



## MEDIA RELEASE

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### Industry rejects the Victorian Government's proposed gas ban

A coalition of leading Victorian industry bodies, representing more than 100,000 businesses and tens of billions of dollars in investment, is urging the state government to reconsider its proposed gas ban.

The Building Electrification Regulatory Impact Statement will increase costs for large and small businesses, stifle crucial gas investment and leave Victorians facing higher energy bills and reduced energy security.

The proposed gas ban would saddle Victoria's 70,000 gas-reliant businesses with significantly higher operating costs into the future, as they absorb the network costs previously shared across all gas users. This policy would also deter new energy-intensive businesses, undermining opportunities to stimulate economic growth.

This proposal will materially impact business competitiveness and viability within Victoria.

Restricting access to gas, including renewable gases, will constrain new investment in gas infrastructure and production, which the Government itself has called for in this week's Economic Growth Statement and has stated is essential for Victorian industry.

Industry supports a pragmatic energy transition and believes net zero can be reached without jeopardising the future of Victorian industry.

A truly effective and equitable energy transition must recognise this diversity of needs and allow all Victorians to decarbonise in the way that best suits their individual circumstances, ensuring no one is left behind.

We urge the Victorian Government to engage in meaningful consultation with industry to fully understand the economic consequences of this policy proposal. The future of the State's economy is at stake.

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#### **Paul Guerra, Chief Executive of the Victorian Chamber of Commerce and Industry (VCCI):**

"Today's developments further add to the confusion and frustration around the role of gas in Victoria's transition to net zero.

"The Victorian Chamber has repeatedly and consistently advocated for the State Government to reveal their energy roadmap to provide clear signals and direction to industry and consumers. We continue to wait while investment, reputation and supply dwindle, creating an energy crisis.

"It is imperative that businesses have their say on these proposals through the consultation period so that the Government understands the pragmatic and economic realities of their impact."

#### **Steve Davies, Chief Executive of the Australian Pipelines and Gas Association (APGA):**

"This proposal completely undermines the fast-tracking of approvals for gas investment announced earlier this week. How can the Victorian Government, on Tuesday, emphasise the critical role of gas in its Economic Growth Statement, and then, by Friday, push to ban it from homes and businesses?"

"Today, Victoria hung a 'Closed for Business' sign on its door for energy-intensive industries considering relocating or expanding in the state."

“Victoria faces a choice: embrace gas investment, both natural and renewable, for economic growth or impose gas bans that stifle businesses and industries. It cannot have both.”

**Cathryn McArthur, Executive General Manager of Australian Gas Infrastructure Group (AGIG):**

“The prosperity of many Victorian industries and small businesses relies on reliable access to the gas networks. This proposal ignores the cost impact to industry of removing homes from the network, and is a deterrent for any new industry wanting to do business in Victoria.”

“For the more than 40,000 industrial and commercial businesses on our networks, it’s crucial that the government listen to their feedback.”

**Peter Kos, Victorian Director of Australian Energy Producers (AEP):**

“The Victorian Government’s mixed messages about gas are driving away investment in new gas supply that is urgently needed to avoid the state’s looming gas shortfalls.”

“This is an own goal by the government that only this week promised to fast-track new gas projects to ensure reliable access to gas for Victorian homes and businesses.”

“The gas industry is committed to bringing new supply to market, but the Victorian Government’s demonisation of gas and policy backflips continue to undermine the case for investment in the state.”

**Honi Walker, Chief Executive of the South East Melbourne Manufacturers Alliance (SEMMA)**

“SEMMA’s message to the government on this issue from the start has been to rethink its position and engage in meaningful discussion with industry as the impacts for manufacturers in this state will mean business closures, significant job losses and financial ruin for the thousands of SME’s in Victoria”.

“This goes against the government’s very own Economic Growth Statement - if this policy path continues Victoria’s economy will suffer dramatically as business investment will be lost to other states.”

“Manufacturers need certainty of supply and want to be part of the transition – but need assurances from government that they understand the true needs of manufacturing – the cornerstone of our states’ historic economic well-being – will not survive if the government continues with this bloody-minded approach.”

“This policy goes against the Federal Government’s very own Future Made in Australia campaign and will actually destroy any future for manufacturing in Australia. Talk to your Canberra counterparts – we need a truly national approach – this is not it!”

**Suresh Manickam, Chief Executive of the Restaurant & Catering Industry Association:**

“The Victorian Government is proposing to make it much harder for everyday Victorians to open a new café or restaurant, particularly in the state’s growing outer suburbs. The cost-of-living crisis coupled with skyrocketing energy costs mean that hospitality owners are already struggling with skyrocketing costs, this proposal adds another unnecessary hurdle, making it even tougher to succeed.”

“The implications of the Victorian Government’s decision will mean that businesses will need to fork out more money for upgraded cooking equipment and cookware, a cost that our sector cannot afford. This decision also implies that grilled steaks, tandoori chicken and our favourite wok dishes are now off the menu.”



**Peter Daly, Chief Executive of Master Plumbers Victoria:**

“The Victorian Government claims households will save on energy bills by going all-electric, but no two homes are the same. Real world experience is showing the costs of converting from gas can be tens of thousands of dollars more per household than Government figures indicate.”

“Electrification can work for some homes and businesses, but not all. That’s why it’s critical to speak with your trusted plumber to find out the true costs of switching.”

“If Victoria is to fully electrify, it means converting 200 homes per day for the next 20 years, on top of the already-ambitious home and public infrastructure building agenda. We are yet to see a plan for how this can be achieved.”