



## **Victoria's gas bans take away consumer choice, hurt the economy and will force households and businesses into debt**

**GAMAA**

**13 December 2024**

The Gas Appliance Manufacturers Association of Australia (GAMAA) today expressed its disappointment that the Victorian Government has once again ignored feedback from industry regarding the real costs of its proposed bans on replacing or installing gas appliances in new and existing households and new commercial buildings.

GAMAA president Ross Jamieson said: "Rather than listening to advice based on independent experts the government has released a Regulatory Impact Statement (RIS) that excludes any option for cost-effective like-for-like replacement by high-efficiency gas appliances which would save households over \$200 per year and reduce gas use by 25% at no extra cost to the household."

"Despite promising there would be no penalties for those wanting to use gas, the Minister for Energy remains intent on pursuing what can only be described as an ideologically driven agenda based on clearly misleading valuations which do not fully cost of the conversions such as electrical rewiring and upgrades and house or unit remodeling."

"We know from independent research which used real world data from Australian equipment suppliers and installers, that converting ducted gas heating and hot water in an average 4-bedroom house could cost an extra \$27,000 or more in older houses."

Mr Jamieson said the Australian Pipelines & Gas Association (APGA) obtained quotes for three typical Victorian properties (a 2-bedroom unit and a 3 and 5-bedroom house) from local installers which showed replacement and conversions costs ranging from \$18,000 to nearly \$40,000, far in excess of government estimates and well outside any possible pay-back period over the life of the appliance even with available subsidies.

“Very few homeowners or rental providers can afford this level of out-of-pocket expense, and this will drive greater household financial debt and stress, and higher rents of up to \$65 per week as costs are passed on to renters.

Mr Jamieson was disappointed that in developing and costing options for the RIS the government had not bothered to talk to the businesses which provide and install gas and electric appliances.

“These are the people who actually engage with consumers and know exactly what costs are involved,” he said.

“Instead, the department confirmed that it had consulted pro-electrification NGOs, banks which sell financing packages and, quite bizarrely, the UK Government. It appears to be policy making in an echo-chamber where alternative and inconvenient facts are simply dismissed rather than transparently tested.”

“Victorian consumers deserve a better deal than to be fed one-sided factually wrong information and I encourage anyone who is concerned to pick up the phone and get a quote from installers.

“Few homeowners have a spare \$27,000 lying around, it beggars belief that a government would force households into additional debt in the middle of a cost-of-living crisis when there are zero cost alternatives.

Mr Jamieson said blanket bans would simply force up the cost of gas and electricity for everyone and provide little net benefit as more gas is then needed for electricity generation for intermittent renewable back-up.

He said the proposals take away choice and flexibility in how to manage energy costs and amenity, leaving households completely exposed to electricity prices.

“And why the rush to have this start in 2026?” Mr Jamieson said.

“It makes no sense to increase the pressure on Victoria’s electricity system that relies mostly on coal, when it is already struggling to meet demand. Rushing through bans will increase not decrease emissions.”

“Today the Minister is arguing that Victoria is running out of gas but last month she was on ABC’s 7.30 and in parliament assuring everyone that the government’s fast-tracking of new gas projects meant there would be enough gas to meet demand, The fact is this is not about protecting consumers as it is about covering the Minister’s repeated failures on gas and electricity policy.”

“It will destroy the value on hundreds of family businesses and thousands of jobs without any compensation, leaving the only real beneficiary being manufacturers of low-quality electrical appliances in China and elsewhere.”

“This is economy damaging and drives a wrecking ball through business confidence.”

Mr Jamieson said none of these impacts appear to be properly assessed in the RIS.

“We will be taking a close look at both the numbers and analysis,” he said..

“This is without doubt the most draconian and heavy-handed anti-consumer and anti-gas proposal anywhere in the world. We challenge the Minister to explain why, if electrification makes such good financial sense, why does the government need to force it on consumers?”

“Give consumers good information on costs and benefits and let them make the decisions that best suit their circumstances – or is the Minister afraid of the choices they will make?”

More than 60 per cent of gas appliances sold in Australia are made in Australia, with GAMAA members employing around 4000 people, many in regional centres.

**Contact: Tom Wald 0411 305 449 / [Tom.Wald@H-Advisors.global](mailto:Tom.Wald@H-Advisors.global)**