

Submission
No 42

**INQUIRY INTO PLANNING SYSTEM AND THE IMPACTS
OF CLIMATE CHANGE ON THE ENVIRONMENT AND
COMMUNITIES**

Organisation: 350 Australia
Date Received: 2 November 2023



2 November 2023

Committee Chair
Portfolio Committee No. 7 Planning and Environment
NSW Parliament House
6 Macquarie Street
Sydney NSW 2000

Dear Chair,

Re: [Inquiry into the planning system and the impacts of climate change on the environment and communities](#)

350 Australia is a registered charity, and our charitable purpose is to inform and educate the general public about climate change, its impact on the natural environment, and the need to reduce fossil fuel emissions and adopt renewable energy solutions. We are growing a grassroots movement to end fossil fuels and create community-led solutions to the climate crisis. We have 60,000 supporters across the country.

We commend the NSW Parliament for initiating this parliamentary inquiry and we welcome the opportunity to contribute our views. Given that around 25% of Australia's greenhouse gas emissions are generated from the built environment, reducing emissions from this sector will be crucial in mitigating and adapting to climate change.¹

The problem

The planning system is the primary regulatory framework that guides how our cities and regions are planned and built, and currently the NSW planning system is failing people and the environment by allowing new developments to be connected to gas.

There is a major opportunity to update the planning system to ensure new developments are all-electric and gas-free. This would have multiple benefits for the climate and environment, health, and would reduce cost-of-living pressure, especially for renters and people on low incomes.

¹ Australian Sustainable Built Environment Council, *Unlocking the pathway: Why electrification is the key to net zero buildings*, December 2022.

Gas is exacerbating household energy and cost of living pressures

As interest rates and rents continue to rise, more people are struggling to pay their rising energy bills. According to the Australian Energy Regulator, since July this year, NSW residential energy customers faced gas price increases of as much as 23.7%.²

Rising gas prices are impacting on families and households already struggling with spiralling housing and food costs. A recent Energy Consumers Australia survey of 2,500 people found that more than one quarter of households are struggling to pay their energy bills.³ Local businesses, particularly small businesses, are reporting that spiralling energy costs are impacting on their viability.⁴

Gas is making us sick

Gas is also highly toxic to human health. Decades of scientific medical research demonstrates the alarming health impacts that gas pollution causes when used indoors.⁵

For example, a recent Australian study found that gas cooktops are associated with around 12% of childhood asthma in Australia.⁶ US researchers from Stanford University have linked gas stoves and ovens to carcinogenic chemicals like benzene and nitrous oxides.⁷ Long-term exposure to benzene is linked to acute lymphocytic leukaemia, chronic lymphocytic leukaemia, multiple myeloma, childhood leukaemia, and non-Hodgkin lymphoma.

The harmful human health impacts of gas are so alarming that doctors and health professionals have banded together to ask governments to phase out gas from homes, businesses and public buildings like hospitals.⁸

² Hannam, P., Karp, P., and Kolovos, B., Most Australian states face sharp power bill rises, despite government's intervention, The Guardian, 15 March 2023, accessed 26 July 2023,

<https://www.theguardian.com/australia-news/2023/mar/15/power-bills-in-three-australian-states-to-rise-by-almost-a-quarter-but-its-not-as-bad-as-it-could-have-been>

³ Thielemans, R., How increases in energy prices are impacting consumers, Energy Consumers Australia, 9 November 2022, accessed 26 July 2023,

<https://energyconsumersaustralia.com.au/news/how-increases-in-energy-prices-are-impacting-consumers#:~:text=Energy%2520affordability%2520is%2520not%2520just.in%2520the%2520past%252012%2520months>

⁴ Packham, C., Fowler, E., and Mizen, R., Small firms hit as gas prices increase despite caps, Australian Financial Review, 16 January 2023, accessed 26 July 2023,

<https://www.afr.com/companies/energy/small-firms-hit-as-gas-prices-increase-despite-caps-20230116-p5ccqe>

⁵ Doctors for the Environment Australia, Home Gas Appliances and Your Health Fact Sheet,

<https://dea.org.au/wp-content/uploads/2020/12/Home-gas-appliances-fact-sheet.pdf>

⁶ Knibbs, L. et al. Damp housing, gas stoves, and the burden of childhood asthma in Australia. Medical Journal of Australia. 2018 (7): 299-302.

⁷ Kashtan, Y. S., Nicholson, M., Finnegan, C., Ouyang, Z., Lebel, E. D., Michanowicz, D. R., ... & Jackson, R. B. (2023). Gas and Propane Combustion from Stoves Emits Benzene and Increases Indoor Air Pollution. Environmental Science & Technology.

⁸ Healthy Futures, Gas Free Healthy Homes, accessed 26 July 2023,

<https://www.healthyfutures.net.au/gasfree>

Gas is accelerating the climate crisis

Gas is a fossil fuel that produces greenhouse gas emissions during the extraction, processing, and transportation process which are likely under-counted in official statistics⁹. Venting, flaring, and pipe leaks are all likely to produce vast quantities of unaccounted emissions, known as ‘fugitive emissions’, particularly from methane, a greenhouse gas that is at least 80 times more potent than carbon dioxide.¹⁰ Fugitive emissions in Australia are also grossly underreported in official statistics by at least 80%.¹¹ Since methane gas is such a potent greenhouse gas, eliminating it from our built environment represents a major opportunity to immediately cut climate pollution in the short term.

All-electric, gas-free homes and businesses save money and reduce emissions

Residential and commercial buildings that run on all-electric appliances are cheaper to run for occupants. Independent energy experts, Strategy Policy Research, recently modelled the impact of requiring new residential and commercial buildings in NSW to be all-electric without gas. The findings demonstrate that, if all new residential and commercial buildings across NSW were required to be all-electric and gas-free by 2024, the total energy cost savings would be \$12.6 billion over a 40 year average life of a building (\$9.3 billion for the residential sector, \$3.3 billion for the commercial sector).¹² This translates to each new, all-electric household across NSW saving \$470 per year on average by 2064,¹³ representing \$9,700 in total savings over 40 years, in present value terms.¹⁴

Electrifying new homes and businesses would also be a win for the environment. The same modelling shows that almost 39 million tonnes of greenhouse gas emissions would be avoided over the 40 year period if every new residential and commercial building in NSW was required to be built all-electric without gas (24 million tonnes for the residential sector, 15 million tonnes for the commercial sector).¹⁵

⁹ Climate Council, ‘Why is gas bad for climate change and energy prices?’, 30 June 2020, accessed 22 May 2023, <https://www.climatecouncil.org.au/resources/why-is-gas-bad-for-climate-change-and-energy-prices/>

¹⁰ International Energy Agency, Methane Emissions from Oil and Gas Operations, 2022, accessed 9 May 2023, <https://www.iea.org/reports/methane-emissions-from-oil-and-gas-operations>

¹¹ Foley, M., Australia vastly underreporting methane pollution, report finds, The Age, 5 July 2023, accessed 2 November 2023, <https://www.smh.com.au/politics/federal/australia-vastly-underreporting-methane-pollution-report-finds-20230704-p5d1l7.html>

¹² Banning New Residential and Commercial Gas Connections in NSW Local Government Areas - Impact Assessment, Strategy Policy Research, commissioned by 350 Australia, September 2023.

¹³ Ibid.

¹⁴ Ibid. This figure is based on a real discount rate of 3%.

¹⁵ Ibid.



The solution

The Victorian and ACT governments recently announced that their planning schemes would be updated to ban gas connections in new residential developments.

There's also a movement sweeping across NSW led by the local government sector. 350 Australia's [Electrify Your Council campaign](#) has worked with the below councils in starting the process of changing their planning rules to require all-electric, gas-free new developments:

1. City of Sydney
2. City of Newcastle
3. Lane Cove Council
4. City of Canada Bay
5. City of Ryde
6. Woollahra Municipal Council
7. Inner West Council

These councils are following the lead of City of Waverley and Parramatta, which have implemented all-electric requirements for new builds, plus City of Canterbury-Bankstown which is on a similar path.

Collectively, the above ten councils represent 13% of the state's 129 councils, and almost 20% of the state's population.

While council leadership is welcome in this space, the ideal pathway to achieve all-electric, gas-free new developments would be for the state government to regulate for this outcome at the state level. State-led regulation will ensure a more consistent, rapid transition away from fossil gas in the built environment.

In the absence of state leadership, 350 Australia will continue to work with the local government sector to take proactive leadership to deliver all-electric, gas-free new developments.

We request that this parliamentary inquiry recommend that NSW follow the leadership of Victoria and the ACT governments and require new residential and commercial developments to be all-electric and gas-free. The Climate Council has demonstrated that the technology already exists to fully electrify all residential and commercial uses, largely through advancements in heat

pump technology.¹⁶ Therefore, there's no reason to continue to allow new developments to be connected to gas.

Retrofitting existing homes

In addition to requiring the electrification of new developments, the state's existing housing and building stock must also be upgraded with electrification and energy efficiency improvements. While retrofitting the existing building stock falls outside of the planning scheme, the committee should consider measures to accelerate the electrification of the state's existing residential and commercial buildings and to improve their energy performance. One option would be to overhaul the Energy Savings Scheme by incorporating more generous subsidies and a stronger focus on fuel-switching from gas to electric appliances. The program should also incorporate a wider range of energy efficiency upgrades, especially insulation.

Summary of recommendations:

1. Update the NSW planning system to require all new residential and commercial developments to be all-electric without gas appliances.
2. Consider expanding the Energy Savings Scheme to facilitate rapid electrification of existing residential and commercial buildings, plus a greater range of energy efficiency upgrades for these sectors.

Sincerely,

Lucy Manne
CEO 350 Australia

¹⁶ Baxter, T., Taylor, M., Bourne, G., Stock, A., and Brailsford, L., Path to Zero: How NSW can kick the gas habit, Climate Council, 2021.