

THE CITY OF SYDNEY BAN ON GAS APPLIANCES IN NEWBUILDS



A BUSINESS SYDNEY SUBMISSION

Introduction



BUSINESS Sydney is pleased to have this opportunity to offer a submission in response to the City of Sydney's plan to ban gas appliances in new-builds in our city.

While we have no doubt the Council has taken this step with the best of intentions on environmental protection grounds, we see significant downsides including adding another layer to an already confusing regulatory framework.

Business Sydney therefore disagrees with Council's initiative for a number of reasons detailed in this submission under the following headings.

- Loss of consumer choice
- Higher costs for consumers and businesses
- Power grid reliability and capacity issues
- Environmental impacts
- Environmental trade-offs
- Poor timing of the ban

Business Sydney agrees with NSW Premier Chris Minns that the unilateral ban on gas appliances is an example of local government overreach.

The Government has the lead in relation to building standards and requirements. Banning gas appliances in homes and businesses can therefore be a contentious policy decision.

While some see it as necessary for achieving climate targets, there are also strong arguments that such a ban could be seen as a bad move — economically, practically, and socially.

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1. Loss of Consumer Choice

- Freedom of energy choice: Banning gas removes a legitimate energy option for households and businesses. Many people prefer gas for cooking and heating due to reliability and performance.
- One-size-fits-all approach: Not all areas have the same access to renewable electricity or efficient alternatives, so a blanket ban can penalise some communities unfairly.

2. Higher Costs for Consumers and Businesses

- Upfront conversion costs: Replacing gas appliances with electric ones (and potentially upgrading electrical infrastructure) is expensive, especially for low-income households.
- Increased energy bills: In many areas, gas remains cheaper than electricity. Transitioning prematurely could result in higher long-term bills for homes and small businesses.

3. Grid Reliability and Capacity Issues

- Strain on the electricity grid: Electrifying everything places greater demand on already stretched electricity grids, especially during peak periods like winter.
- Risk of blackouts: Gas currently acts as a reliable backup in emergencies. Removing it without ensuring robust grid upgrades increases the risk of outages.

4. Economic Impacts

- Jobs at risk: The gas industry supports tens of thousands of jobs in Australia across infrastructure, servicing, manufacturing, and logistics. They should not be put at risk.

- Impact on small businesses: Restaurants, laundromats, and manufacturers rely on gas for cost-effective operations. A ban may hurt their bottom line or even force closures.



5. Environmental Trade-offs

- Questionable impact: If the electricity replacing gas is still partially generated from fossil fuels, the environmental gains are marginal, or are even negative in the short term.
- Missed opportunity for cleaner gas alternatives: Renewable gas (like biomethane or hydrogen) offers a lower-emissions future without scrapping existing gas networks.

6. Poor Timing

- Rushing the transition: Moving too quickly without adequate infrastructure or support mechanisms increases risk and resentment.
- Better priorities: In cities facing housing crises, homelessness, and service strain, banning gas appliances may not be the most pressing or effective climate measure.



Conclusion

While the goal of reducing emissions is important, banning gas appliances outright can lead to unintended consequences including increased costs, reduced reliability, job losses, and limited environmental benefit in the near term. A better approach may be to incentivise voluntary electrification, invest in grid resilience, and support emerging clean gas technologies, rather than imposing bans that remove choice and impose cost.

About Business Sydney

Business Sydney is the leading voice for business in Sydney. We advocate, influence and deliver policies and outcomes to drive economic growth and create opportunities to invest, work, live and visit our city. Drawing on our 200-year heritage, we work to advance Sydney as a global, competitive and liveable city. Our network includes leading businesses across financial and professional services, construction and development, health, education, arts and culture, tourism and hospitality, as well as technology, transport, and logistics. Through our association with Business NSW and My Business we also influence and deliver on a state and national platform.

Business Sydney can proudly trace its history to 1826 when the Sydney Chamber of Commerce was established as the first organisation of its kind in the fledgling colony. In 2006 we became the Sydney Business Chamber and now to reflect our broader reach, influence, and strength we have transformed to become Business Sydney – the voice of business in Sydney.

