

Attachment A

Engagement Report – Discussion Paper Electrification of New Development

Engagement report – Electrification of new development discussion paper



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Overview

Background

As electricity has increasing lower emissions, the electrification of new development supports the City of Sydney's ongoing work to improve energy performance, reduce household energy bills, and deliver healthier homes and workplaces. We released the Discussion Paper: Electrification of new development (discussion paper) to explore how planning controls could help phase out fossil fuel use in new buildings.

The discussion paper outlined potential planning approaches to support fully electric, gas-free new development. It also explained the health, cost and equity benefits of electrification, and asked for feedback on possible exemptions, staging, and how the controls should apply to renovations.

This consultation is an important step in shaping future planning rules that meet community expectations. The City sought input from residents, industry groups and other stakeholders to better understand the challenges and opportunities of electrifying new buildings - and how future controls could support a practical and equitable transition.

Engagement summary

From **31 March 2025 to 5 May 2025**, we invited stakeholders and the community to share their feedback on the discussion paper and the potential planning control options to support the electrification of new development in the City of Sydney area.

We asked whether people support electrifying all new buildings, what benefits and challenges they see, and which planning approaches they think would work best. We also asked for views on possible exemptions for certain building types or uses, and whether we had missed any key issues.

This engagement report outlines the community engagement activities that took place and summarises the key findings from the consultation.

Purpose of engagement

1. **Inform** stakeholders about the proposal planning controls to require all new development to be fully electric and fossil fuel free through changes to planning controls.
2. **Communicate** the benefits of electrifying new development while also addressing common concerns and outlining practical solutions to challenges raised by stakeholders and industry.
3. **Consult** with the community, including residents, industry professionals and other stakeholders, on the proposed approach to electrification, including how it should be implemented and any potential implications.
4. **Understand** community and industry perspectives on transitioning away from gas in new development – gathering insights on opportunities, challenges and support required to ensure an effective and equitable transition.

Participation

The Sydney Your Say page was visited 835 times during the consultation period. We received 22 survey responses and 19 e-mail submissions.

Key findings

Overview of key findings

Of the group that participated, there is strong support for introducing electrification requirements for new development, particularly from health, consumer and environmental advocacy organisations, and parts of the industry.

The key findings are:

- Most respondents support requiring all-electric new development, citing health, climate and cost benefits.
- Many stakeholders support applying the rules to major renovations, especially when replacing fossil fuel appliances.
- Several respondents - particularly industry - recommend a clear transition period to allow market adaptation.
- A clear majority agree that exemptions should be limited to exceptional or safety-related cases.
- Some submissions request flexibility for specific uses, such as commercial kitchens, and in strata buildings.
- Supporters want the controls aligned with national and state policies.
- Some oppose electrification requirements entirely, citing concerns about energy resilience, fuel choice and the role of renewable gases.

Survey responses

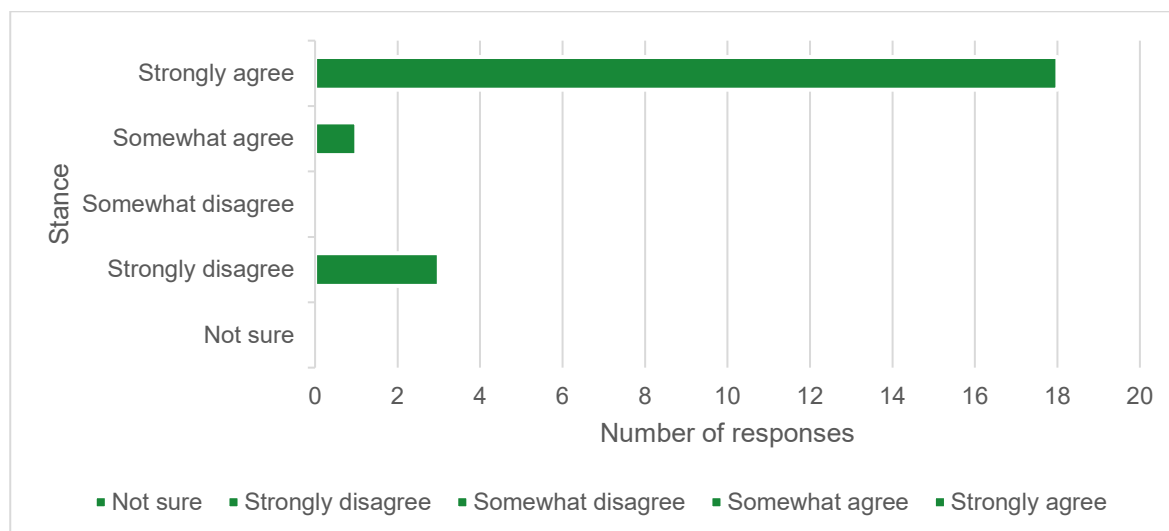
We received 22 responses to the online survey. The survey questions were based on the discussion paper and designed to prompt feedback on key themes. Responses and key themes from the survey responses are summarised below.

Benefits of all-electric buildings

Respondents were asked whether they agreed with the benefits of all-electric buildings as outlined in the discussion paper.

Most respondents (82%) agreed, 4% somewhat agreed, and 14% did not agree.

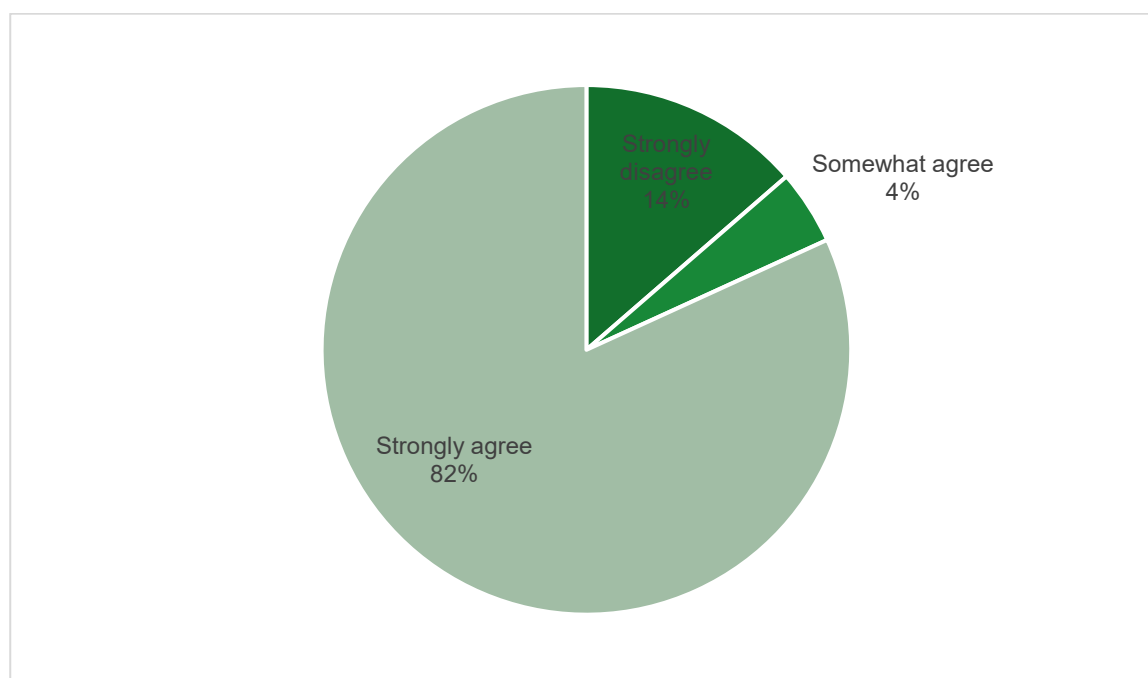
Figure 1. Do you agree with the benefits of all-electric buildings in the discussion paper?



Electrification as a sustainability priority

Participants were asked whether they believe electrifying new development should be a priority for a sustainable Sydney. Responses closely mirrored the previous question, with 82% strongly agreeing, 4% somewhat agreeing, and 14% strongly disagreeing.

Figure 2. Do you agree that electrification of new development should be a priority for a sustainable Sydney?



Other benefits of all-electric new development

Respondents were asked to suggest other benefits of all-electric new development that may have not been addressed in the discussion paper.

Other benefits suggested included:

- Improved energy system efficiency and resilience (3 comments)
- Increased safety (2 comments)
- Creation of local employment opportunities (1 comment)
- Reduced noise pollution (1 comment)
- Alignment with global sustainability and climate targets (1 comment)
- Space efficiency (2 comments)
- Enabling smart energy management (1 comment)
- Higher property and asset values (1 comment)

“Electrifying buildings helps to advance the energy transition at a system level. This is because it signals to investors that there is greater market demand and appetite among individuals, households and businesses for green energy.”

Other challenges of all-electric new development

Respondents were asked to identify other challenges to electrifying new development that may have not been addressed in the discussion paper.

Other challenges identified included:

- Consumer preference for gas appliances (4 comments)
- Resistance from developers or supply chain practices (2 comments)
- Mixed stakeholder priorities in mixed-use developments (1 comment)
- Limited skills and supply chain readiness (1 comment)
- Conflicts with existing regulations for EV safety standards (1 comment)
- Anticipated resistance from fossil fuel interests (1 comment)
- Dependence on electricity and reliability concerns (2 comments)
- Rising electricity prices if monopoly (1 comment)
- Environmental concerns about production of electric equipment (1 comment)
- Concerns about rising electricity prices if competition is reduced (1 comment)
- Sound impacts of heat pumps (1 comment)

Some respondents raised issues more relevant to retrofitting existing buildings, rather than new development. While this was not the focus of the discussion paper, these are noted below given their relevance to broader electrification efforts

- Complex infrastructure upgrades such as wiring and switchboards (4 comments)
- Disruption during renovations (1 comment)
- Strata governance and investor reluctance (2 comments)
- Dependence on electricity and reliability concerns (2 comments)

“Some consumers prefer gas appliances for cooking or heating due to their performance and efficiency.”

Overcoming challenges

In answering the question on other challenges to electrifying new development, respondents were asked how these challenges might be overcome.

Education and engagement

- Public campaigns to increase awareness and acceptance of electric appliances, particularly induction cooking (2 comments)
- Broader engagement with stakeholders and the community to support shared solutions (2 comments)
- Learning from the experiences of other councils, especially in Victoria (1 comment)

Incentives and support

- Financial support or subsidies for wiring upgrades (1 comment)
- Incentives for rooftop solar or electrification through design excellence bonuses (1 comment)

Market and industry readiness

- Greater engagement with developers to support bulk purchasing and cost reduction over time (1 comment)
- Better availability and visibility of electric product alternatives (1 comment)

Design considerations

- Requirements for soundproofing or appropriate siting of heat pumps (1 comment)

Policy positions

- Some respondents recommended that electrification remain optional (2 comments)
- Others suggested limiting gas use to water heating or cooktops (1 comment)

Preferences for planning control options and why

We asked for feedback on a range of planning approaches to limit new developments from connecting to the gas network. The six options presented in the discussion paper were designed to prompt input on how electrification requirements could be introduced - either independently or in combination - and how they might be refined to maximise their effectiveness and support implementation.

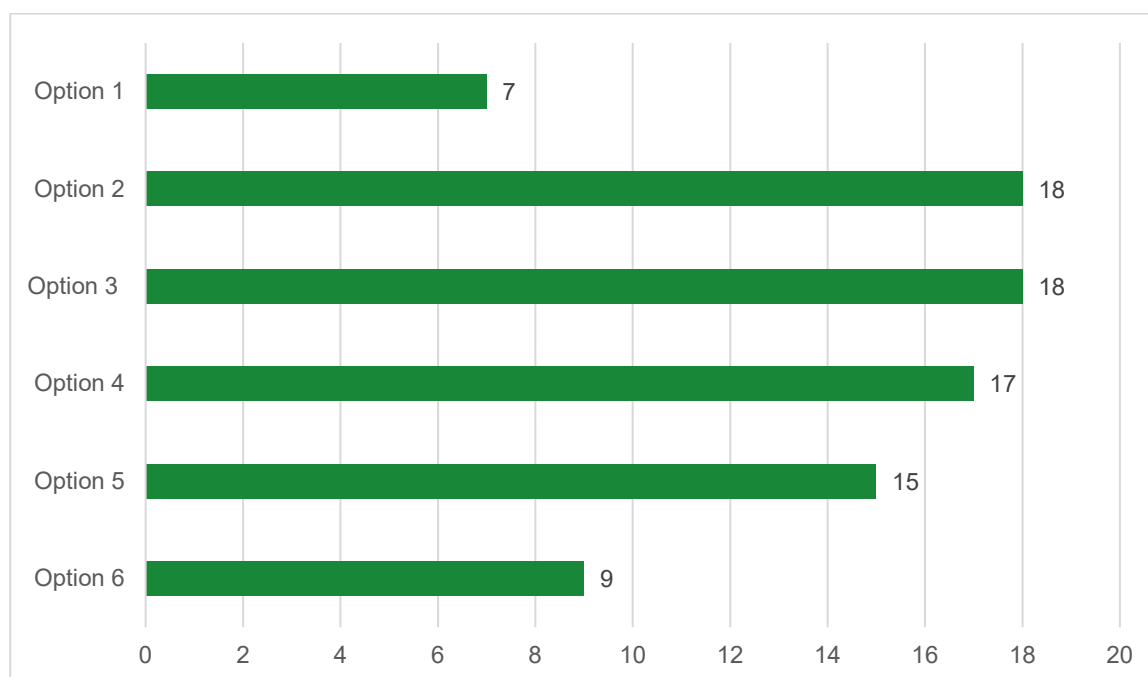
Of the 22 survey participants, 21 responded to this question. Respondents were invited to select all planning control options they supported. This means many respondents supported more than one option, so the percentages shown below reflect the proportion of total respondents who supported each individual option, not a cumulative total.

The summary of support for each option is detailed below and displayed in Figure 3.

- Option 1 – Indoor appliances only: Continue with recently exhibited controls that ban indoor gas appliances (heating, cooktops, ovens) in new residential buildings but allow gas hot water systems – this was supported by 7 respondents (33%)
- Option 2 – Fully electrify new residential buildings: Extend controls to also disallow gas hot water systems in new homes - this was supported by 18 respondents (86%)
- Option 3 – Apply controls to new non-residential buildings: Introduce similar electrification requirements for new commercial, industrial, and business developments – this was supported by 18 respondents (86%)

- Option 4 – Apply to major renovations: Require electrification for major alterations and additions, using established thresholds (such as BASIX) to determine when this applies – this was supported by 17 respondents (81%)
- Option 5 – Allow limited flexibility: Permit exemptions for specific uses (e.g. industrial or food-related businesses) where gas is essential – this was supported by 15 respondents (71%)
- Option 6 – Stage the rollout: Introduce controls immediately or phase them in over time to give the market and certain sectors more time to adjust – this was supported by 9 respondents (43%)

Figure 3. Which of the planning control options do you think should be implemented? Select all that apply.



To better understand their selections, respondents were also invited to explain the reasons behind their support (or lack of support) for each planning control option. Respondents provided a wide range of reasons for their selections. Many supported multiple options, particularly those that require full electrification of new residential and non-residential developments. Common themes are summarised below.

General support for comprehensive action

Several respondents expressed strong support for all options, stating that electrification is long overdue and essential to avoid long-term retrofit costs. Respondents highlighted the urgency of acting now, particularly as construction activity is set to rise. Others said a broad rollout would reduce emissions, meet sustainability targets, and align with investor and stakeholder expectations.

“Vital to act ASAP”

“Action is already overdue”

Low support for partial controls (Option 1)

Option 1 received the least support. Many saw it as inconsistent with full electrification goals, creating future retrofit and administrative burdens, and undermining the benefits of staying off gas entirely.

Strong support for full electrification of new buildings (Options 2 and 3)

Respondents frequently supported extending controls to ban gas hot water systems (Option 2) and applying requirements to non-residential development (Option 3). Reasons included:

- Full electrification is necessary to achieve net zero goals.
- It is healthier, more efficient, and better aligned with future market expectations.
- Gas hot water systems significantly contribute to emissions and undermine efforts to stay disconnected from gas networks.

“Be brave and electrify the whole thing as a default!”

“Option 1 allows for gas water heating which negates the benefit of staying disconnected from gas supply network and cost”

“New developments should not have gas connected and should also need to have rooftop solar.”

Support for applying requirements to major renovations (Option 4)

Many respondents supported this option to help phase out gas infrastructure from existing buildings. Some noted the importance of setting clear thresholds (e.g. \$500k, BASIX) and suggested incentives or transitional support for switching systems nearing end-of-life. However, concerns were raised about the cost of disconnecting from the gas network, with calls for government intervention to cap disconnection fees.

“A threshold of major renovations i.e. \$500k should be set that will mean existing buildings will also need to make this change.”

“Increase the opportunity to eliminate gas assets from the existing buildings”

“I believe City of Sydney should lobby the NSW Government to implement caps on the charges that networks can charge to disconnect”

Mixed views on flexibility and rollout timing (Options 5 and 6)

Some respondents supported some flexibility (Option 5) to allow exemptions for essential uses or to provide adjustment time, especially for the hospitality sector or industrial processes without viable electric alternatives. Others warned that too much flexibility could undermine the intent of the policy if exemptions are too broadly granted.

Support for a staged rollout (Option 6) focused on giving time for market and sector adjustment and helping Council manage community queries. However, others left this option unselected, citing a lack of expertise to judge timing, or expressing concern that phased approaches delay progress.

“Flexibility is a slippery slope”

“Flexibility can also lead to situations where little-to-no progress is made as almost all cases are granted exemptions, and then nothing changes”

“Allow enough time for those affected sectors to adjust to the all-electric concept”

Concerns about cost, practicality and personal choice

A few respondents expressed concern about the cost or practicality of switching in specific contexts - particularly for apartments with centralised systems. One noted that their building has a working gas system that will be replaced at end-of-life rather than prematurely. Another respondent opposed all options, calling for a "no change" approach that preserves individual choice.

"Different homeowners have varying preferences when it comes to appliances."

"I have selected none. Not one of the options allows a No Change Policy. People should have a choice."

Timing of implementation

To understand stakeholder views on when electrification controls should take effect, respondents were asked whether the requirements to limit new developments from connecting to the gas network should apply immediately or be phased in over time. Nine responses showed strong support for immediate commencement for new developments, with 5 favouring short transition periods to allow industry time to adjust. Three respondents opposed mandatory controls entirely or suggested long-term phase-ins.

Support for immediate commencement

Nine survey respondents said the controls should apply to new developments as soon as possible. These respondents highlighted the urgency of electrification, the maturity of the market, and the availability of electric alternatives.

"Electrification is long overdue, there should be no more delays, and the planning controls should come into effect right away."

Support for a short transition period

Five respondents supported a short implementation delay - typically between 6 months and 2 years - to allow time for developers to adjust, update specifications, train trades and manage cost implications. Some noted the need for a longer notice period for complex or commercial projects. Many suggested applying the controls to new developments first, with alterations and additions phased in later.

"Phased in over time but not too far away (12-24 months would be realistic)."

"Phased implementation allows the market to adjust, but I think the timeline should be released in advance. Ideally mandatory electrification is rolled out by 2027."

"Phased in - new developments first, followed by major alterations."

Support for a tailored or case by case approach

Two respondents proposed implementation approaches that account for development stage, application type, or other specific factors. These responses suggested that planning controls could apply immediately to some projects, while others - particularly those already in progress - should be assessed individually or given limited exemptions.

"Immediately, with targeted transition exceptions on a case-by-case basis, according to pre-defined criteria."

"I would make an estimation as to how long it takes for a residential project to go from design to construction and use that as a base for implementing these planning controls. I suggest

implementing them for all new DAs immediately, and for more advanced projects, I would check on a case-by-case basis depending on how far along they are in their design.”

Opposition to mandatory or near-term implementation

Three respondents did not support the introduction of mandatory electrification requirements or preferred very long transition periods. These responses cited concerns about feasibility, choice, and impacts on development activity.

“They shouldn’t be forced into effect at all, they should have the option.”

“Phase in over the next 50 years on new developments only. Be interesting to see how much new developments will stop.”

Exemptions

We asked respondents whether certain business types or industries should be allowed to continue connecting to the fossil fuel gas network and why.

Responses reveal a clear preference for limiting exceptions to very specific cases where no viable electric alternative exists. Ten respondents emphasised that any exemptions must be tightly controlled. Overall, most respondents supported minimising fossil fuel gas use in business, with exemptions limited to cases where electric solutions are genuinely not feasible.

“None by class - any exceptions must be specific and explicit according to defined circumstances”

Support for no exemptions

Four respondents argued that fossil fuels should be fully phased out, as electric alternatives exist for every use case or will soon become viable.

“There are alternatives for every use case. Fossil fuels are a thing of the past.”

Support for limited exemptions in specific sectors

Six respondents noted that given the City of Sydney’s limited large-scale manufacturing or heavy industry, broad exemptions are not necessary. However, the food and hospitality sectors - especially commercial kitchens - were frequently cited as potential exceptions due to practical and economic challenges with electric alternatives. Some also mentioned industrial processes requiring high heat, like welding or chemical production, where electric technology remains insufficient or costly.

“It’s the City of Sydney and doesn’t have large scale manufacturing so no exemptions.”

“Food industry - specific industries that no electric alternatives are currently available.”

“Industrial works that need high heat temperatures such as kilns, metal welding, and chemical production.”

“The food industry should always be gas, it’s impractical and expensive to run commercial kitchens on electric.”

Case-by-case exemptions

Three respondents proposed exemptions be assessed individually, requiring businesses to justify their specific needs.

“I suggest if a business has a valid reason to require methane gas, they can apply for an exemption on a case-by-case basis.”

Email submissions

We received 19 email submissions. A few (4) were from residents, but the majority were from advocacy organisations, utilities companies and industry stakeholders.

Of these 19 submissions:

- 9 expressed strong support for full electrification of new development;
- 2 were generally supportive but raised some concerns;
- 3 offered conditional support;
- 2 were neutral; and
- 3 opposed the introduction of any electrification requirements.

Overall, the majority of submissions strongly support the proposed planning controls to require new developments to be all-electric.

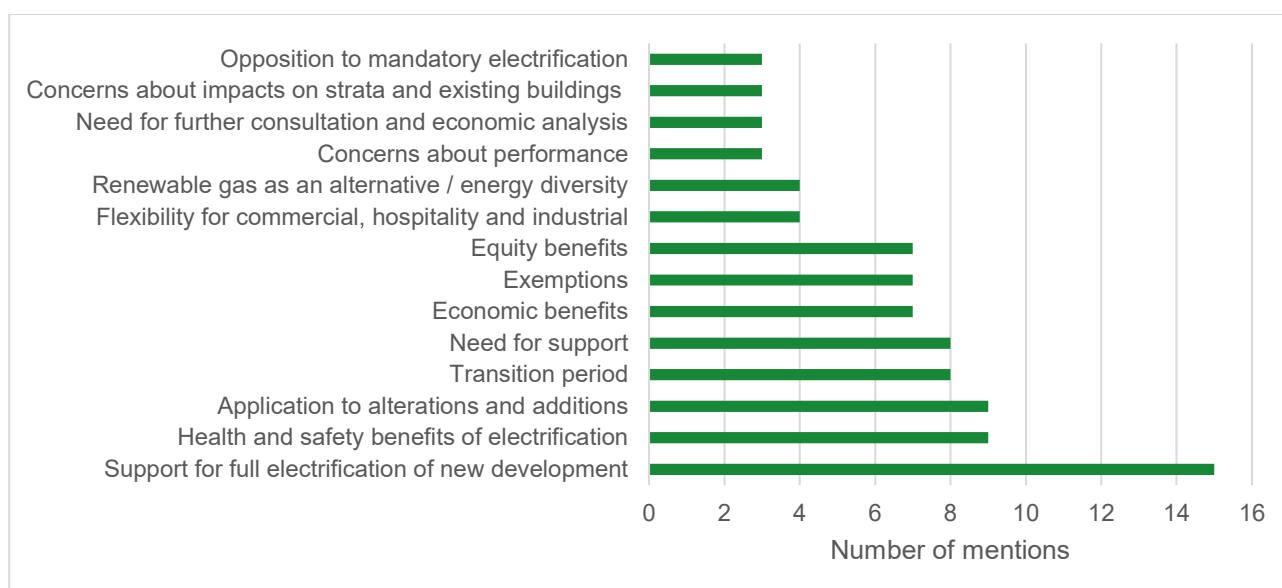
Supporters highlight the climate, health, and cost benefits of electrification and commend the City’s leadership. Several advocate for stronger or broader controls, such as applying requirements to major renovations, mandating electric-ready infrastructure, and disallowing exemptions.

A small number express conditional support, generally supporting the policy intent but raising concerns about technical feasibility, timing, and cost implications.

Three stakeholders express strong opposition, citing energy security, affordability, or a preference for renewable gas alternatives.

Figure 4 gives a breakdown of the number of times topics were mentioned from email submissions.

Figure 4. Topics from emailed responses



Email response topics

The following highlights the key issues raised in email responses.

Support for full electrification

Most submissions expressed strong support for requiring all-electric new development, highlighting the public health, environmental and economic benefits of electrification. Stakeholders including Doctors for the Environment, the Climate Council and Energy Consumers Australia emphasised the health risks of indoor gas use and the opportunity to improve respiratory and cardiovascular health through electrification. Climate and sustainability bodies such as ASBEC, the Green Building Council of Australia and 350 Australia highlighted the alignment between electrification and net-zero targets. They also stressed the importance of avoiding fossil fuel lock-in by ensuring all new buildings are future-ready.

Several submissions - including from residents, government agencies and utilities - noted that electrification is becoming more cost-effective, can improve energy performance, and provides long-term benefits by reducing reliance on increasingly volatile gas supply.

Industry representatives such as the Property Council of Australia expressed in-principle support for electrification, while recommending a phased approach supported by clear guidance and transitional incentives.

Three submissions - Urban Taskforce, Jemena and one resident - opposed mandatory electrification entirely. These submissions advocated for continued fuel choice, emphasised the importance of energy resilience, and argued for the ongoing role of renewable gases in the energy transition.

Application to alterations and additions

Many submissions supported applying electrification requirements to major renovations—particularly when replacing fossil fuel appliances. Stakeholders such as the Climate Council, Energy Consumers Australia, 350 Australia and Waverley Council viewed this as a practical and effective way to reduce emissions and prevent future stranded assets.

Several industry representatives raised concerns about feasibility in existing buildings, particularly strata properties. The Property Council of Australia and Urban Taskforce opposed a blanket requirement for alterations and additions without further consultation and analysis. ASBEC supported a transition-focused and flexible approach for alterations and additions.

Transition and staging

Many submissions recommended a short transition period before electrification requirements take effect - ranging from 6 months to 2 years. This was seen as necessary to allow time for market and supply chain readiness. The Property Council of Australia and other industry groups supported this approach.

Many stakeholders - including Doctors for the Environment and several residents - argued that electrification requirements should begin immediately to avoid locking in long-lived gas infrastructure.

Exemptions and flexibility

Nine submissions supported limiting exemptions to exceptional cases only. The Climate Council, Energy Consumers Australia, ASBEC and 350 Australia argued that widespread exemptions would undermine the effectiveness and clarity of the policy. Doctors for the Environment recommended restricting exemptions to short-term or safety-related circumstances.

Five submissions recommended targeted flexibility for sectors with legitimate transition challenges. The Property Council and GBCA supported exemptions for industrial, commercial, and hospitality

uses. Waverley Council supported limited exemptions where electric alternatives were genuinely unviable.

Four submissions, including those from Jemena and Gas Energy Australia, called for broader exemptions to support renewable gas use and fuel diversity. Some of these submissions also recommended ongoing exemptions for high-performance buildings or opposed the policy entirely, arguing that electrification should not be mandatory.

Technical feasibility and policy alignment

Many stakeholders confirmed that technical solutions for all-electric buildings are viable. Stiebel Eltron, GBCA, Ausgrid and ASBEC noted that current technologies can meet building performance needs, especially when combined with good design and load management. Ausgrid stated that the electricity network can support electrification in new development.

Some submissions raised concerns about specific technologies and market readiness. Waverley Council noted that electric instantaneous hot water systems can negatively impact BASIX energy ratings and may not be suitable for all developments. Stiebel Eltron raised concerns about the current minimum energy performance standards (MEPS) and recommended improved labelling and stronger consumer information.

Submissions also recommended technical support and policy alignment. Several stakeholders, including ASBEC, GBCA and Waverley Council, recommended aligning local controls with the National Construction Code, State Environmental Planning Policy and BASIX. Stiebel Eltron recommended stronger national product standards and noted the role of installer training, certification schemes and technical guidelines in supporting effective implementation.

Health, cost and equity benefits

Six submissions emphasised the equity and social justice benefits of electrification. Energy Consumers Australia and Doctors for the Environment stated that electrification can improve public health, reduce household energy bills, and avoid unfair cost burdens on vulnerable communities. Some submissions warned of the risks of a “gas death spiral”, where fewer users on the network lead to higher costs for those who remain.

Others noted that new development offers the lowest-cost opportunity to electrify and avoid creating stranded gas infrastructure that will require costly retrofitting in future.

Opposition and concerns about feasibility, choice and impacts

Urban Taskforce, Jemena, and one resident submission opposed the proposed electrification requirements entirely. They raised concerns about feasibility in certain building types, the importance of maintaining energy diversity, and the continued role of gas, including renewable gases.

Jemena and Gas Energy Australia argued for policies supporting fuel choice and broader exemptions. Three residents expressed concerns about the practical challenges of electrification and preferred performance-based approaches over mandatory requirements. These submissions highlighted potential unintended consequences, such as increased reliance on diesel backup generators and impacts on people with medical devices sensitive to induction cooking. One resident also disputed the health risks associated with gas use and questioned whether electrification would deliver meaningful emissions reductions.

Engagement activities

Overview of engagement

The following is a snapshot of outcomes from activities undertaken to support the consultation.

Sydney Your Say webpage

A Sydney Your Say webpage was created. The page included an electronic copy of the discussion paper, link to the survey and other key information about the consultation.

Sydney Your Say e-news

The consultation was included in the Sydney Your Say e-newsletter sent on 11 April 2025 to 6,659 subscribers.

Consultation email

An email was sent on 31 March 2025 to 45 known key stakeholders from the pre-consultation industry stakeholder engagement program inviting them to give feedback on the paper.

Appendix A: Inclusion in Sydney Your Say newsletter on 11 April 2025

Sydney Your Say

CITY OF SYDNEY 



Photo: Katherine Griffiths / City of Sydney

Your feedback on all-electric new development

We've prepared a discussion paper to gather feedback on the future of gas in new developments, focusing on electrification. This supports our goal to achieve net zero emissions by 2035, promote healthier homes and tackle cost-of-living challenges.

Consultation closes Monday 5 May 2025.

[Read more](#)

