

# **Feedback on proposed planning controls on the electrification of new development**

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Submission to the City of Sydney

**DATE:** 11/08/2025



## **Energy Consumers Australia is the national voice for household and small business energy consumers. We advocate for a fair, affordable, and reliable energy system—one that meets everyone’s needs and leaves no one behind on the journey to net zero.**

Energy Consumers Australia (ECA) welcomes the opportunity to respond to the City of Sydney’s (the City) proposal to require all-electric systems in new residential accommodation and larger commercial buildings. This submission builds on the key positions we outlined in our May 2025 response to the City’s discussion paper on electrification and incorporates new consumer evidence from our June 2025 Consumer Energy Report Card.

ECA strongly supports the direction of the City’s proposed planning controls. Electrification is essential to meeting climate goals. It is also a critical consumer protection measure that reduces long-term costs, improves health, and protects consumers from stranded asset risks. Planning controls offer one of the most effective tools to drive large-scale change in the built environment. Mandating all-electric systems in new buildings will ensure that future occupants are not locked into increasingly costly and outdated gas infrastructure.

The City’s proposed planning controls represent an essential and timely step towards realising this vision locally. To ensure the policy delivers the greatest benefit to consumers, ECA recommends further action to accelerate implementation where feasible, close known gaps by lowering commercial building thresholds and applying controls to major renovations and tighten exemptions to preserve the integrity and effectiveness of the reforms.

Thank you for considering this submission. If you have any questions about the submission, please contact Claire Ohk at [Claire.Ohk@energyconsumersaustralia.com.au](mailto:Claire.Ohk@energyconsumersaustralia.com.au).

## **Strengthening the consumer case for electrification**

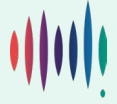
Electrification is not just an environmental or infrastructure decision. It is a consumer protection imperative. Energy consumers risk being locked into gas infrastructure for decades, with future occupants facing expensive retrofits, stranded assets or rising gas prices as the network contracts.

Our June 2025 Consumer Energy Report Card provides updated evidence that strengthens the case for all-electric new developments<sup>1</sup>:

- **Energy hardship is persistent and deeply entrenched.** One in five households report experiencing financial stress, bill payment difficulty, or cutting back on heating and cooling. These indicators have remained stable or worsened post-pandemic.<sup>2</sup> When new buildings connect to gas, they risk locking in energy costs that will disproportionately affect households already struggling to manage existing bills. Avoiding gas from the outset can help prevent this compounding of hardship.
- **Renters face the greatest challenges.** Although renters make up only 28% of households without hardship, they represent 69% of those experiencing multiple hardship indicators and 54% of those with at least one. This disparity continues even at higher income levels because of structural barriers such as poor energy efficiency in rental properties. For example, only 37% of rental homes have

<sup>1</sup> ECA, [June 2025 Consumer Energy Report Card: Understanding and measuring energy hardship in Australia](#)

<sup>2</sup> Ibid, page 19



insulation compared to 80% of owner-occupied homes, and just 9% of renters have rooftop solar while 48% of outright owners do.<sup>3</sup> All-electric buildings offer a pathway to improved thermal comfort and lower running costs, helping to bridge the energy equity gap for renters. Ensuring new buildings are all-electric is a critical way to ensure future rental stock is healthier and more affordable.

- **Confidence in gas is falling.** Across Australia, households are increasingly questioning the role of gas in their homes due to rising prices, concerns over supply security, and broader climate goals. In the ACT, gas disconnections now exceed new connections, reflecting strong uptake of electrification.<sup>4</sup> Consumers want clearer, supportive guidance from government to navigate the transition confidently.<sup>5</sup> This trend reflects broader consumer preferences for modern, efficient appliances and low-emission homes. It also signals an opportunity for councils to align planning policy with shifting demand.

Taken together, these data points highlight why requiring all-electric systems in new buildings is not only a climate mitigation strategy but a necessary consumer protection measure. Clear, forward-looking planning controls not only future-proof buildings but also signal to industry and consumers that electrification is the default, not the exception.

## ECA supports the proposed planning controls and calls for bolder and clearer electrification signals

We support the requirement for all-electric systems in new residential accommodation and large commercial buildings, including offices over 1,000m<sup>2</sup> and hotels or serviced apartments with more than 100 rooms. While we welcome the proposed start date of 31 December 2026, we encourage earlier implementation to avoid unnecessary gas lock-in during long development lead times. We also recommend further strengthening and refining the controls to maximise their impact.

### Expand controls to renovations and alterations

The current proposal does not apply to existing buildings undergoing renovation or significant alteration. Given the limited availability and high costs of new building space, the volume of renovations and modifications to existing buildings presents a significant opportunity for the policy to address. If left unaddressed, this gap will slow the pace of electrification and increase costs for future retrofits.

We recommend the City explore options to apply electrification requirements to major renovations that exceed defined thresholds (e.g., changes to floor area, material upgrade, or works over a certain dollar value). This would align with a growing national and international trend toward minimum energy standards. It would also support greater equity by ensuring upgraded properties meet modern energy and health standards, rather than entrenching older, gas dependent infrastructure.

### Lower commercial building thresholds

The draft controls apply only to commercial buildings above certain thresholds – offices over 1,000 m<sup>2</sup> and hotels over 100 rooms. While this captures many large developments, there is no clear evidence base to justify why smaller commercial buildings are excluded. In fact, these buildings often have fewer barriers to electrification and may be better suited to earlier transitions.

<sup>3</sup> Ibid, page 13-14.

<sup>4</sup> Renew, [The question of disconnection: Gas demand is in decline, but is it falling fast enough?](#)

<sup>5</sup> ECA, [Homeowners are increasingly considering swapping gas appliances with electric ones](#)



Various case studies around Australia show that small and mid-sized commercial buildings can electrify cost-effectively and deliver significant savings. For instance, the all-electric 83 Pirie Street in Adelaide demonstrates that commercial electrification can yield substantial energy cost reductions, around \$100,000 per year for tenants while achieving high sustainability standards.<sup>6</sup>

Smaller commercial buildings are also more likely to be in dense, mixed-use areas, where early electrification avoids the higher future costs and disruptions associated with gas phase-outs. Leaving these buildings out of scope creates a policy gap that risks inconsistency, gas lock-in, and missed opportunities to reduce long-term costs for consumers. Including them would strengthen alignment with planning goals and growing consumer expectations around climate performance and affordability.

### **Tighten food and beverage exemption to avoid long-term gas lock-in**

Food and beverage premises within mixed-use developments are currently exempt from the proposed controls, provided the infrastructure allows for future electrification. While we acknowledge this exemption may be necessary during the initial transition, it creates a potential loophole that could undermine the overall effectiveness of the policy. Commercial buildings consume 49 petajoules of gas annually, and in accommodation and hospitality settings much of this demand comes from space heating and hot water, meaning exemptions can still lock in significant gas use where cooking uses gas.<sup>7</sup>

While ECA supports the City's commitment to review this exemption a year after implementation, we recommend setting clearer eligibility criteria, including what constitutes electrification-readiness. For instance, developments using this exemption should be required to submit an electrification-readiness report as part of their application. Without constraints, this exemption risks undermining electrification objectives and embedding gas into new mixed-use developments unnecessarily. Clear criteria (e.g., sufficient electrical capacity, capped outlets, three-phase power, space for solar or heat pumps) will improve compliance and reduce future retrofit costs. These measures will reduce the risk of stranded gas assets and help avoid scenarios where food and beverage users are used to justify ongoing gas installations.

## **Conclusion**

The City of Sydney's proposed planning controls represent a critical opportunity to shape a future energy system that is cleaner, fairer, and more resilient. By requiring all-electric systems in new developments, the City can shield consumers from the long-term costs and risks of gas, support healthier and more efficient buildings, and send a clear market signal that electrification should become the new standard.

These reforms are not just technically feasible. They are urgently needed to protect energy consumers, particularly renters, low-income households, and all future occupants of today's developments, from being locked into outdated infrastructure. Inaction now risks embedding inequity and inefficiency into the built environment for decades to come. ECA supports the direction of the proposed controls and encourages the City to be bolder and clearer in its ambition. That means accelerating implementation where possible, closing known gaps through lower thresholds and renovation triggers, and tightening exemptions to preserve the integrity of the policy. We thank the City of Sydney for the opportunity to provide input and look forward to continued engagement as this important work progresses.

<sup>6</sup> Case study: Cbus Property's all-electric future | NABERS

<sup>7</sup> Department of Climate Change, Energy, the Environment and Water (2024), Australian Energy Update 2024, Energy Flows 2022–23, Commonwealth of Australia. Available at: <https://www.energy.gov.au/publications/australian-energy-update-2024>

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