Media Release

The Hon Lily D'Ambrosio MP
Minister for Climate Action
Minister for Energy and Resources
Minister for the State Electricity Commission



Thursday, 14 December 2023

GAS SUBSTITUTION ROADMAP CHARTS PATH TO LOWER BILLS

As gas prices continue to rise, the Allan Labor Government is helping Victorians reduce their reliance on expensive fossil gas – easing the cost of living pressures on families and businesses.

Minister for Energy and Resources Lily D'Ambrosio today released the updated *Gas Substitution Roadmap* – outlining the next steps for Victoria's transition from expensive fossil gas to cheaper, more modern electrical appliances.

Fossil gas is no longer the cheap and abundant energy source it once was – the typical Victorian residential customer is now paying over \$500 more for gas than they did less than two years ago. That's an increase of 35 per cent.

As part of the Roadmap, families will benefit from an expanded Victorian Energy Upgrades program. From 2024, discounts will be available to support Victorians to upgrade to electric induction cooktops, helping people fully electrify their homes at a discounted rate.

Existing households that go all electric can save \$1,700 a year, or up to \$2,700 a year with solar installed – a 60 per cent reduction in energy bills.

Helping Victorians move away from expensive fossil gas won't only save Victorians on their energy bills – it'll also mean they no longer need to pay for their gas connection, saving them up to \$400 a year.

We'll also do more work to understand how we can support Victorians to transition to electric appliances as older gas appliances reach the end of their lives – including in existing homes and some commercial buildings.

This work will be completed through a Regulatory Impact Statement (RIS) that will require detailed industry engagement and public consultation on approach and timing, which will be conducted over 2024. The RIS will exclude some industries, including Victoria's hospitality, large commercial, industrial and manufacturing sectors.

The Government will also help deliver bill savings for renters with a review of the minimum energy efficiency standards for rental homes, with public consultation to kick off in 2024. This will include ceiling insulation, draught-sealing, hot water, heating and cooling, providing renters with more comfortable homes that are cheaper to run.

Last year, we stopped gas companies from charging exorbitant disconnection fees – and now the Government is cracking down on companies offering dodgy inducements to install gas appliances, needlessly locking Victorians into decades of higher energy bills. Consultation with industry is underway, with a decision to be made in 2024.

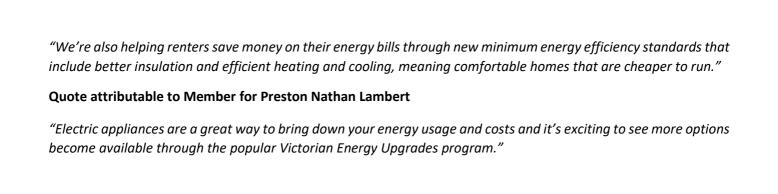
From January 1, 2024, all new homes that require a planning permit will not be connected to the gas network. The Government will begin consultation on the potential future expansion of this phase out to encompass all new residential dwellings and some commercial buildings.

Victoria has achieved its 2020 target of 25 per cent renewable energy generation, and is on track to meet 95 per cent renewable energy generation by 2035.

Quotes attributable to Minister for Energy and Resources Lily D'Ambrosio

"We're ensuring Victorians aren't locked into expensive fossil gas prices and sky-high energy bills for decades – helping them switch to efficient electric appliances that will deliver significant bill savings."

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