



Swapping gas appliances with electric alternatives could cost Victorians billions of dollars

Victorians rely heavily on gas, with more than 2 million households using gas for heating, hot water and cooking. The additional cost to Victorian households of replacing their existing gas appliances with electric alternatives, compared to replacing them with new hydrogen fuelled gas appliances, will fall somewhere between \$4 and 31 billion, according to a recent report commissioned by the Gas Appliance Manufacturers Association of Australia (GAMAA) and prepared by Frontier Economics.

According to GAMAA President Mr. Ross Jamieson, “the actual costs will vary significantly based on the level of comfort that is desired. If all Victorian homes were to only heat and cool two major rooms in their home the additional upfront cost of electrification could be as low as \$4 billion. If, however, whole of home heating and cooling is required, the cost is likely to increase to a figure in the region of \$14 to \$31 billion.

“In an Australian context, we found a significant information gap. Previous studies on the cost of electrification to consumers considered the cost for new builds but not the costs of retrofitting electrical appliances in existing homes that already have gas appliances. These costs include not only the appliances themselves but also any necessary electricity supply upgrades, the costs of removing existing appliances and the rectification of ductwork and air outlets, plastering and painting”.

Options for decarbonisation of household energy use include renewable electricity and renewable hydrogen gas. “GAMAA is fully supportive of the transition to net zero Carbon by 2050 but upfront cost impacts are clearly important considerations. Our goal was to start to fill the information gap on the costs of electrification so these can be considered in the transition pathways to avoid cost surprises for Victorian households. The study shows the costs of electrification would be significant”.

The study was undertaken by Frontier Economics on behalf of GAMAA.

Download the full report from the GAMAA website [here](#).

For further comments please contact Ross Jamieson, GAMAA President on 0409 858 077.