

Media Release

The Hon Lily D'Ambrosio MP
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NEW VICTORIAN HOMES TO GO ALL ELECTRIC FROM 2024

New Victorian households will save up to \$1,000 off their annual energy bills while reducing household emissions, as part of the Andrews Labor Government's landmark decision to phase out gas in new homes.

Across the world, the cost of gas is rising sharply, and so is uncertainty around supply. Victorians are at the mercy of private companies exporting gas overseas – which has a real impact on the cost to Victorians at home.

That's why the Labor Government is doing the work to make energy more affordable for Victorians, getting them the best deal on their home energy bills.

From 1 January 2024, planning permits for new homes and residential subdivisions will only connect to all electric networks, with houses taking advantage of more efficient, cheaper and cleaner electric appliances.

These changes will apply to all new homes requiring a planning permit, including new public and social housing delivered by Homes Victoria.

Going all-electric can be delivered at no extra cost to the buyer – and will slash around \$1,000 per year off household energy bills – or up to \$2,200 for households that also have solar installed.

Commencing immediately, all new public buildings that haven't reached design stage will also be all-electric. This includes new schools, hospitals, police stations and other government-owned buildings.

Victoria has the highest use of residential gas in Australia, with around 80 per cent of homes connected. The gas sector contributes about 17 per cent of the state's emissions, and the move to electric systems is a key element of meeting Victoria's nation leading emissions reduction targets of 75–80 per cent by 2035 and net zero by 2045.

These moves build on the 2022 reform that removed the requirements for gas connections for new homes. Since then, Victoria's leading builders and developers have already begun delivering energy-bill saving and low emissions all electric homes.

To ensure homeowners can maximise the benefits of household renewable energy, the Government is investing \$10 million in a new Residential Electrification Grants program. Grants will be available to volume home builders, developers and others to provide bulk rebates for solar panels, solar hot water and heat pumps to new home buyers up front.

This will mean new home buyers will save \$4,600 before they even move in and will remove double handling of installations – saving buyers money and hassle.

To help prepare for the transition, the Government is also investing \$1 million in targeted training to ensure the construction industry is supported in the transition to all electric and 7 star homes.

This builds on Solar Victoria's \$11 million training and workforce development package that will upskill plumbers and electricians to take advantage of the renewable energy revolution.

Victorian plumbers and electricians will be the key to delivering this critical transition – that's why the Government is upskilling the plumbing and electrical workforce to ensure they have rights skills to take advantage of this growing industry.

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The Government is delivering a \$3 million package including free training for 1,000 plumbers and apprentices to design and install energy efficient heat pumps and solar hot water systems, and free training for 400 electricians and fourth-year apprentices to safely design and install rooftop solar and home battery systems.

To make it easier to go all-electric, eligible new home builders, as well as existing homeowners and renters, can access the nation leading Solar Homes program – offering \$1,400 solar panel rebates and interest free loans of \$8,800 for household batteries.

All Victorian households and businesses are also eligible for the VEU gas to electric rebates to upgrade heating and cooling and hot water heaters.

The Government will work closely with industry including gas appliance manufacturers, the building and construction sector, local government, trade unions and consumer organisations to manage business, workforce and consumer impacts and support the sector in the transition.

The Government is working to update the nation leading Gas Substitution Roadmap, which will be released later this year.

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

“We know that with every bill that arrives, gas is only going to get more expensive. That’s why we’re stepping in to help even more Victorians get the best deal on their energy bills.”

“Reducing our reliance on gas is critical to meeting our ambitious emission reduction target of net zero by 2045 and getting more Victorians on more efficient electric appliances which will save them money on their bills.”

Quote attributable to Minister for Planning Sonya Kilkenny

“All-electric homes are healthier, cleaner and cheaper to run. Going all-electric ensures Victorians building a new home are part of this exciting energy transition.”