

# Media Release

Hon Jacinta Allan MP  
Premier



Tuesday, 24 June 2025

## SECURING VICTORIA'S GAS SUPPLY WHILE SLASHING ENERGY BILLS

Gas is part of Victoria's energy transition, but supplies from the Bass Strait are dwindling and prices are going up.

That's why the Allan Labor Government is securing our gas supply, protecting local jobs, and helping households save.

Premier Jacinta Allan and Minister for Energy and Resources Lily D'Ambrosio today announced reforms to:

- **Secure our gas supply** – to protect jobs and ensure industry has the gas it needs, as guaranteed in our *Gas Security Statement*
- **Drive down energy bills** – with commonsense regulations for homes and businesses to drive down energy bills, plus rebates to make the switch more affordable
- **Make rental homes more comfortable and affordable** – with new minimum standards to help renters cut their bills, plus rebates for rental providers
- **Back local manufacturing** – by supporting Victorian businesses and workers to build efficient appliances

### Securing our gas supply

We are not just making sure Victoria has the gas it needs – we are reserving it for industry.

The Government's *Gas Security Statement*, released today, outlines the steps we're taking to avoid the gas shortfalls forecast by the Australian Energy Market Operator (AEMO) for south-eastern states by 2029.

The Statement confirms our reforms will deliver major gas savings, supported by more Victorians switching to efficient electric appliances and existing rules that require new homes to be all-electric. By reducing household demand, we reserve gas for industry.

By 2029, these reforms will unlock just under 12 petajoules (PJ) of gas every year, more than the annual production of Beach Energy's *Enterprise* field.

By 2035, they'll deliver 44 PJ annually – enough to meet 85 per cent of Victoria's forecast industrial demand.

That means more of Victoria's gas – the cheapest in the nation – will be used by Victorian manufacturers, supporting jobs and keeping local industry strong.

These new reforms to secure supply and reserve it for industry build on our previous work to secure the gas Victoria needs, including:

- Streamlining decision-making for new gas projects under the Development Facilitation Program.
- Passing the *Offshore Petroleum and Greenhouse Gas Storage Amendment Act 2024* in October 2024, allowing gas to be stored offshore in Victorian waters in underground reservoirs.
- Approving production from Beach Energy's *Enterprise* field last year, the only application received in a decade.
- Legislating in 2018 that producers in Victorian waters must offer their gas to the domestic market on reasonable terms.
- Continuing to work with the Commonwealth and other state and territory Ministers on options to expand powers for AEMO to address East Coast gas supply issues.

Since the beginning of the year, we've seen over \$2 billion in announcements for new gas production and exploration for the Victorian market.

**Media contact:** Bodil Droga [0413 701 929](tel:0413701929) | [bodil.droga@minstaff.vic.gov.au](mailto:bodil.droga@minstaff.vic.gov.au)

This includes Esso and Woodside (\$550 million), Amplitude Energy and OG Energy (\$500 million), Conoco Philips, 3D Energi and the Korean National Oil Corporation (\$100 million) – on top of GB Energy’s \$900 million underground offshore storage project.

Together, our reforms to secure gas supply and reserve it for industry will ensure Victoria avoids forecast gas shortages – keeping our economy strong and our future secure.

### **Driving down energy bills**

The Labor Government is making existing homes cheaper to run with electric hot water systems.

Under new regulations from 1 March 2027, when a gas hot water system reaches the end of its life, it must be replaced with an efficient electric alternative like a heat pump.

Electric hot water systems will save households around \$330 a year, or \$520 with solar.

Electric hot water systems are also often cheaper up front than gas systems, with rebates available from the Labor Government’s Victorian Energy Upgrades and Solar Victoria programs of up to \$1,400.

Gas hot water systems can still be repaired if they break down – this is about the gas system’s end of life. Gas systems can also be temporarily removed and reinstalled during renovations.

There are no changes to heating for owner occupiers.

There are no changes to gas cooking in existing homes.

The Government is also making sure new homes and buildings are built for the future.

From January 1, 2027, all new homes will be built all electric. This will put around \$880 per year back in the pockets of new homeowners, or \$1,820 if they have solar.

From January 1, 2027, all new commercial buildings (other than industrial, manufacturing and agricultural buildings) will also be required to be built all electric.

There are no changes to rules regarding end-of-life replacement for gas appliances in all existing commercial buildings. The use of LPG for households or business is also unchanged.

We’ve also rolled out of the SEC’s Home Electric Planner where Victorians can access trusted and easy to understand information on installing electric appliances – it calculates all the upfront costs, annual bill savings, return on investment and applies government discounts and rebates.

To see what rebates and discounts are available visit, [energy.vic.gov.au/households/save-with-all-electric-home](https://energy.vic.gov.au/households/save-with-all-electric-home) or to use the SEC planner visit, [powerup.sec.victoria.com.au](https://powerup.sec.victoria.com.au).

### **Cheaper bills and more comfortable homes for renters**

In a cost-of-living crisis, renters shouldn't be stuck with the highest energy bills – everyone deserves a safe, comfortable and affordable home.

From 1 March 2027, new Minimum Energy Efficiency Standards will apply to rental properties and public housing – saving renters potentially thousands of dollars a year:

- Hot water systems must be replaced with efficient heat pumps at end of life – saving up to \$220 every year
- Gas heaters at end of life must be replaced with reverse-cycle air conditioners – saving up to \$215 every year
- A minimum 4-star Water Efficiency Labelling and Standards (WELS) rated shower head must be installed at the start of a new lease – saving renters up to \$38 every year
- Minimum R5.0 rating ceiling insulation must be installed at the start of a new lease where there is no ceiling insulation already in place – saving around \$450 every year
- Draught sealing, including weather seals on all external doors, windows and wall vents must be installed at the start of a new lease – saving over \$110 every year

Main living areas are already required to have heating. Additionally, from 1 March 2027 at the start of a new lease, main living areas must also have an efficient electric cooling system. Installing a reverse-cycle air conditioner will acquit both the heating and cooling requirements.

Every single upgrade a property may need under the new minimum efficiency standards is eligible for a discount under our Victorian Energy Upgrades program. Exemptions also apply, including if installation costs are too high or if there is not enough space.

The rental standards have been set following extensive consultation to make sure they are achievable and keep costs affordable for rental providers.

### **Backing local manufacturing**

To make sure Victoria's appliance manufacturing industry is ready to meet the demand for energy efficient hot water appliances, we're investing \$9.5 million towards an Industry Diversification Program.

This will support existing businesses to ride the wave of the expansion of electric appliance manufacturing and help the gas appliance manufacturing supply chain upgrade their facilities and reskill their workforce.

### **Quotes attributable to Premier Jacinta Allan**

*"Families will pay less on their energy bills, industry will get the gas it needs – and Victorian jobs are protected."*

*"It's good for industry, workers, renters and families – we're on their side."*

*"We are not just making sure Victoria has the gas it needs – we are reserving it for industry."*

### **Quote attributable to Minister for Energy and Resources Lily D'Ambrosio**

*"We're taking action now to secure Victoria's gas supply – not just for today, but for the decades ahead."*

### **Quote attributable to Minister for Housing and Building Harriet Shing**

*"The new building regulations and the housing and building standards will provide certainty for households and businesses, improve energy efficiency, and help to keep bills low."*

### **Quote attributable to Minister for Consumer Affairs Nick Staikos**

*"This is an important step towards making rental properties safer, more comfortable and more energy efficient - giving renters peace of mind for both winter and summer and driving down their bills."*

### **Quote attributable to Minister for Industry and Advanced Manufacturing Colin Brooks**

*"We're prioritising our gas supply for Victorian manufacturers and helping to boost our appliance manufacturing capabilities – so we can keep up with demand for efficient electric appliances."*