cent.

Policy Setting Considerations

Any future net zero policy settings should carefully consider:

- Impact on energy bills and energy security for households and businesses.
- Impact on compliance costs for homeowners, renters and businesses.
- Impact on industry and jobs.

Failure to consider these impacts would be potentially devastating to NSW consumers, homeowners and businesses and undermine the spirit of any reforms being pursued by the NSW Government that are otherwise well intentioned.

GAMAA welcomes the NSW Government's pragmatic policy positions to date around energy and expects any future policymaking to be informed by sensible, evidence-based social and economic considerations.

Pathways Forward

In this context, GAMAA offers the following framework and pathways for consideration as the foundation for a robust and effective gas sector decarbonisation roadmap.

1. Maintaining a viable and investable gas sector
2. Promoting development of low emission gas options (sources and end use)
3. Improving transparency and informed choices for consumers
4. Supporting skills and innovative capabilities in gas appliance manufacturing

1. Maintaining a viable and investable gas sector

A viable and efficient gas sector is critical to attracting investment for the necessary infrastructure and new technologies that will secure the net zero transformation.

GAMAA notes the projected gas supply challenges which could emerge in the event no actions are taken to improve supply. However, it also notes the range of measures such as LNG terminals, pipeline capacity upgrades and new fields currently under development and encourages the NSW Government to support and fast track all such measures which collectively have the potential to address energy supply needs well into the next decade.

Due to the interconnected nature of gas and electricity markets and associated infrastructure, GAMAA also notes that proposals to ban gas use or to mandate electrification will have damaging effect on inter-fuel competition and reduce the incentive for new investment in supply, infrastructure and end use technologies as well as imposing higher than necessary energy costs on consumers and businesses.

2. Promote development of low emission gas options

Longer term decarbonisation of the gas sector will include the use of renewable gas and hydrogen. While these are currently not commercial, it is critical that government continue its support for early stage and demonstration projects such as the Malabar Biomethane Facility as this will foster the growth of the sector and Australia's clean energy capabilities.

This will also support industry efforts to develop new renewable and hydrogen compatible appliances and services which will provide consumers and businesses with a greater range of future choices.

An immediately cost-effective and equitable step towards decarbonisation would be to promote high efficiency gas appliances as a replacement option for an existing gas appliance. These could save around \$200 in annual gas bills for little to no additional up-front cost to consumers and reduce gas use and associated emissions by 25 per cent.

It would also avoid flow-on negative impacts for manufacturers and energy markets.

3. Improving transparency and informed choice for consumers

Electricity and gas markets across Australia are currently in a state of flux as a result of the transition to new technologies and market models as well as external forces such as international conflict. This brings with it considerable uncertainty on future electricity and gas prices.

Rather than attempting to impose one-size-fits-all solutions or picking technology or fuel winners, which has proven to be problematic in the past, policy should focus on promoting informed decision making in the marketplace using the best available information.

Information should be made available to consumers on 'real-life' installed costs, appliance efficiencies, and running costs/savings for gas and electrical appliances. This will enable them to make informed decisions on how to best manage their budgets and priorities and choose either gas or electric appliances suitable to their needs.

4. Supporting skills and innovative capabilities in gas appliance manufacturing

The Australian gas and electrical appliance manufacturing sector is investing in skills and innovation to support the clean energy transition. However, it faces significant pressure from overseas suppliers which have captured market share flowing from the availability of cascading (federal and state) appliance subsidy programs. In many cases these suppliers are providing cheaper but also lower quality products.

Measures that erode the market for Australian made appliances risk further eroding our national capability and skill base and impede the development of new innovative and high efficiency appliances, as well as costing jobs.

It is imperative that the government maintains an adequately trained design and manufacturing workforce to cater for current and future sector demand.

We recently conducted a member survey to understand how regulatory changes to date – particularly in the Victorian jurisdiction – have impacted the industry.

Whilst bigger businesses report that they will have to reduce staff numbers and have recorded revenue losses in the millions, it is the smaller business that will likely completely shut down their operations. Many respondents note that they are under excruciating mental and financial strain whilst contemplating the impacts of the regulatory changes pursued by the Victorian Government.

Learning from the Victorian Experience

Over the last 4 years, the Victorian Labor Government has pursued a mandatory electrification agenda in an effort to decarbonise its economy. It banned gas in new domestic homes on greenfield sites from 1 January 2024. More recently, it has sought to mandate electrification in new commercial buildings and existing residential buildings through a ban on new and end of life replacement gas appliances, with the exception of gas cooktops and LPG (bottled gas) appliances.

In addition to potentially costing hundreds of Australian jobs within the gas appliance industry, the proposed regulations would have burdened many Victorian homeowners and renters with unreasonable financial costs to comply with the changes. These costs could be as high as an additional \$30,000 for appliances, installation, electrical infrastructure upgrades and building remediation and result in a potential loss of heating/cooling amenity or loss in property value.

For renters, these costs would inevitably flow through to them, potentially increasing rents by up to \$60 per week.

GAMAA supports electrification where it makes economic sense for consumers, but the Victorian Government's proposals would have had devastating impacts on consumers.

Following widespread criticism and opposition from a range of stakeholders, the Victorian government announced in June 2025 a raft of exemptions to its proposals.

Whilst GAMAA welcome the exemptions, the regulatory details are yet to be finalised and the angst and uncertainty caused could have been avoided in the first place. We urge the NSW Government takes onboard the Victorian experience to avoid the same mistakes being made.

GAMAA's Submission to the Victorian Government's Proposed Regulations

Prior to the Victorian Government announcing its exemptions in June 2025, GAMAA, like many other industry stakeholders, lodged a submission responding to the original proposals.

As part of this process, GAMAA also commissioned Evaluate Consulting to undertake an independent review to assess and verify information being used by the government to support its case.

Key findings from the Evaluate review which were included in the GAMAA submission include:

- The Victorian Government's plan to ban consumers from installing or replacing gas hot water and heating appliances is based on unreliable analysis, could directly cost the public up to \$5.8 billion over the next decade and result in 1 in 5 job losses in the appliance manufacturing industry.
- Many of the benefits in the Victorian Government's Regulatory Impact Statement have been overstated, and numerous costs have been undervalued, rendering the cost-benefit analysis results unreliable across all options, including the government's preferred one.
- Evaluate and GAMAA's results are based on verified independent real-world cost and performance information obtained from appliance providers and installers.
- The Government's proposal would have crippling consequences for Victoria's gas appliance industry with an almost immediate loss of more than 440 Jobs. Evaluate notes a projected 30 per cent loss in turnover in the next 10 years.
- At least three Victorian businesses would close and many, including businesses that also manufacture electrical appliances, would be reviewing their future given the impact on business viability and continued market uncertainty.
- While some households may benefit from switching to electric appliances, around one million households would be left worse off by being forced to pay as much as \$30,000 extra in upfront costs for only a potential \$545 per year in energy bill savings or \$6,540 over the life of electric replacement appliances.

Copies of our submission to the Victorian Government and the Evaluate Consulting report are available from the links below:

<https://gamaa.asn.au/wp-content/uploads/2025/03/20250311-GAMAA-Review-of-the-RIS-Final.pdf>

<https://gamaa.asn.au/wp-content/uploads/2025/03/Building-Electrification-RIS-GAMAA-Response-140325-Final.pdf>

Conclusion

GAMAA thanks the NSW Government for the opportunity to share our industry's perspective on the NSW path towards decarbonisation.

There is widespread consensus within industry and the wider community that action is required to ensure we achieve our net zero ambitions in an economically efficient manner without imposing an unreasonable cost burden on consumers and businesses.

We are happy to provide further information on this submission if required and engage in further discussions.