ACT Government

Future appliance regulations to support the gas transition

Discussion Paper

Acknowledgement of Country

The City and Environment Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

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Contents

Future appliance regulations to support the gas transition

Introduction

We are seeking the ACT community's help to shape the next regulatory steps in our gas transition to support the safe, efficient and equitable decommissioning of the gas network.

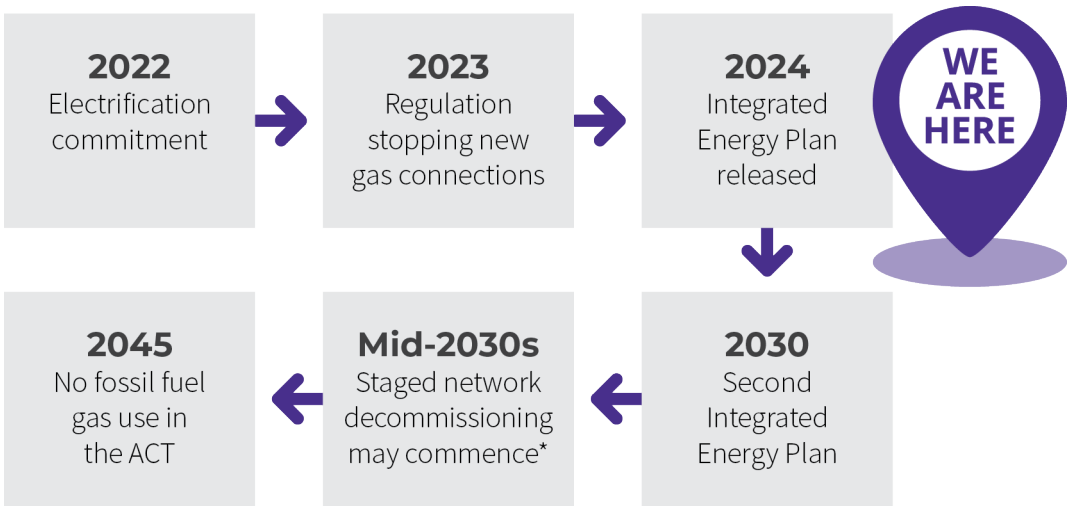

Figure 1: Timeline and key events in the ACT's transition away from fossil fuel gas.

* Staged network decommissioning will not occur without appropriate notice and regulatory settings. The ACT Government will continue to support ACT consumers and priority households with their transition before the network is decommissioned.

In August 2022, the ACT Government made the commitment to phase out the use of fossil fuel gas by 2045 at the latest. We did this to:

- take action on climate change;
- support the continued prosperity of all Canberrans; and
- help our city achieve net zero emissions.

To achieve this commitment, the ACT's fossil fuel gas network will need to be decommissioned. We consider early planning and clear regulatory frameworks to be key enablers to an equitable and lowest-cost transition.

In December 2023, the ACT Government took the step to stop new gas connections in all residential, commercial and community facility land-use zones. This limited expansion of the

gas network, in turn reducing growth of the gas transition challenge for the ACT. Since the commencement of regulations, the number of customers accessing the gas network is now in decline.

In June 2024, the ACT released its first Integrated Energy Plan 2024-2030 (IEP). The IEP was informed by community consultations in 2023. These consultations asked for ideas and feedback on how we manage the transition off fossil fuel use and prepare our community for this change. You can visit yoursay.act.gov.au to read more about the consultation and what we heard.

Every step of this energy transition has been informed by modelling and analysis to ensure that decisions can be made in the interests of the ACT community. You can find more information about this at Energy Transition Modelling - Climate Choices.

We know that to meet these ambitious targets, existing gas users need to transition from the gas network before 2045. The ACT Government is now considering if gas appliance regulation is needed to support the most effective and least-cost pathways to support priority households electrify and reduce fossil fuel gas use ahead of phased network decommissioning.

We are starting this conversation now as:

- Evoenergy will need to start planning a phased network shut down,
- Some sections of the network may begin to be shut off from the mid-2030s onwards,
- regulations from this process may take time to be developed, legislated and phased in.

Did you know?

Numerous studies have demonstrated that transitioning off gas to efficient electric appliances offers significant savings to households and small businesses on their energy bills over time.[1]

The ACT is not the only jurisdiction where consumers are seeking to realise the benefits of electrification. The transition from fossil fuel gas is occurring across Australia. According to the Australian Energy Market Operator (AEMO), Australian household and commercial gas use is expected to decline 79% by 2045 and to be largely non-existent by 2050 as households and businesses electrify and leave the gas network.[2]

The Victorian Government has recently taken steps to gradually electrify all existing residential buildings over time[3]. In Victoria, regulations commencing March 2027 will mean that if a gas hot water appliance breaks and cannot be repaired, it must be replaced with an electric alternative. Victoria's regulations also require landlords to replace hot water and heating gas appliances with efficient electric appliances at end of life.

Like the ACT, Victoria has also taken steps to ensure that new residential and most commercial buildings are built all-electric.

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[1] Energy Consumers Australia, *Power Move: Fair and affordable electrification for Australian households and small businesses*, 2026

[2] AEMO, Gas Statement of Opportunities (GSOO), 2026.

[3] Victorian Government, 2025, New electrification and efficiency standards and regulations for Victorian buildings, available from New electrification and efficiency standards and regulations for Victorian buildings

Journey so far

Since 2022, The ACT Government has taken significant steps to support the transition from gas and bring about these benefits for our community. These include:

- Release of the first Integrated Energy Plan 2024-2030, with two more scheduled for 2030-2035 and 2035-2040.
- Regulation to prevent new gas network connections in residential, commercial and community facility land use zones limiting growth of the gas network.
- A range of incentives including no and low interest loans, rebates and other supports to help ACT homes and businesses electrify.
- Funding feasibility studies for the electrification of apartment complexes, to build understanding on how to electrify different building types.
- Providing electrification advice and supports for commercial businesses, particularly commercial kitchens, through the Sustainable Business Program.
- A commitment to electrify all feasible public and community housing by 2030.
    - As of 30 March 2026, the program delivered 3,134 gas to electric upgrades, fully electrified 1,726 households and completed approximately 45% of the feasible housing.[4]
- A commitment to transition all ACT Government buildings off the gas network by 2040.
    - In 2024-25 the Electrification of Government Gas Assets Program removed 84 gas assets, this included a range of hot water and cooking appliances, gas furnaces, radiant heaters and larger central boiler systems, as well as completing a further 36 identification and investigation reports.[5]
- A commitment to all new ACT Government buildings and facilities must be fossil fuel gas free, including new leases.

Consultation objectives

This consultation seeks to build on our previous work and inform discussions around four actions identified in the IEP:

1. Explore the most effective and least-cost pathways to reduce fossil fuel gas in commercial and residential properties.[6]
2. Assess measures to maximise replacement of gas appliances with electric appliances at end of life.[7]

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[4] ACT Government program data. - Note: Figures do not include fully electric housing prior to the commitment and properties where the tenant has requested to be exempt.
[5] ACT Government, 2025, *EPSDD Annual Report 2024-25* available from https://www.act.gov.au/__data/assets/pdf_file/0007/2930650/2024-25-epsdd-annual-report.pdf Pg 55
[6] ACT Government, 2024, *Integrated Energy Plan 2024-2030*, available from www.climatechoices.act.gov.au/__data/assets/pdf_file/0006/2509458/integrated-energy-plan-2024-2030.pdf Pg 28
[7] ACT Government, 2024, *Integrated Energy Plan 2024-2030*, Pg 28

3. Explore options to accelerate the transition and move towards regulatory options to ensure emissions reduction targets are met.[8]
4. Develop policy and regulatory frameworks to support safe, efficient and equitable decommissioning of the gas network. [9]

This paper is seeking views from the ACT community to better understand the potential regulatory options for gas appliances and the impacts of these changes on households and businesses. Your feedback will help us determine if and how regulation should be implemented, what should be covered and when.

We will be considering these regulatory options in line with the guiding principles set out in the IEP,[10] which were developed in partnership with the ACT Community:

- **Clear and implementable pathway** – Government will provide long-term clarity and a stable policy environment to support and incentivise the transition away from fossil fuels.
- **Enabling Canberrans to act** – Government will ensure information, education and resources are available for all parts of the community to enable them to make informed choices and enjoy the benefits of the transition.
- **Prioritising those most in need** – Government will prioritise support for those who need it most and cannot transition themselves.
- **Secure and reliable energy systems** – Government will work to maintain the security and reliability of the energy system as the population grows, consumer energy resources increase, fossil fuel gas is phased out and zero emissions vehicles become the norm.
- **Removing barriers to the energy transition** – Government will collaborate to remove technical, regulatory and workforce barriers to transition.

Out of Scope

This consultation is focused on informing potential regulatory settings for network connected gas appliances, related decommissioning topics and supporting communications, in the context of existing ACT Government policy.

This consultation will not be:

- revisiting the decision to phase out fossil fuel gas and/or the commitment to electrification.
- considering non-networked gas appliances, bottled gas, liquid fuels or other transport sources of emissions.
- considering incentives, payments, transfers or other programmatic approaches that support the gas transition.

[8] ACT Government, 2024, *Integrated Energy Plan 2024-2030*, Pg 27
[9] ACT Government, 2024, *Integrated Energy Plan 2024-2030*, Pg 55
[10] ACT Government, 2024, *Integrated Energy Plan 2024-2030*, Pg 20

How to have your say

Our community is part of the solution. Your suggestions and feedback can help shape future gas appliance regulation by participating in this consultation process. Engaging with the community helps us understand the potential impacts of regulations and, in so doing, contributes to well-informed, high-quality regulations.

We have included questions following each section to guide feedback, with the full list of questions below. However, you are welcome to provide feedback on any extra matters that are not out of scope and may help in shaping potential regulations.

The community can provide ideas and feedback in a number of ways including by submitting a written submission addressing questions in this paper, completing an online survey, or email us with feedback or ideas.

Visit climatechoices.act.gov.au

email us at gastransition@act.gov.au

Community consultation will close on **16 September 2026**

Next Steps

Following this consultation process we intend to:

- Publish a listening report on what we heard through the consultation.
- Use your feedback to help shape a proposed regulatory approach.
- Undertake a second stage consultation with any proposed draft regulations and regulatory impact analysis.
- Implement and provide education and support to help the community and industry understand their obligations and the impacts of any regulatory change.

Consultation Questions

What are the reasons for regulation? (Chapter 1)

1. Which factors (consumer protection, an uneven transition, reducing emissions and/or providing regulatory certainty) do you think should be prioritised in the gas transition? Are there other factors which should be considered?
2. Do you think any factors (consumer protection, an uneven transition, reducing emissions and/or providing regulatory certainty) are sufficiently addressed by current action? If so, please provide details.

Which gas users could regulations support to transition? (Chapter 2)

3. Is there a particular category of gas user (Residential, Commercial or Industrial) that should be the focus of regulation?
4. How do you think regulation can support groups who face complex barriers to electrify (such as renters, small businesses, and people living in multi-unit apartments)?

Which appliances could be included in future regulation? (Chapter 3)

5. Should regulation focus only on small appliances that are mostly used by the residential and small business sectors (Type-A appliances), or should large commercial appliances also be considered (Type-B appliances)?
6. Are there particular appliance uses, such as space heating, water heating or cooking, which should be the focus of regulation?
7. Are there any appliance uses, such as space heating, water heating or cooking, which should not be considered for regulation?

Approaches to regulation (Chapter 4)

8. Which regulatory approaches (restrictions on new/replacement gas appliances, rental standards, information at point of sale etc.), if any, would you support to meet the next steps in the gas transition?
9. Do you think a particular regulatory approach should be prioritised over another?
10. Are there any specific regulatory approaches that you have concerns with? What actions could help minimise these concerns?

Timeframes for regulation (Chapter 5)

11. What factors influence the time it takes to replace gas appliances with electric, rather than like-for-like appliance replacement? How much time would this generally be expected to add?
12. Are there other approaches you would like considered for regulating appliances which might support the next steps in the gas transition?

13. What timeframe do you consider to be appropriate for regulations to come into effect?
14. If restrictions on installing certain types of gas appliances were implemented, should the regulations be phased in over time (such as hot water appliances from X date, and space heating from Y), or should regulations be commenced at once?

Future gas network decommissioning (Chapter 6)

15. What information would you find most helpful if your property was in a section of the gas network that was to be decommissioned?
16. How long would you consider to be a reasonable period to make any necessary arrangements after being notified that the gas network service will be withdrawn in your area?
17. What is a reasonable period that must pass before a disconnected gas connection, can no longer be reconnected / reinstated (e.g. 2, 3 or 5 years of no use).

Other considerations for gas appliance regulation (Chapter 7)

18. Are there particular circumstances which would warrant an exemption/s from gas appliance regulations? What would the impact be of those exemptions not being allowed?
19. Are there any other considerations you believe are important to informing potential gas appliance regulations?

How this paper is set out

There is a wide range of options that could be considered when regulating gas appliances to reduce fossil fuel gas use, maximise end of life replacement and accelerate the energy transition.

To deal with the complexity this paper steps out at a high level:

- the key reason why regulation may be needed;
- a range of key considerations for determining what is regulated; and
- some potential avenues for implementation.

This approach is not intended to be exhaustive, but rather to provide a common level of understanding of key considerations and a framework for the community to engage meaningfully with the policy development process.

Any future proposed regulatory or legislative changes will be accompanied by additional consultation that will include detailed information and analysis of regulatory impacts.

1.What are the reasons for regulating gas appliances?

Under the Integrated Energy Plan 2024-30, we have set a path out to 2030 for a consumer-led transition where households and businesses choose to go electric at a time that is right for them. This approach is supported by government incentives, community education and efforts to identify and address regulatory barriers to electrification.

The consumer-led transition is tracking well as the community embraces electrification, with:

- over 25,000 ACT Sustainable Household Scheme loans,[11]
- over 13,000 CHOICE electrification plans created[12]
- an 8% decrease in fossil fuel gas combustion emissions in 2024-25, following from a 13.6% decrease in 2023-24.[13]

In ACT households with a gas connection, analysis of energy consumption found 69% are using electric space heating and 43% gas space heating (includes dual fuel households). This is the highest proportion of electric space heating, and the second lowest proportion of gas heating in Australia.[14]

When taking a whole of energy wallet view (electricity, gas and petrol), and including upfront appliance and vehicle costs, a fully electrified household will spend $4,100 less a year on energy than an equivalent household using fossil fuels, over a 15-year timeframe.[15] Additionally, the Australian Energy Market Commission found households can reduce total energy costs by 25% if they replace gas appliances with electric, and up to 94% if they fully electrified today, see Figure 2.[16]

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[11] ACT Government, as at March 2026, *Sustainable Household Scheme Dashboard*, available from https://www.climatechoices.act.gov.au/policy-programs/sustainable-household-scheme-dashboard

[12] Electrification plan data as of May 2026, tool available from https://energy.act.gov.au/plan/

[13] Strategy. Policy. Research, 2025, *ACT Greenhouse Gas Inventory: 2024-25*, available from https://www.climatechoices.act.gov.au/policy-programs/act-greenhouse-gas-emissions-inventory-reports Pg 16

[14] Australian Energy Market Operator, 2025, *Gas-Electricity Meter Data Linking Project*, available from https://www.aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/gaselectricity-meter-data-linking-project/gas-electricity-meter-data-linking-project-report.pdf Pg 16

[15] Rewiring Australia, 2025, *The Electrification Tipping Point*, available from https://rewiringaustralia.org/report/the-electrification-tipping-point

[16] Australian Energy Market Commission, 2025, *Residential Electricity Price Trends 2025*, available from https://www.aemc.gov.au/market-reviews-advice/residential-electricity-price-trends-2025

Cumulative household energy savings from electrification

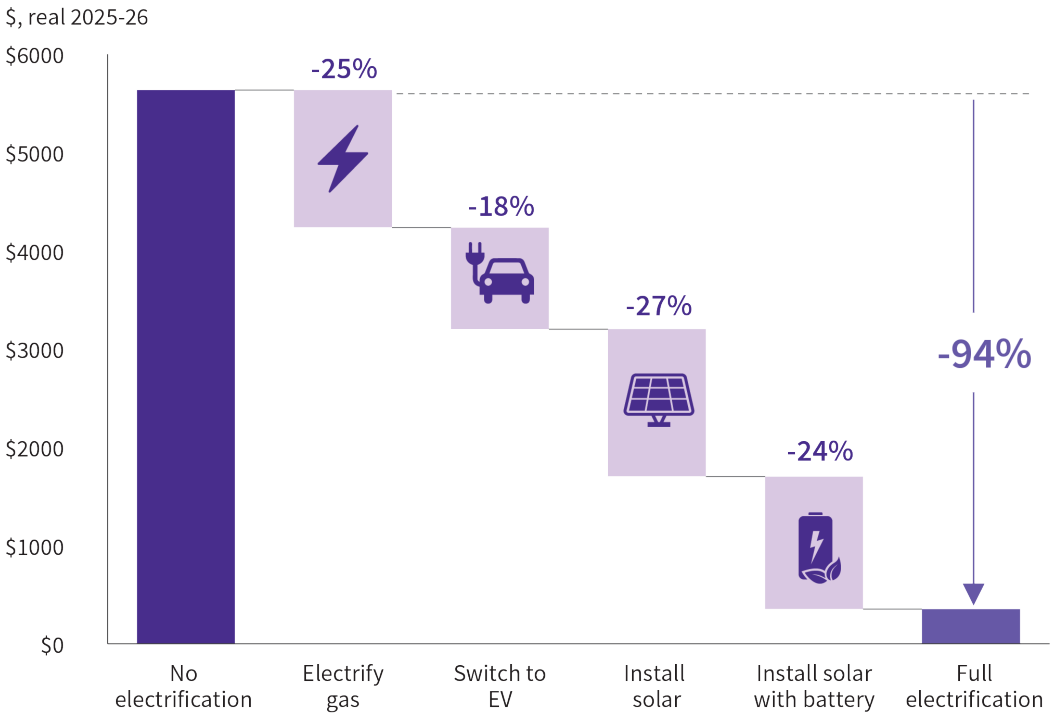

Figure 2: Cumulative household energy cost savings from electrification. Sourced from the Australian Energy Market Commission, 2025, Residential Electricity Price Trends 2025 report.

The ACT's commitment to electrify all feasible public and community housing by 2030 ensures that this part of our community also benefits from electrification. The program has delivered 3,134 as to electric upgrades, fully electrified 1,726 households and completed approximately 45% of the feasible housing as of 30 March 2026.[17]

Looking to the future the ACT is charting a path to phase down and decommission the fossil fuel gas network. While the consumer-led transition is continuing apace, there are challenges on the horizon. There will be a need to move from a consumer-led transition towards a staged transition that enables the ACT to plan for and continue to achieve an effective and least-cost pathway to removing networked fossil fuel gas.

[17] ACT Government program data. - Note: Figures do not include fully electric housing before the commitment and properties where the tenant has requested to be exempt.

Approaches to transitioning ACT's energy networks

Consumer-led transition

This approach enables consumers to make decisions regarding appliance electrification that suits their timing and needs. It is comparable to how consumer energy resources, such as rooftop solar and batteries in the electricity network have been deployed to date: largely consumer-led and unplanned.

Staged transition

A staged approach may involve planning for the gas network to be removed from entire areas in defined stages. This approach would allow for more precise forward planning and network investment by Evoenergy, the owner and operator of the ACT's electricity and gas networks, and potentially reduce the network costs that are passed through to consumers. Clarity on the timing of network closure will also inform homes and businesses when they are making investment decisions.

Figure 3: The difference between a consumer-led transition and a staged transition of the ACT's energy networks.

There are many ways to frame the challenge to be addressed by the next steps in the gas transition, and the importance the community puts on these drivers will inform how regulation can be best shaped to meet the challenges.

We are interested in understanding community views on the below drivers for regulation and what should be prioritised in targeting the next steps for the gas transition.

Consumer protection

Fossil gas will be phased out in the ACT by 2045. However, as more people stop using gas sections of the network are expected to become unviable much sooner. This means that some sections of the gas network may start to be decommissioned from the mid-2030s onwards. Decommissioning will not occur without appropriate notice, and the ACT Government will continue to support ACT consumers and priority households with their transition.

Regulatory changes are required and underway at both the ACT and National level to ensure that decommissioning is done safely and transparently. The ACT Government is working with our energy providers and regulators to ensure consumers are kept informed and will be aware of when and how this will occur.

This consultation is focused on what role gas appliance regulation can play in protecting consumers from unexpected and unnecessary costs during the energy transition.

There are two main factors that risk unexpected costs for consumers during this transition:

1. Buying appliances that they will have to replace before end of life (stranded assets).
2. Being locked in to increasing running costs for gas appliances.

Stranded consumer assets

It is expected that sections of the gas network will become unviable and decommissioned well ahead of the final 2045 shutdown. This means there is an increasing risk that properties installing new gas appliances may be disconnected from the gas network before the consumer can get the full lifetime expected benefit from any new gas appliances, see Box 1.

Box 1 – Stranded Assets

A stranded asset is when an investment (such as a new appliance) loses its value earlier than expected, preventing it from creating the expected benefits.

For gas appliances this could mean that a consumer buys a gas appliance (such as a hot water system) expecting to use it for 15 years. The consumer may then lose access to fuel for the appliance if the gas network shuts down before the expected 15 years of use.

This means that the consumer has not gained the benefit they were expecting, while the appliance may still be operational. The appliance is "stranded" as it cannot produce the benefit, i.e. hot water.

For example, if appliance regulations were to come into effect in 2030, there would be 15 years until the date the phase out of fossil gas would need to be complete (2045). However, with some sections of the network potentially being decommissioned from the mid-2030s onwards, new appliances may only be useable for 5 – 10 years.

To put this in context, residential gas appliances often have a warranty period of 5 –10 years, and Centre for International Economics modelling suggests that 50% of new appliances are expected to still be operational after 15 years, and 30% after 20 years.[18] While analysis undertaken for the *Gas Transition Pathway to Net Zero*, found an expected average lifetime for gas appliances around 12 years.[19] This means that installation of new gas appliances will face a continuing and increasing risk of a substantial loss of value to consumers and extra waste associated with replacing gas appliances before end of life.

Running costs

The price consumers pay for running a gas appliance is made up of four parts:

1. the **wholesale** cost of the gas (~35%);
2. the **transmission** cost to move the gas from where it is produced to the city (~16%);
3. the cost to **distribute** the gas to your property (~30%); and
4. the **retailer** cost of coordinating and transacting between the final customer and the rest of the system, including billing (~19%).

These price components can move independently and have different drivers. The two largest components, distribution and wholesale costs, are forecast to face upwards price pressures over the coming years.

[18] The Centre for International Economics, 2025, *Price Elasticity of Demand for Natural Gas*, available from https://www.aer.gov.au/documents/evoenergy-appendix-22-cie-price-elasticity-demand-natural-gas-june-2025 Pg 46

[19] Energeia and Aurecon, 2024, *Gas Transition Pathway to Net Zero*, available from https://www.climatechoices.act.gov.au/energy/canberras-electrification-pathway/energy-transition-modelling Pg 29

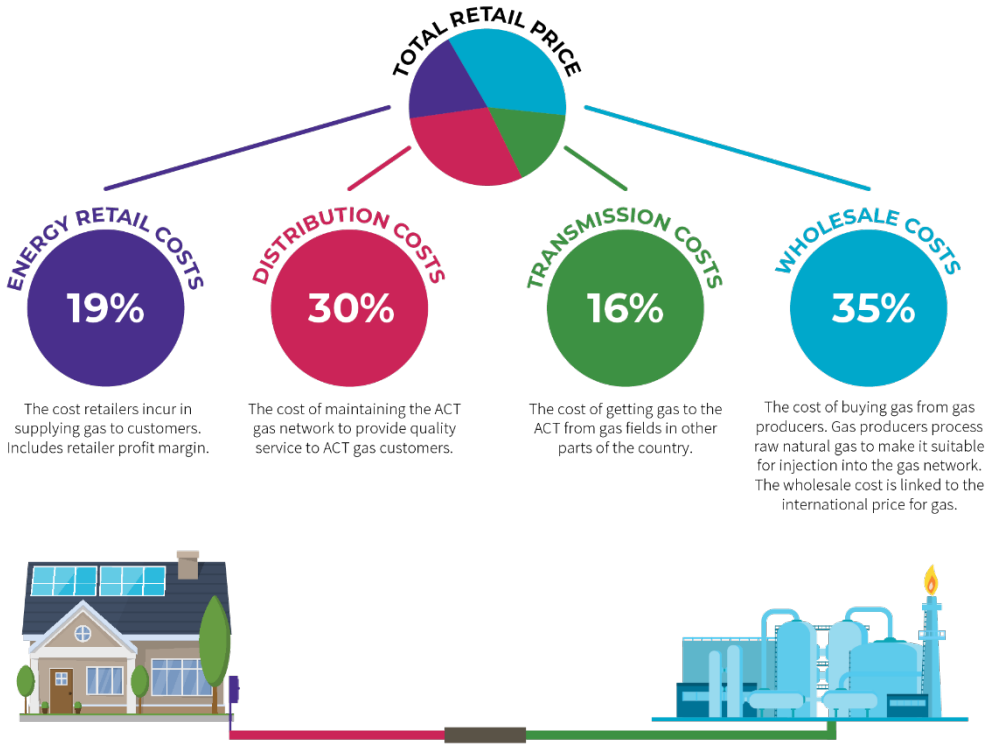

Figure 4: A breakdown of the total retail price in the ACT.

The distribution component is the cost associated with Evoenergy's gas network. There are several fixed costs associated with the distribution of gas to both run the network and recover the cost of building it. These costs are shared across the consumers in the network. As the network phases down, the fixed costs need to be shared across a shrinking number of customers, leading to sustained price rises. In their most recent Evoenergy pricing arrangements the Australian Energy Regulator has approved an average increase of the distribution component of 5.6% (before inflation) each year between 2026 to 2031.[20]

The other main risk to gas prices is the projected declining supply coming from the southern gas fields which is forecast to lead to a tightening gas supply for the southern regions in the East Coast Gas Market from 2029.[21] This market tightening is expected to place upward pressure on gas prices, and while there are options to increase supply it is unlikely that bringing on new supply would return wholesale prices to historical levels.

Recent global instability is also contributing to supply pressures in international gas markets. While Australia is a net exporter of natural gas, the wholesale price of domestic gas is linked with international prices.

Taken together, there is significant risks of increasing cost to run gas appliances into the future. Informed consumers may be able to factor this risk into their decision making.

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[20] Australian Energy Regulator, 2026, *Final decision – Evoenergy access arrangements 2026-2031 – Overview*, available from https://www.aer.gov.au/documents/aer-final-decision-evoenergy-access-arrangement-2026-31-overview-may-2025, Pg 5

[21] Australian Energy Market Operator, 2026, *Gas Statement of Opportunities 2026*, available from https://www.aemo.com.au/energy-systems/gas/gas-forecasting-and-planning/gas-statement-of-opportunities-gsoo Pg 9

However, most consumers who are not engaged with energy price projections or have limits on their decision making, such as renters or households in multi-unit sites, may be exposed to bill shocks.

Uneven transition: leaving vulnerable consumers behind

The ACT community is transitioning away from gas usage, and has been for some time, Evoenergy recently noted that demand for gas has been in decline for over a decade and in 2023–24 gas use on the network fell by 14%, to the lowest level observed in 17 years.[22] ACT gas use then fell a further 8% in 2024-25, representing a 20% fall in gas consumption in only two years.[23]

A survey of 1,885 ACT households' intention to electrify found that overall, 59% of residential consumers intend to electrify when their gas appliance breaks, a further 28% will assess the relative costs at the time of replacement, with 13% of residential respondents committed to sticking with gas appliances see Figure 6.[24]

Overview of residential consumer preferences

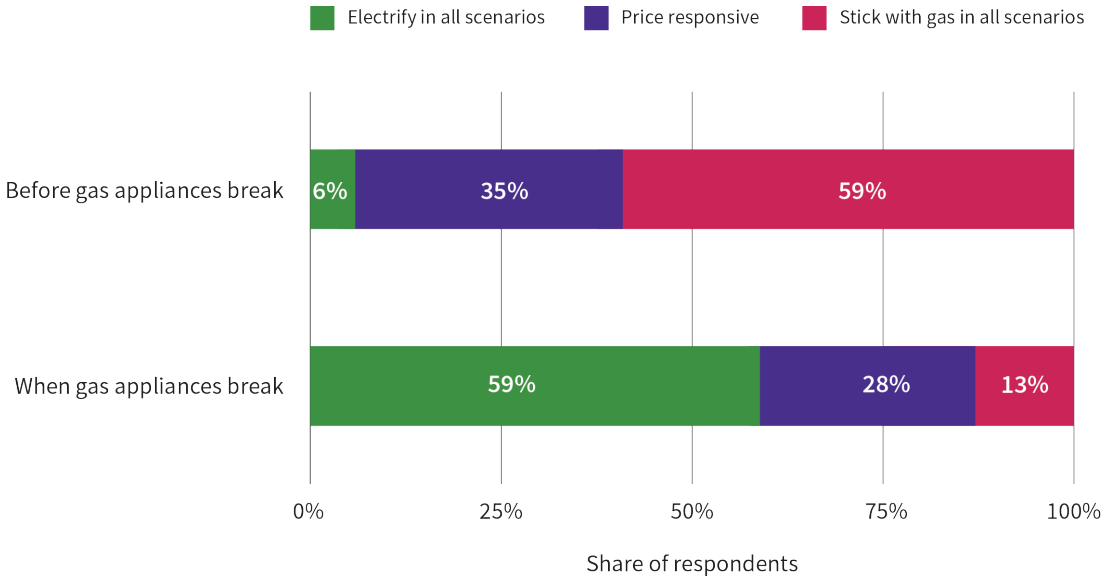

Figure 6: An overview of residential consumer preferences. Sourced from The Centre for International Economics, 2025, Price Elasticity of Demand for Natural Gas.

While gas use in the ACT is in significant decline, and gas consumers mostly want to electrify, the gas transition is not being experienced evenly by the ACT community. Regulation can have a role in removing barriers that some sections of the community experience in being able to benefit from this energy transition.

Since 2020-2021, there has been year on year net reduction in residential gas customers in ACT detached dwellings, while over the same period medium density and high-rise customers

[22] Evoenergy, 2025, *Attachment 1: Consumer and stakeholder engagement*, available from https://www.aer.gov.au/documents/evoenergy-attachment-1-consumer-stakeholder-engagement-june-2025 Pg 23
[23] Strategy. Policy. Research, 2025, *ACT Greenhouse Gas Inventory: 2024-25*, Pg 16
[24] The Centre for International Economics, 2025, *Price Elasticity of Demand for Natural Gas*, Pg 3

continued to rise year on year.[25] As the 2023 regulation preventing new gas connections comes into full effect, it will halt customer growth in higher density residential. This highlights the uneven speed of the gas transition in the community and the role regulation can take to enable to the whole community to electrify.

A survey conducted as part of Evoenergy's demand forecasting found that landlords were less likely to disconnect rental properties from the gas network than owner occupiers under every circumstance.[26] While in response to the ACT Government's survey under the *Minimum standards for rental properties and occupancy law reform*, only 31.5% of landlords supported a requirement to replace gas appliances with electric at end of life, while 77.8% of tenants supported this proposal.[27] These results are consistent with the body of research conducted on the energy transition and is reflective of a split incentive, where the cost of change rests with the landlord and the benefits accrue to the renter. This suggests that most rental properties are less likely to transition away from gas than owner occupied properties without intervention to overcome this split incentive.

Regulatory Certainty

As the ACT electrifies and phases out the use of fossil fuel gas, businesses will need to adapt their services and products, electricity infrastructure will need to be built out, and sections of the gas network will need to be decommissioned. While the community has certainty that fossil fuel gas use will end by 2045 at the latest, there is a range of potential pathways to get there. Understanding and planning for these differing options takes time and resources, and carries risk that changes are faster or slower than expected. Regulation can reduce the time, resources and risks businesses face in the gas transition by limiting the potential pathways.

For example: stopping the installation of new gas space heating in two years, could mean:

- **Installers** know when a stream of work will end, giving a timeframe to change their business model, retrain workers and prepare offerings that will suit changing customer needs. Without certainty installers might find work drying up before they expected or may make investments for their business to service a need the market hasn't yet developed.
- **Appliance Retailers** know the timeframe to run down stock levels of gas appliances and have a signal for expanding their electric stock options. Without certainty, they might end up holding high stock levels of appliances the market no longer wants or overextending on electric stock that the market is not ready to purchase.
- **The Network Operator**, Evoenergy, can model with greater certainty when gas services will be withdrawn and understand when and where the electricity network will need to be built out. This in turn allows the network operator to plan and provide ample notice and information to customers on its network. Without certainty it is harder to forecast how much gas demand will decline, which parts of the gas network will become unviable first,

[25] The Centre for International Economics, 2025, *Gas Demand Forecas*t, available from https://www.aer.gov.au/documents/evoenergy-appendix-21-cie-gas-demand-forecast-report-june-2025 Pg 42
[26] The Centre for International Economics, 2025, *Price Elasticity of Demand for Natural Gas*
[27] ACT Government, 2025, *Listening report - Public consultation on minimum standards for rental properties and occupancy laws*, available from https://yoursayconversations.act.gov.au/minimum-standards-rental-properties-and-occupancy-law-reform Pg 18

and risks not building out the electricity network efficiently, leading to higher costs or less capacity than needed. See Box 2 for more information.

Providing greater certainty to businesses and the wider community can allow for a range of unnecessary costs to be avoided and enables better planning for an efficient staged transition.

Box 2 – Gas and Electricity network revenue regulation

Every 5 years network operators submit a proposal to the Australian Energy Regulator (AER) to determine the maximum revenue they can earn from their customers. The AER makes a determination based on a range of factors, including:

- Projected demand for electricity and gas.
- Age of infrastructure.
- Operating and financial costs.
- Network reliability and safety standards.

These determinations significantly impact what new network infrastructure can be funded and the timeframe in which it can be built.

Greater regulatory certainty on the pathway to end fossil gas use by 2045, improves the accuracy of energy demand projections. More accurate projections mean customers don't pay more than necessary for a network able to meet their energy needs safely, reliably and securely.

Evoenergy's current gas and electricity price determination run from 2026-2031 and 2024-2029, respectively. The process for Evoenergy's next electricity price determinations will commence in 2027.

Emissions Reduction

The ACT is committed to achieving net zero emissions by 2045 (on 1989/90 levels) and has interim targets to help us get there:

- 40% by 2020 (Achieved)
- 50% to 60% by 2025 (Not achieved)
- 65% to 75% by 2030
- 90% to 95% by 2040

The first emissions reduction target of 40% in 2020 was achieved, largely due to the ACT's 100% renewable electricity supply. In 2024-25, ACT's total emissions were 1,658 $ktCO_2$-e, a 46.9% reduction since 1989-90, while reducing per capita emissions by 69.3% to 3.4 tCO_2-e.[28]

[28] Strategy. Policy. Research, 2025, ACT Greenhouse Gas Inventory: 2024-25

In 2023-24, there was a 54.3 kt CO_2-e reduction in emissions from the gas network, with a further drop of 34.9 ktCO_2-e in 2024-25.[29] This is a 22% fall in emissions over two years from reduced use of the gas network and fugitive emissions. It places the ACT on a trajectory to achieve meaningful contributions to emissions reduction targets through reductions in fossil gas use.

Networked gas combustion emissions and fugitive emissions (kilotonnes)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Combustion emissions (ktCO_2-e)	367.8	365.6	368.1	369.9	366.6	316.6	291.2
Fugitive emissions (ktCO_2-e)	33.2	46.5	51.0	53.6	33.9	29.6	20.1

Table 1: ACT's networked gas combustion emissions and fugitive emissions (kilotonnes), 2018-19 to 2024-25. Sourced from ACT Greenhouse Gas Inventory report 2024-25.

It is not entirely certain that current settings will ensure continued reductions in gas consumption of the magnitude experienced, or if this rate of declining gas use reflects early movers and further regulation will be needed to ensure that emissions targets can be met in the future.

Questions

1. Which factors (consumer protection, an uneven transition, reducing emissions and/or providing regulatory certainty) do you think should be prioritised in the gas transition? Are there other factors which should be considered?
2. Do you think any factors (consumer protection, an uneven transition, reducing emissions and/or providing regulatory certainty) are sufficiently addressed by current action? If so, please provide details.

[29] Strategy. Policy. Research, 2025, ACT Greenhouse Gas Inventory: 2024-25, fossil fuel gas (combustion and fugitive emissions), Pg 16

2. Who uses gas in the ACT?

Evoenergy owns and operates the gas network in the Territory. Evoenergy's gas network covers the ACT and Queanbeyan-Palerang region and includes almost 5,000km of gas pipelines. The network has about 153,500 connected customers, 90% of which are in the ACT.[30] The network is mainly driven by household demand, with 98% of connections and 59% of gas consumed by households. This is significantly higher than broader NSW where 32% of gas demand is for household use.[31]

Between July 2010 and June 2024, the average amount of gas consumed by residential connections in the ACT reduced by 44%.[32] This falling gas consumption was previously being masked in total gas consumption figures by new connections being made to the network. With most new gas connections being stopped, significant reductions in total gas consumption are now occurring.[33] Total gas emissions in the ACT gas network decreased by 13.5% in 2023-24, then fell a further 10% in 2024-25, giving a 22% drop in gas emissions over the last two years.[34]

As part of their pricing proposals to the Australian Energy Regulator, Evoenergy conducted extensive demand modelling for its gas network. Evoenergy estimates 40,000 customers (roughly 1/3rd of customers) will stop using gas between 2026 and 2031. Additionally, they are also projecting a 24% decline in total gas consumption across their network over the same period.[35]

Most of the decline that has been seen, and is forecast, in gas network customers and demand, relates to residential customers. Commercial users are less advanced in their transition planning, with only 40% intending to reduce their gas use by 50% or more by 2045 and only one in five having a plan to disconnect from the gas network by 2045.[36]

There are three categories of gas users in the ACT:

1. **Residential:** Individual households connected to the gas network
2. **Commercia**l: Businesses and other non-residential customers, including the service industry (restaurants, shops, banking and retail), schools, some hotels and office buildings.
3. **Industrial**: Large users of gas (includes large commercial customers), including universities, large hotels, government sites such as swimming pools, hospitals, laundry facilities, sewage works and manufacturing customers.

[30] Evoenergy, 2025, *Five-year gas plan 2026-2031: overview,* Pg 11
[31] Evoenergy, 2025, *Five-year gas plan 2026-2031: overview*
[32] Evoenergy Regulatory Information Notices submitted to the Australian Energy Regulator, available from https://www.aer.gov.au/publications/reports/performance/evoenergy-gas-pipeline-information-rin-responses
[33] The Centre for International Economics, 2025, *Gas Demand Forecast*, Pg 4
[34] Strategy. Policy. Research, 2025, *ACT Greenhouse Gas Inventory: 2024-25*, Pg 16
[35] Evoenergy, 2025, *Five-year gas plan 2026-2031: overview*, Pg 4
[36] Evoenergy, 2025*, Five-year gas plan 2026-2031: overview*

Residential customers

The Evoenergy network (which includes Queanbeyan) has about 147,500 residential customers[37] and collectively consume around 59% of the ACT's gas demand or 3,800 TJ a year.[38] Residential connections cover a wide range of dwelling types, from detached properties through to townhouses and high-density apartments. Within this category there are differing ownership models and challenges with the replacement of gas appliances. Some key residential sub-groups are renters and people who live in multi–unit buildings.

Renters

Around 1 in 3 homes are rented.[39] Landlords decide when the fixed appliances in their property will be upgraded to electric. This means renters have little to no control over when the fixed appliances in their property will be made electric or energy efficient, despite paying the running costs. Landlords pay for the cost of the appliances, but do not get the immediate benefits of electrification in lower bills or improved comfort, although there is evidence that energy efficient properties have increased value.[40] Landlords can be reluctant to invest in electrification upgrades due to not seeing immediate benefits. This is referred to as the split incentive and is seen as the main barrier to renters benefiting from the energy transition.

It has been found that breakdown of appliances is a key factor driving upgrade decisions by landlords.[41] A breakdown of appliances for hot water, cooking, heating and cooling are 'urgent repairs' under the *Residential Tenancies Act 1997* (ACT), meaning that landlords must replace or repair the appliance as soon as possible. Gas or inefficient appliances can be cheaper than electric appliances. This cost factor, combined with the short timeframe for replacement decisions, means it can be easier for landlords to do like-for-like replacement of gas appliances. This could be a key decision point for government to intervene, requiring replacement with an electric appliance instead.

[37] Australian Energy Regulator, 2026, *Gas quarterly disconnection reporting*, 17 February 2026
[38] Australian Energy Regulator, 2026, *Evoenergy Gas 2024-25 – Annual – RIN Response*, available at *Evoenergy Gas pipeline information - Annual information responses | Australian Energy Regulator (AER)*
[39] Australian Bureau of Statics, 2021, Australian Capital Territory QuickStats https://www.abs.gov.au/census/find-census-data/quickstats/2021/8
[40] Domain, 2025, *Sustainability in Property 2025*, available from https://www.domain.com.au/research/sustainability-in-property-2025-1384255/
[41] Grattan Institute, 2023, *Getting off gas: why, how and who should pay*, available from https://grattan.edu.au/report/getting-off-gas/ Pg 27

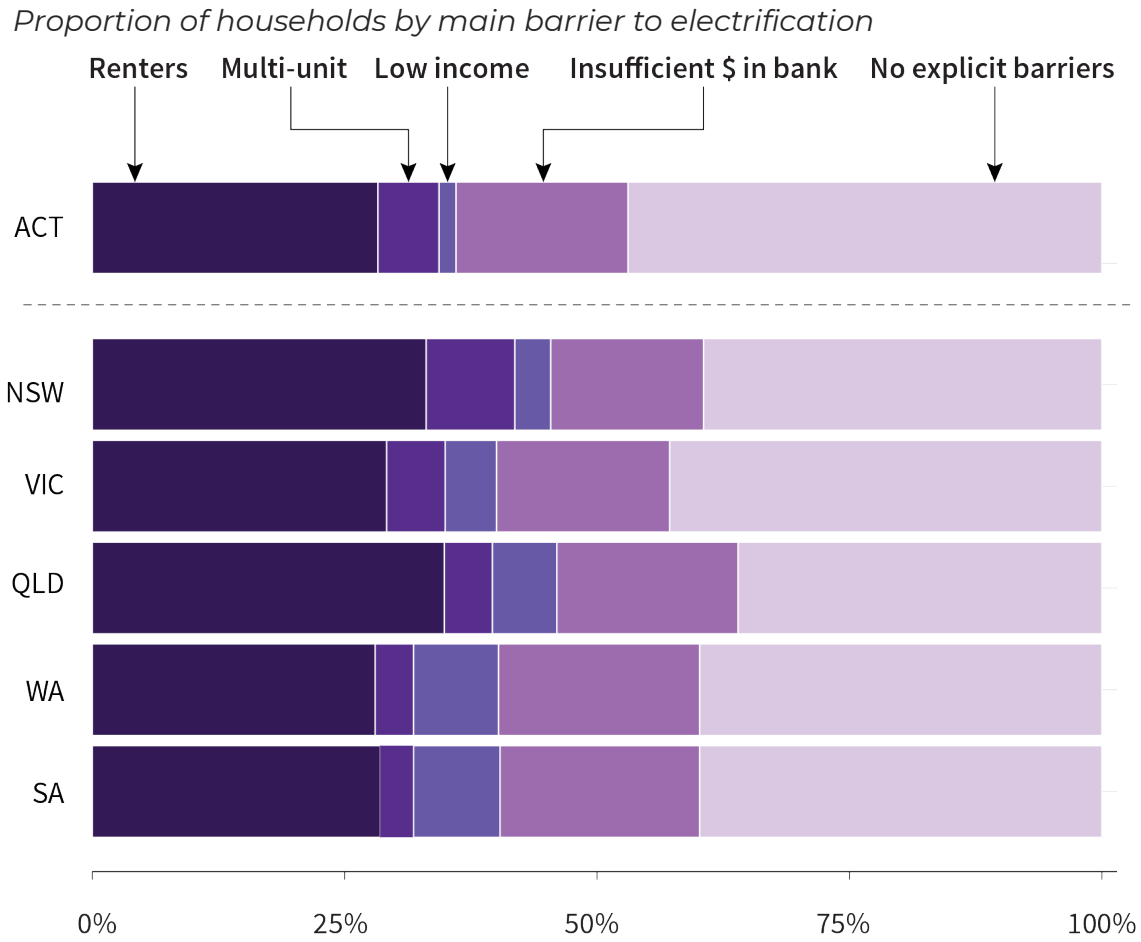

Figure 7: Proportion of Australian households by main barrier to electrification. Sourced from Grattan Institute, 2023, Getting off gas: why, how and who should pay based on data from Australian Bureau of Statistics.

Notes: This assumes households with gas follow a similar distribution by characteristic as all households. There is no publicly available data on the profile of households connected to the gas network. 'Insufficient money in bank' is defined as less than $15,000 in savings and offset accounts combined. Low income here is defined as people who are simultaneously in the lowest 40 per cent of both equivalised disposable household income (including private imputed rent) and equivalised household net worth: ABS (2019–20).

Multi-unit buildings:

About 26,000 of the 40,000 households living in townhouses and apartments in the ACT are connected to the gas network.[42] At least 320 buildings (about 18,500 units) have centralised gas hot water, with at least another 40 buildings having other centralised gas assets.[43]

Owners corporations manage expenses through annual budgeting, where the executive committee estimates costs for administration and maintenance. Owners then vote to approve the budget, which determines the levies ("contributions") they must pay. These levies cover regular expenses like insurance, cleaning, and utilities. They also cover funds for major repairs and replacements through sinking funds, and sometimes special levies for unexpected costs.

While some gas appliances are owned by individual residents, others are shared and managed by the building's owners corporation. To electrify the shared systems, the owners corporation needs to pass a resolution in favour of the change, which can be difficult to achieve,

[42] ACT Government, 2024, *Integrated Energy Plan 2024-2030*, Pg 32
[43] Analysis of Evoenergy billing data for financial year 2024/25

particularly where upfront costs are higher for an electric alternative. Appliance regulation could help with this collective decision problem by limiting the range of options that could be considered for replacement. Appliance regulation could also support owners corporations to better plan for costs of electrification via sinking funds, which collect funds over an extended number of years, rather than needing to use special purpose funds to respond to gas network services being withdrawn.

The ACT Government has recognised that multi-unit buildings face several challenges in planning for and facilitating electrification. The ACT Government has committed to working with the community on pathways to electrification for complex buildings out to 2045. Some key actions in support of this commitment under the IEP include delivering a retrofit readiness program to help apartment buildings develop an electrification plan, as well as a review of unit title management legislation to ensure it is fit for purpose to support electrification.

Commercial customers

There are just under 3000 commercial customers in the ACT. This includes a wide range of businesses and community sites which use between 100GJ and 10TJ of gas per annum, and collectively consume about 24% of the ACT's gas or 1,600TJ a year.[44]

This category of consumer:

- uses a reasonably large amount of gas;
- is highly variable in the appliances used; and
- will have very different pathways to transition off networked gas usage.

There may be some commercial gas uses and customers that have relatively straight forward electric appliance replacements available, while others may consider non-networked appliances.

This partly explains why commercial users are less advanced in their transition planning, with only 40% intending to reduce their gas use by 50% or more by 2045, and only 20% having a plan to disconnect from the gas network by 2045.[45]

Industrial customers

There are 44 industrial or large customers, also known as contract or demand customers, and these comprise of hospitals, large office complexes, hotels, universities, aquatic centres, the airport, and a few industrial users. These customers consume more than 10TJ per annum and collectively represent 17% of the ACT's gas demand or 1,100TJ of annual consumption.[46]

The ACT undertook a study which showed that most large gas appliances would have straightforward (88%) or minor difficulty (5%) with electrification to move off the gas network. The remainder (7%) were appliances mainly using combustion, process heating or flames, and these would most likely transition through bottled gas or liquid fuels.[47]

[44] Evoenergy 2025, *Five-year gas plan 2026-2031: overview*, Pg 11
[45] Evoenergy 2025, *Five-year gas plan 2026-2031: overview*
[46] Evoenergy 2025, *Five-year gas plan 2026-2031: overview*, Pg 11
[47] GPA Engineering 2024, *Green Gas Alternatives for the ACT's Commercial and Industrial Sector*

Many of these customers are either within the ACT Government and Federal Government, and have existing commitments to electrification. In addition, these customers will tend to have access to the capital and capacity to plan for the gas network shut down.

In relation to gas consumption by this customer class, GPA Engineering estimates 65% is by ACT and Federal government facilities, 20% is by universities and the remaining 15% is by private business.[48]

Questions

1. Is there a particular category of gas user (Residential, Commercial or Industrial) that should be the focus of regulation? If so, please outline your reasons.
2. How do you think regulation can support groups who face complex barriers to electrify (such as renters, small businesses, and people living in multi-unit apartments)?

[48] GPA Engineering 2026, *Appendix 3.1: GPA Engineering report on Evoenergy's gas network feasibility beyond 2045*, available from https://www.aer.gov.au/documents/evoenergy-gpa-engineering-appendix-31-evoenergys-gas-network-feasibility-beyond-2045-january-2026 Pgs 1-2

3. Which gas appliances could be regulated?

This consultation is focused only on network connected gas appliances. These appliances fall broadly into two types of appliances mainly determined by the size or amount of gas used: Type-A appliances and Type-B appliances.

Type-A appliances are household and light commercial gas appliances such as space heaters, water heaters, cooktops and commercial catering appliance. Type-A appliances are typically used in households and small businesses, with the main uses being for hot water heating, space heating and cooking. It is estimated there are between 300,000-350,000 individual Type-A gas appliances across the ACT. This includes roughly 96,000 gas heaters; 120,000 gas hot water systems; 105,000 cooktops and less than 1,000 gas pool heaters.[49] ACT Government data for 2024 and 2025 suggests that it is predominately new gas cooking and instant hot water appliances that continue to be installed in the ACT.[50]

Type-B appliances are usually larger using 10+MJ/hr, or custom-built appliances used in industrial or commercial settings, with the main uses being for hot water and heating, but also coffee roasting, automotive spray booths and backup generators. Type-B appliances while capable of using significant amounts of gas, represent a small number of appliances, with an average of less than 100 appliance installations per year since 2007, with an estimated stock of 2,500 appliances in the ACT as of 2023.[51]

In comparison to other Australian states, the ACT already has lower utilisation of gas heating and gas hot water use, and higher electric space heating in gas connected households, see Figure 8.[52] The stock of ACT household gas appliances is also ageing. The average age of gas heaters is approaching 11 years old, and 25% of heaters are over 16 years old. Around one-third of households expected to have their largest gas appliance fail between 2026-2031.[53] The ageing stock of appliances and projected failure rates suggest a significant portion of the community will be deciding how to replace their gas appliances in the near future.

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[49] Commonwealth Government, 2022, *2021 Residential Baseline Study for Australia and New Zealand for 2000 to 2040*, available from https://www.energyrating.gov.au/industry-information/publications/report-2021-residential-baseline-study-australia-and-new-zealand-2000-2040
Common Capital 2023, *Energy Equity in electrifying ACT households*, available from https://www.climatechoices.act.gov.au/__data/assets/pdf_file/0005/2509241/energy-equity-in-electrifying-act-households.pdf

[50] ACT Government – gas fitter and gas appliance worker licence data

[51] GPA Engineering 2024, *Green Gas Alternatives for the ACT's Commercial and Industrial Sector*, available from https://www.climatechoices.act.gov.au/__data/assets/pdf_file/0006/2509242/green-gas-alternatives-for-the-act-commercial-and-industrial-sector.pdf

[52] Australian Energy Market Operator, 2025, *Gas-Electricity Meter Data Linking Project*, available from https://www.aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/gaselectricity-meter-data-linking-project/gas-electricity-meter-data-linking-project-report.pdf Pg 16

[53] Evoenergy, 2025, *Demand Forecast*, available from https://www.aer.gov.au/documents/evoenergy-attachment-2-demand-forecast-june-2025 Pg 12

Estimated appliance adoption rates in residential dwellings with a gas connection, by region – 2023

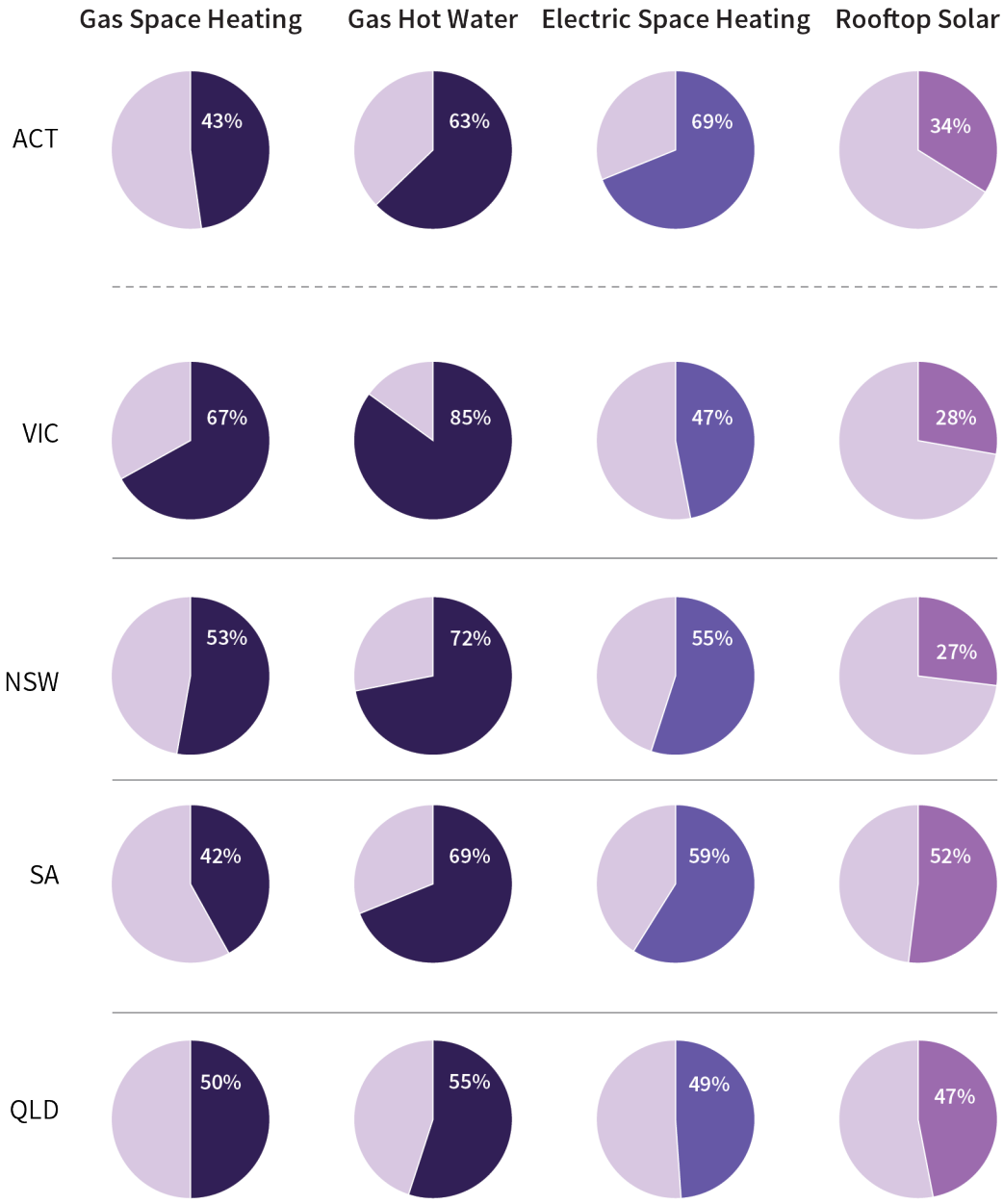

Figure 8: Estimated appliance adoption rates in residential dwellings with a gas connection, by region – 2023 CY. Sourced from Australian Energy Market Operator, 2025, Gas-Electricity Meter Data Linking Project.

All Type-A gas appliances have non-networked alternatives, with the vast majority having efficient electric options. Additionally, 93% of Type-B gas appliances in the ACT have been assessed as being straightforward to electrify or able to be electrified with minor difficulty, while the remainder still have non-networked options, which may include bottled gas or liquid fuels.[54]

[54] GPA Engineering, 2024, *Green Gas Alternatives for the ACT's Commercial and Industrial Sector*

Type-A appliance uses

Space Heating

Space heating is the main use for gas in the ACT accounting for approximately 75-80% of fossil fuel gas consumption.[55] There are many different types of gas space heaters, ranging from radiant, convection or combined radiant/convection, flued or flueless heaters.[56] This includes ducted gas central heating systems, hydronic central heating systems and wall mounted gas heaters.

Modelling conducted for Evoenergy estimates that 62,000 (or 33% of) households use ducted gas heating in the ACT.[57] Separately, AEMO metering data estimates that only 43% of households with a gas connection use gas for any type of space heating: this is lower than most other jurisdictions.[58] The same report shows gas heating is much more likely to be present in standalone households than in units and apartments, and older houses are much more likely to use gas heating than newer homes.

Water Heating

Water heaters include storage water heaters, instantaneous water heaters and pool heaters. Gas water heaters generally operate by either storing water that is heated by gas (storage water heaters), or by heating water on demand (instantaneous water heaters).[59]

While some multi-unit buildings with centralised hot water services use larger Type-B water heaters, many use a bank of smaller Type-A water heaters to provide the hot water service to the building.

Water heating is the second largest segment of household energy use and ranges from 15-30% annually.[60] Unlike seasonal space heating gas use, water heating is more stable year-round. AEMO metering data estimates that about 63% of households with a gas connection use gas for water heating in the ACT.[61] This suggests that there are more gas water heaters than space heaters across the ACT and presents the largest stock of appliances requiring change as part of the gas transition.

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[55] ACIL Allen and GHD Advisory, 2022, *Economic and Technical Modelling of the ACT Electricity Network: Base Case Report*, available from https://www.climatechoices.act.gov.au/energy/canberras-electrification-pathway/energy-transition-modelling Pg 52.

[56] Commonwealth and NSW Governments, 2021, *Residential Space Heaters in Australia & New Zealand*, available from https://www.energyrating.gov.au/industry-information/publications/residential-space-heaters-australia-and-new-zealand

[57] The Centre for International Economics, 2025, *Gas Demand Forecas*t, Pg 57

[58] Australian Energy Market Operator, 2025, *Gas-Electricity Meter Data Linking Project*, Pg 16

[59] Commonwealth Government, 2025, *Gas Water Heaters*, available from https://www.energyrating.gov.au/industry-information/products/gas-water-heaters

[60] Commonwealth Government, 2025, *Hot water systems*, available from https://www.energy.gov.au/households/hot-water-systems, and
ACIL Allen and GHD Advisory, 2022, *Economic and Technical Modelling of the ACT Electricity Network: Base Case Report,* Pg 52

[61] Australian Energy Market Operator, 2025, *Gas-Electricity Meter Data Linking Project*, Pg 16

Cooking

Gas cooking appliances include free-standing and built-in cooktops and ovens, grills, fryers, wok burners and network connected barbeques. There are an estimated 105,000 gas appliance cooktops in private residences in the ACT.[62]

In a residential setting cooking appliances represent a relatively small proportion of household gas use. Nationally, cooking typically represents 5% of overall gas use in households,[63] and in the ACT, total cooking consumption is around 0.097 PJ.[64] On average, ACT households use stovetops for about 97 hours and ovens for about 26 hours each year.[65]

In a commercial setting, cooking appliances can also include broilers, fryers, griddles and hot plates, steam equipment, ranges and Bratt pans, decks and convection ovens. Through the ACT Commercial Kitchens Trial, it was found that the most common gas appliances were cooktops, with combi-ovens typically comprising 80% of gas appliances in kitchens. Technical assessments conducted through this program found that 100% of gas appliances had electrical alternatives.

Residential appliances are often replaced at end of life or during renovations. Commercial appliances, particularly for commercial kitchens, are more often changed or upgraded as part of a change of tenancy when the incoming tenant designs and undertakes their fit out.

Type-B appliance uses

In addition to the common uses of Type-A appliances, Type-B appliances are also used for:

- **Indirect heating:** the appliance directly heats a solid, fluid, or an atmosphere which then transfers heat to the product. For example, a coffee roaster or spray booth.
- **Direct heating**: the appliance creates a flame that either makes contact with or is fired into the same physical space as the product. For example, a glass blowing torch or a direct fired glass dryer.
- **Combustion:** the appliance creates sufficient thermal energy to in turn combust other material. For example, cremators or incineration furnaces.
- **Electricity generation:** the appliance converts the energy generated from combusting fuel into mechanical work, which is then used to generate electrical power. For example, a gas generator.

[62] Common Capital, 2023, *Energy equity in electrifying ACT households*, Pg 3
[63] Monash Climate Change Communications Research Hub, 2023*, Switching On: Benefits of Household Electrification in Australia*, available from https://www.monash.edu/mcccrh/publications/reports/switching-on-benefits-of-household-electrification-in-australia Pg 5
[64] Common Capital, 2023, *Energy equity in electrifying ACT households*, Pg 64
[65] ACIL Allen, 2020, *Household Energy Choice in the ACT Modelling and Analysis*, available from https://www.climatechoices.act.gov.au/energy/canberras-electrification-pathway/energy-transition-modelling Pg 10

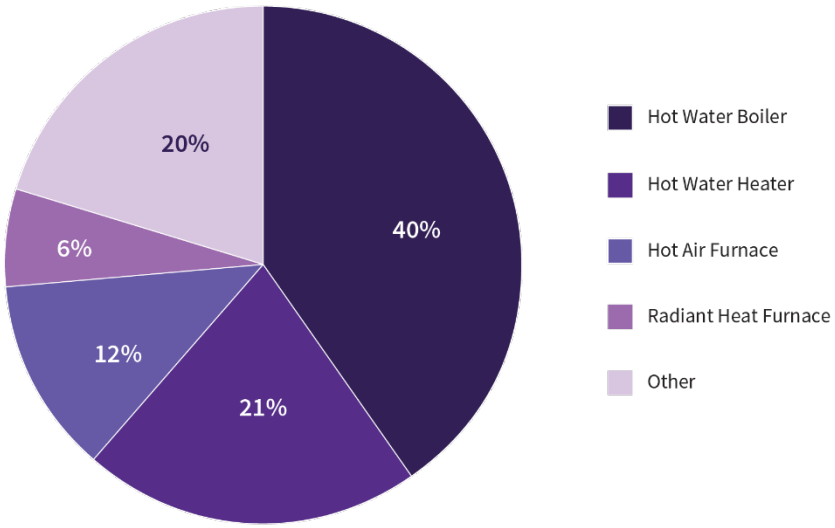

Figure 9 Distribution of appliances in the commercial and industrial sector, counted by appliance type. Sourced from GPA Engineering, 2024, Green Gas Alternatives for the ACT's Commercial and Industrial Sector.

Questions

1. Should regulation focus only on small appliances that are mostly used by the residential and small business sectors (Type-A appliances), or should large commercial appliances also be considered (Type-B appliances)?
2. Are there particular appliance uses, such as space heating, water heating or cooking, which should be the focus of regulation?
3. Are there any appliance uses, such as space heating, water heating or cooking, which should not be considered for regulation?

4. How could regulations be implemented?

The scope of this consultation is to explore regulation of gas appliances to:

- reduce fossil fuel gas in commercial and residential properties;
- maximise replacement of gas appliances at end of life to ensure emissions reduction targets are met; and
- support efficient and equitable decommissioning of the gas network.

There are a range of points in the appliance lifecycle where regulations could be made. As discussed in previous sections these could be on specific appliances, differ on ownership models or land use types. Box 3 outlines the gas appliance regulations Victoria is bringing into effect from 2027 and is an example of implementing regulations to meet varied needs in their transition.

Box 3 - Victorian Appliance Regulation

Victoria, like the ACT, has committed to achieving net zero emissions by 2045, as part of this they have taken steps to reduce gas demand and electrify properties.

Victorian regulations[66] impacting new residential and commercial buildings will start in January 2027. Regulations impacting existing residential buildings will start in March 2027.

From January 2027, all new homes and commercial buildings must be built all-electric, including commercial kitchens.

In rental properties from 1 March 2027, when a hot water or heating appliance breaks and cannot be repaired, it must be replaced with a heat pump water heater or an efficient electric reverse cycle air-conditioner in the main living area.

In residential properties from 1 March 2027, if a gas hot water appliance breaks and cannot be repaired, it must be replaced with an electric alternative.

There is no requirement for existing properties to upgrade gas space heating or stovetop gas cooking to electric. However, homeowners are encouraged to make this change to lower the cost of their energy bills.

These regulations have some exemptions, including for centralised services in apartment buildings and where the cost of compliance would be excessive.

[66] Victorian Government, 2025, New electrification and efficiency standards and regulations for Victorian buildings, available from New electrification and efficiency standards and regulations for Victorian buildings

How might the ACT best approach implementing regulation to meet the drivers and challenges of our gas transition? Below are a few potential avenues. We are interested in your thoughts about these, as well as any other options you think would meet the ACT's needs.

Information at point of sale

We could have a requirement that information is provided and/or clearly displayed when selling gas appliances. This information could highlight:

- the 2045 deadline for the phased shut down of the gas network;
- that a purchaser may not see the full economic life of the product; and/or
- that the appliance might not be able to be installed in the ACT.

The ACT previously has had requirements for information at point of sale, for example as part of the ACT plastic shopping bags ban. This included a requirement to prominently display a sign with the wording "*The ACT Government will soon ban the supply of lightweight checkout style plastic shopping bags. Alternative shopping bags are available from this retail outlet*." This had to be displayed near where the retailer made plastic shopping bags available to customers.

This information might be useful for customers taking a considered decision to upgrade appliances as part of a renovation or generally inform the community when window shopping.

This approach is likely to be of less value where:

- customers purchase appliances directly from a tradesperson who does not have a showroom.
- someone is faced with an unplanned replacement.
- someone is purchasing appliances interstate.

Information at point of gas appliance work

We could have installers provide information to customers at the point of maintenance or repair of gas appliances. This could involve the customer signing an acknowledgement that they have received information on the phased shutdown of the gas network, and what this may mean for the ongoing use of their gas appliances.

This approach may be complementary to the point-of-sale information and reduce the number of gas appliance users who are unaware of the gas network phase down.

Mandating transition planning for gas appliance work

We could require a gas appliance transition plan be sighted for multi-unit premises as part of installing, undertaking maintenance or repair of gas appliances. This would ensure there is some level of consideration by the owners of networked gas appliances of their transition pathway, including when and how this might be done. This approach would need to ensure it did not create delays in the circumstance of emergency repairs.

Requiring gas retailers and/or the distributor to provide information on network phase down

We could require retailers and/or the distributor to provide information to customers on the forecast phasedown of the gas network. This would ensure that consumers are made aware and able to plan for the long term. The information could be added to communications that already occur with customers, such as bills, allowing consumers to consider their transition pathway before appliances need to be replaced.

Regulating what licenced gas fitters can install

All gas appliances which are connected to the gas network must be installed by a licenced gas fitter in line with all ACT laws and regulations. As part of this regulatory framework, we could implement prohibitions, such that specific classes or types of gas appliances cannot be installed. This could potentially be further broken down to land zoning or building class so that residential, commercial and industrial gas users can be treated differently. There is potential to phase prohibitions in line with the expected life of the gas assets to balance the risk of asset stranding against the rate of change from regulation. For example, appliances generally seeing constant use in a commercial kitchen may have a shorter expected life than cooking appliances for a residential kitchen which may only be used once a day.

This approach allows flexibility for targeting gas appliance regulation that can be designed to meet community needs. It also has the advantage of clearly signalling to businesses and consumers which appliances they must transition when they are due for replacement, and provides certainty for trades and appliance retailers.

Whilst providing flexibility, this approach also has the potential to be highly complex, making it impractical for consumers, licensed trades and appliance retailers to work with. If this approach were pursued, regulatory design would include consideration of complexity, practicality, implementation, consumer protection and enforcement needs. A further consideration is interstate appliance retailers and tradespeople. For example, a consumer may choose to purchase an appliance before consulting with an installer or using interstate appliance retailers or tradespeople who are not familiar with ACT legislation.

Regulating standards for rental properties

Where the ACT can regulate housing standards, such as for rental properties, we could require that gas appliances are replaced with electric alternatives either at end of life or under a specified requirement, such as change of tenant, when appliance reaches a certain age or is below a certain energy efficiency rating. As outlined above, Victorian landlords will be required to replace gas hot water and heating appliances, with efficient electric alternatives when they fail from March 2027. Energy Consumers Australia have recommended that similar regulations

to those in Victoria are required in all jurisdictions to support electrification.[67] An example of this is the minimum housing standard for ceiling insulation in rental properties, see Box 4.

This standard setting approach can place requirements for a range of property types, and if applied at a change of tenancy, it allows upgrades to occur when the property is not occupied. This form of regulation would provide a benefit to renters, who have limited agency in relation to decisions on appliance choice in rental properties. It is not appropriate for owner occupier properties, as it only operates in relation to tenancy agreements.

Box 4 - Minimum housing standard for ceiling insulation in rental properties

In April 2023, the ACT Government brough in insulation rental standards, to improve the energy efficiency, amenity and comfort of rental properties in Canberra.

This regulation requires rental properties with no ceiling insulation or insulation below an R-value of R2, need to or upgrade the ceiling insulation to a minimum R-value of R5.

Where there is an existing tenancy agreement, the landlord must ensure the property complies with the standard by 30 November 2026.

Where there is a new tenancy agreement, the landlord must ensure the property complies with the standard within 9 months of signing the new tenancy agreement. These regulations have some permanent and temporary exemptions including in some circumstances for apartments, where roof design that prevents the installation of insulation or a tenant objects to the work being undertaken.

Not allowing gas appliance installation when a network section is identified for decommissioning

To meet the ACT Government's commitment to phase out the use of fossil fuel gas by 2045, it is forecast a phased shutdown and decommissioning of the gas network will likely commence from the mid-2030s onwards. The sections likely to be shut down first are those which have become economically unviable with few remaining customers, low utilisation and are not critical to the operation of other sections. The ACT Government will continue to support priority households ahead of any decommissioning of the network. As part of any decommissioning framework there will be planning and notification periods so that remaining customers are made aware by Evoenergy and/or their retailer of when services in their part of the network will be withdrawn.

We could introduce regulation based on a trigger event of a section of the network being deemed unviable, ensuring gas appliances are not installed in locations losing access to fuel in the near term. However, it would only be a barrier to installations within a relatively short notification period in comparison to gas appliance life, which can be 10 years or more. It also

[67] Energy Consumers Australia, *Power Move: Fair and affordable electrification for Australian households and small businesses*, 2026.

could be complex to enforce and may not provide enough regulatory certainty for businesses and tradespeople to appropriately plan.

Banning the sale of gas appliances is not a preferred pathway for the ACT

We may be able to ban the sale of gas appliances. This is often the first idea when considering regulation. However, it has significant barriers to successful implementation, including enforcement, compliance, and interstate trade. Initial research suggests that similar policy outcomes are likely to be more achievable through the regulation of installation, and possibly the provision of information at point of sale.

Questions

1. Which regulatory approaches (restrictions on new/replacement gas appliances, rental standards, information at point of sale etc.), if any, would you support to meet the next steps in the gas transition?
2. Do you think a particular regulatory approach should be prioritised over another?
3. Are there any specific regulatory approaches, that you have concerns with? What actions could help minimise these concerns?
4. What factors influence the time it takes to replace gas appliances with electric, rather than like-for-like appliance replacement? How much time would this generally be expected to add?
5. Are there other approaches you would like considered for regulating appliances which might support the next steps in the gas transition?

5. What is a reasonable timeframe for regulation?

Regulation provides a clear signal to residential and commercial property owners, trades groups, appliance retailers, and gas network owners about our future energy system and helps our community to plan accordingly.

The ACT Government has committed to phase out the use of fossil fuel gas by 2045 at the latest. In practical terms, it is forecast that sections of the gas network will become unviable before this and phased decommissioning may commence from the mid-2030s onwards. Decommissioning will not occur without appropriate notice, and the ACT Government will continue to support ACT consumers and priority households throughout the transition.

Box – 5 - Timing example

If a new gas appliance is installed in 2030, it may have as little as 5, or at most 15 years, until that section of the network is decommissioned. This means it is highly likely the customer will not receive the full life out of the asset and may need to replace it early.

For this reason, timing considerations are important. Starting regulation in 2028 would reduce the potential for loss and waste more than starting in 2032. However, this would need to be balanced against community readiness and ability to comply with new regulations, which may take several years.

When introducing new regulations, determining an appropriate implementation timeline is critical to ensuring compliance, minimising disruption, and achieving policy objectives. Some of the key considerations outlined below.

Complexity and scope of the regulation

The breadth and depth of the regulation significantly influence the time needed for implementation. Providing of information and signage might have a quick phase in period of 3 to 6 months for compliance, particularly when coupled with other communications and outreach. At the other end of the scale a ban on the installation of gas appliances is likely to need several years to allow businesses to respond allowing for changes in business models, stocking levels, and contract arrangements.

Phase in periods support the community and businesses to comply with changes by allowing time to understand and prepare for changes before they occur and reduces the costs of responding. This needs to be balanced against timely achievement of the benefits which come from implementing the regulation.

Phased or full implementation

As outlined, there is a range of appliances, customers and potential avenues to regulating gas appliances. As such it is possible that if regulations are to be made there will be a suite of measures. The question of timing that arises with a suite of measures is whether to bring them into effect all at once, or to phase in over time. For example, banning installation of gas heating, and then 12 months later ban gas hot water heaters, and then 12 months later ban gas cooktops.

Alternatively, there might be a case to phase regulation by property type. For example, only require installation of efficient electric appliances at end of life for rental properties in the short term and restrict installations in other property types when their section of the network is identified for decommissioning.

Questions

1. What timeframe do you consider to be appropriate for regulations to come into effect?
2. If restrictions on installing certain types of gas appliances were implemented, should the regulations be phased in over time (for example hot water appliances from 2030, and space heating a year or 2 later), or should regulations be commenced at once?

6. Network phase down and decommissioning

To prepare for the phase down and decommissioning of the gas network, the ACT is working to ensure policy and regulatory frameworks are in place to support a safe, efficient and equitable transition.

As part of this the ACT Government recently outlined a shift in formal position on disconnections, from recommending connection abolishment when electrifying, to recognising a temporary disconnection is sufficient in most circumstances.[68] This change aligns with the greater economic and workforce efficiency of decommissioning the network at a higher sectional level rather than one connection at a time.[69]

Temporary disconnections are already being strongly preferred by the community. In 2024-25 588 connections were abolished, and dormant connections grew from 13,368 to 15,565.[70] A dormant connection is a connection that has not consumed any gas in more than 12 months, and, typically, a temporary disconnection was requested. This pattern is expected to continue to increase, and signals a need to both engage with the community on the implications of phased decommissioning, while developing the appropriate regulatory frameworks that ensures it is done safely, efficiently and equitably.

As a part of the change, it will be necessary to consider when long term temporarily disconnected connections should no longer be able to be reactivated and draw gas from the network. This will provide certainty to Evoenergy as the network operator when estimating future demand.

The decommissioning framework will also need to provide early information on where consumers are leaving the network, which sections are becoming unviable and which sections are scheduled to be shut off. It will be necessary to ensure that consumers are informed during this process via early and repeated notification to provide sufficient time for the community and businesses to plan for and respond to gas services being withdrawn.

Questions

1. What information would you find most helpful if your property was in a section of the gas network that was to be decommissioned?

[68] ACT Government, 2026, Switching off your gas connection, available from https://energy.act.gov.au/switching-off-your-gas-connection/

[69] GHD Advisory - *Gas connection decommissioning (abolishment) technical review,* available from www.climatechoices.act.gov.au/__data/assets/pdf_file/0012/2882793/gas-connection-decommissioning-abolishment-technical-review.pdf

[70] Australian Energy Regulator, 2025, *Gas quarterly disconnection reporting 29 July 2025*, available from https://www.aer.gov.au/documents/aer-gas-quarterly-disconnection-reporting-29-july-2025

2. How long would you consider to be a reasonable period to make any necessary arrangements after being notified that the gas network service will be withdrawn in your area?
3. What is a reasonable period that must pass before a disconnected gas connection, can no longer be reconnected or reinstated (for example 2, 3 or 5 years of no gas use).

7. Other considerations for gas appliance regulation

When making regulations, there are often other related issues that need to be accounted for in the regulatory design. These extra considerations can affect how the regulations are made to ensure they solve the problem they are meant to fix and avoid unintended consequences. Some of the key considerations in regulatory design for gas appliances are outlined below.

Potential exemptions

There may be situations where electrification is not possible due to a range constraints which may be, in part, or wholly outside an appliance owner's control. It is appropriate to consider whether exemptions from regulations are required to recognise these situations.

When considering any exemption framework, we will need to:

- balance a range of competing stakeholder needs, and consider how it will be implemented and monitored;
- understand whether it will create loopholes that undermine the gas transition and regulatory certainty; and
- consider whether the cost of any exemption framework is outweighed by the benefits.

Potential exemptions that could be considered are:

- In multi-unit, mixed-use or commercial buildings where heating or hot water is supplied through a centralised system.
- Where there is insufficient space to install an electric appliance.
- A gas appliance is being temporarily disconnected and then reconnected in the same building to accommodate maintenance, repair, or minor building renovations where a gas network connection is not abolished.
- Where a faulty gas appliance is being replaced under warranty.
- Where a faulty gas appliance can be repaired rather than replaced.
- Where the appliance is a Type-B gas appliance.
- If the upgrade would require augmentation (i.e. negotiated connection) to electrical network infrastructure (infrastructure outside the property).
- Where the gas appliance is installed in a particular land use zone.

Waste

The ACT Government has been advocating for appliance electrification to occur at end of life for gas appliances. This reduces waste and ensures that functional appliances are not disposed of, especially where appliances have non-recyclable components. Consistent with the ACT Circular Economy Strategy 2023-2030, where appliances can be repaired or refurbished there is a preference for this to occur, before being disposed of or replaced, reducing emissions from manufacture and transport of new appliances.[71]

Waste also informs the timeframe for potential regulation. It is important that new gas appliances don't continue to be installed if they will lose network access or incur unsustainable costs to run, before they reach end of life.

Gas workforce

The ACT Government recognises that any future regulation that restricts gas appliance work will have an impact on licensed gas trades. Gas fitters and gas appliance workers provide a range of services including installing, servicing, repairing, and replacing gas appliances and piping systems within a property. Gas fitting forms part of the plumbing trade and most gas fitters also undertake plumbing and drainage work. There are several different classes of licences and the types of appliance work undertaken depends on the type of licence held by the worker.

In December 2025, there were approximately 1,680 gas fitter licences and 170 gas appliance worker licences within the ACT. As a condition of their licence, licensed trades must notify the ACT Government of work performed under a licence. This is done through online forms. According to data submitted in 'Gas start of work' notices, and 'Plumbing, Drainage and Gas Minor Works' forms, there have been approximately 250 licensed gas trades undertaking gas fitting or gas appliance activities throughout 2024 and 2025. Of this, there were about 50 licences that submitted 10 or more notices of work annually. [72]

This suggests that less than 15% of licensed gas fitters and gas appliance workers are undertaking any gas fitting work. It also indicates that a significant proportion of licence holders are likely undertaking gas fitting appliance installation work as an add on rather than as their primary business.

Number of licences completing gas fitting or gas appliance related work

Year	Number of licences	Licences submitting more than 10 jobs
2025	246	45
2024	259	55

Table 2: Number of licences completing gas fitting or gas appliance related work in 2024 and 2025.

Under the *Mutal Recognition Act 1992*, licensed gas fitters outside the ACT can use a mutual recognition pathway to have their licence recognised and an ACT licence issued to undertake work in the ACT. The ACT Government is exploring measures to address identified risks and

[71] ACT Government, 2023, *Building Canberra's Circular Economy,* available from https://www.climatechoices.act.gov.au/policy-programs/act-circular-economy-strategy
[72] ACT Government – gas fitter and gas appliance worker licence data.

enable an automatic recognition pathway to allow interstate licenced gas fitters to work in the ACT without requiring additional licences. Gas fitters, no matter where they are licenced, must be aware of and comply with all local regulations, including submitting required forms relating to works undertaken.

Questions

1. Are there particular circumstances which would warrant an exemption/s from gas appliance regulations? What would the impact be of those exemptions not being allowed?
2. Are there any other considerations you believe are important to informing potential gas appliance regulations?

Future appliance regulations to support the gas transition

Discussion Paper

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