

## 10.9. Proposed DCP amendment - electrification of new residential developments

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| <b>ENDORSED BY</b> | Marcelo Occhiuzzi, Director Planning and Environment                                                                            |
| <b>ATTACHMENTS</b> | 1. Section 10 - Environmental Sustainability - Draft Amendment - Electrification - track [10.9.1 - 12 pages]                    |
| <b>CSP LINK</b>    | <b>Outcome 1 – A healthy environment with thriving ecosystems and strong climate resilience</b><br>E3. Build climate resilience |

### PURPOSE:

The purpose of this report is to seek Council's endorsement of a draft amendment to the *North Sydney Development Control Plan (NSDCP) 2025*, for exhibition, that seeks to discourage gas connections and gas appliances in new residential development for environmental, health, and economic reasons.

### EXECUTIVE SUMMARY:

- On 11 December 2023, Council considered a Mayoral Minute to ban the installation of gas appliances in new residential dwellings. Council resolved that a report on amending Council's planning controls to require that all new residential developments be all-electric be prepared for Council's consideration. This report has been prepared in response to that resolution.
- On 17 June 2024, a Councillor Briefing was held to discuss a preliminary review of options and potential approaches.
- A further Councillor Briefing was held on 21 July 2025 providing updated information on the use of gas and recommending that draft Development Control Plan (DCP) controls be prepared to prohibit the gas connections and appliances in new residential developments.
- This report recommends that Council pursue a staged amendment of the NSDCP 2025, initially to prevent gas in new residential developments, with consideration to potentially expanding to non-residential developments, and alterations and additions to residential developments in the future, subject to further investigation and research.

### RECOMMENDATION:

**1. THAT** Council endorse the draft amendment to the *North Sydney Development Control Plan 2025* to prevent gas connections and the installation of gas appliances in new residential development, as outlined in this report and detailed in Attachment 1, for the purposes of public exhibition.

**2. THAT** the draft amendment to the *North Sydney Development Control Plan 2025* be placed on public exhibition for a minimum of 28 days.

3. **THAT** Council delegate to the Chief Executive Officer the authority to make minor modifications to correct any numerical, typographical, interpretation, and formatting errors, if required, in preparation for the public exhibition.
4. **THAT** the outcomes of the public exhibition be reported to Council.

## Background

On 11 December 2023, Council considered a Mayoral Minute seeking to ban the installation of gas connections and appliances in new residential dwellings. This was in the context of representations made by Doctors for the Environment Australia (DEA) which cited that the burning of gas indoors for cooking and heating, once thought to be a clean and healthy energy source, is now recognised to cause harm and is therefore no longer regarded as a healthy choice. Council subsequently resolved:

- 1. THAT a report on amending Council's planning controls to require all new residential developments to be all electric be prepared, a Councillor Briefing be held, and a report come to the next meeting of Council.*
- 2. THAT Council write to the Premier of NSW, The Hon. Chris Minns and The Hon Penny Sharpe, MLC, Minister for Climate Change, Energy, Environment, and Heritage urging the State Government to:*
  - (a) adopt the ACT and Victorian policy approach and develop a plan, supported by incentives or rebates, to transition homes and businesses from gas to renewable energy; and*
  - (b) not expand the State's gas industry.*

Letters to the NSW Premier and Minister for Climate Change, Energy, Environment, and Heritage were sent on 9 February 2024, in response to the second part of the Resolution.

In response to the first part of the above Resolution, a Councillor briefing was held on 17 June 2024 to provide Councillors with the results of a preliminary investigation into options for electrifying new residential developments. Council staff presented their findings and outlined available options, and Councillors expressed general support for a staged implementation. The key outcomes of the briefing and matters that Council staff were to report back to Council included:

1. address research undertaken to date
2. provide options to move towards all-electric buildings, with a general preference given to a staged implementation, comprising:
  - Stage 1 – Residential development (immediately)
  - Stage 2 – Non-residential development (later)
3. draft an amendment to the DCP.

On 21 July 2025, another Councillor briefing was held to provide a research update from Council staff, available options to Council, and to seek direction as to the preferred option. It was generally agreed that Council should pursue DCP amendments in stages, with the first stage applying to new residential developments followed by a second stage, potentially applying to non-residential developments and alterations and additions to residential developments, subject to further research and compelling evidence to justify the amendment.

This report specifically seeks to address the actions under the first part of the Resolution of the 11 December 2023 Council meeting, as well as matters and outcomes arising from the Councillor briefings.

## **Report**

### Reasons for moving away from gas and towards electricity

The shift away from gas towards electricity is increasingly recognised as essential for achieving both public health and environmental goals. Health professionals, including DEA NSW, have raised concerns about the harmful effects of gas use in building, such as indoor air pollution and associated respiratory illnesses. At the same time, Australia's commitment to the Paris Agreement requires significant reductions in greenhouse gas emissions, prompting all levels of government to act. In alignment with these national efforts, local councils are also pursuing stronger environmental outcomes through planning and policy reform. Transitioning to all-electric buildings powered by renewable energy not only supports Council's sustainability objectives but also contributes to a safer, healthier, and more resilient community which is aim of Council's 10 Year Strategies as well as the *North Sydney Community Strategic Plan*, and Delivery and Operational Plans.

### Doctors for the Environment (DEA) NSW

In December 2023, representations were made by a resident who is a member of the DEA NSW to Council in support of banning gas appliances and connections to new homes<sup>1</sup>.

DEA is a charitable organisation of doctors who recognise that human health and wellbeing require an environment free of pollution, capable of providing nutritious food, rich in biodiversity, and able to provide for current and future generations sustainably (<https://dea.org.au/>).

The DEA NSW supports the ban on gas appliances and connections for new homes and buildings, for the following reasons:

- *Increase the risk of asthma*

Research that tracked children in households with gas stoves, compared to those using other types of stoves, reveals a higher incidence of asthma. A 2013 review of existing studies found that children exposed to gas stoves faced a 42% greater risk of developing asthma. Based on this evidence, Australian scientists estimate that 12% of childhood asthma cases may be linked to gas stove use<sup>2</sup>.

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<sup>1</sup> DEA, Asthma and Indoor Gas Appliances Fact Sheet, October 2022.

<sup>2</sup>International Journal of Epidemiology, Meta-analysis of the effects of indoor nitrogen dioxide and gas cooking on asthma and wheeze in children, August 2013.

– *Increased respiratory symptoms*

A controlled trial of flued versus unflued heaters in NSW classrooms showed increased respiratory symptoms during the weeks when unflued heaters were in use<sup>3</sup>.

– *Increased respiratory disease*

The United States Environmental Protection Authority (EPA) conducted an exhaustive review known as an “Integrated Science Assessment” in 2016 in which results from epidemiology, human exposure studies, and animal exposure studies were combined. They concluded that short term exposure to nitrogen dioxide is causative of respiratory disease<sup>4</sup>.

In addition, the burning of gas results in a series of gaseous bi-products (nitrogen dioxide, formaldehyde, carbon monoxide, and benzene) which are harmful to human health. A minimisation approach for existing homes that utilise gas appliances requires public education about improving ventilation whenever a gas appliance is used and the phasing out of indoor gas appliances. Preventing gas appliances in new dwellings should be considered based on health considerations for residents.

### Paris Agreement

The Paris Agreement is a legally binding international treaty adopted in 2015 that aims to limit global warming to well below 2°C above pre-industrial levels, and preferably to 1.5°C, by reducing greenhouse gas emissions worldwide. Australia is a party to the Paris Agreement, which came into force in 2016, with global efforts specifically focused on addressing climate change. Australia is committed to reducing its greenhouse gas emissions by 43% below 2005 levels by 2030, in line with its obligations under the Paris Agreement and other international treaties, including the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol.

### Research on Electrification of Developments – City of Sydney (Cos) Council

In March 2025, the City of Sydney (CoS) Council released a Discussion Paper on the electrification of new development to support amendments to planning controls to not allow new gas connections in new residential and non-residential development<sup>5</sup>.

The Paper highlights the potential health risks associated with using gas in buildings. Burning gas for cooking and heating produces harmful indoor air pollutants like carbon monoxide, nitrogen oxides, and formaldehyde—even when appliances are turned off. These pollutants can lead to substantial health issues, particularly respiratory problems such as asthma. While venting gas appliances outdoors may help, pollutants can still find their way back indoors. Health experts, including the Royal Australian College of General Practitioners, support the

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<sup>3</sup> Environmental Health Perspective, Respiratory Health Effects of Exposure to Low-NOx Unflued Gas Heater in the Classroom: A Double-Blind, Cluster-Randomized, Crossover Study, July 2010.

<sup>4</sup> US EPA, Integrated Science Assessment for Oxides of Nitrogen – Health Criteria, January 2016.

<sup>5</sup> Aurecon, Research on Electrification of Developments, August 2024.

shift to electric appliances, which eliminate these harmful byproducts<sup>6</sup>. Electric options like induction cooktops and reverse-cycle air conditioning not only reduce emissions but also create cleaner, safer indoor environments - especially important for children, people with asthma, and other vulnerable groups.

Furthermore, there are strong environmental and economic benefits to transition from gas to electricity in buildings. Electric appliances such as induction cooktops and heat pumps are significantly more energy-efficient than their gas counterparts, meaning they use less energy and offer long-term cost savings. As the electricity grid continues to incorporate more renewable energy, using electricity instead of gas helps reduce greenhouse gas emissions and supports key climate goals.

Fully electric homes can also lower annual energy bills by hundreds to thousands of dollars, especially when combined with rooftop solar. Many councils and State Governments have already introduced restrictions on new gas connections, and electric alternatives are now widely available and suitable for all building types. While green hydrogen is sometimes suggested as an alternative, it remains costly, less efficient, and impractical for widespread use in buildings. Overall, electrification is a key step towards reducing emissions and creating a more sustainable built environment.

#### North Sydney Community Strategic Plan (CSP) 2025-2035

At its meeting on 28 April 2025, Council adopted the *North Sydney Community Strategic Plan 2025-2035* (CSP) which is underpinned by eight informing strategies, covering the environment, social inclusion, open space and recreation, integrated transport, economic development, culture and creativity, housing, and governance. The CSP aims to foster a connected, active, and inclusive North Sydney community that encourages creativity and supports a healthy, vibrant environment.

A key environmental outcome is to establish a healthy environment with thriving ecosystems and strong climate resilience. Specific objectives include reducing community greenhouse gas emissions by 65% by 2035 (based on a 2018 baseline of 973,984 tCO<sub>2</sub>e) and achieving carbon neutrality for Council's operations by 2035<sup>7</sup>.

#### North Sydney Delivery Program 2025-2029 and Operational Plan 2025-2026

At its meeting on 30 June 2025, Council adopted the *Delivery Program 2025-2029* and the *Operational Plan 2025-2026* which highlight a number of actions to be delivered in the next two to four years, including the following:

*E3.1 - Review and implement new planning controls in the Development Control Plan to support the transition away from fossil fuels, reduce urban heat island effects and drive a lower embodied carbon footprint during the design, construction and operation phase of*

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<sup>6</sup> RACGP, Health Risks from indoor gas appliances, December 2022.

<sup>7</sup> North Sydney Council, Community Strategic Plan 2025-2035, April 2025, P 35

*both commercial and residential buildings. This includes requirements for electric vehicle charging infrastructure.*

*E3.7 - Replace the gas boiler at Stanton Library with an electric heat pump and work towards electrification of Council's operations, excluding plant and fleet, by 2030.*

*E3.8 - Complete a feasibility report for transitioning Council's plant to electric by 2035.*

The objectives and actions within Council's recently adopted strategies highlight Council's position in building a resilient and sustainable future for the local community<sup>8</sup>.

## **Legislative framework**

### Commonwealth Legislation

To date, there is no Commonwealth (federal) law that specifically prohibits the usage and installation of gas in residential and commercial properties across Australia.

### State Legislation

#### *State Environmental Planning Policy (Sustainable Buildings) 2022*

The Sustainable Buildings SEPP sets out the basic requirements and standards for the design and delivery of sustainable residential and non-residential BASIX developments. Under the Environmental Planning and Assessment Regulation 2021 (the Regulation):

BASIX development means the following development if it is not BASIX excluded development—

- (a) development that involves the erection, but not the relocation, of a BASIX building,
- (b) development that involves a change of building use by which a building becomes a BASIX building,
- (c) development that involves the alteration of a BASIX building, if the estimated development cost is \$50,000 or more,
- (d) development for the purposes of a swimming pool or spa, or combination of swimming pools and spas, that—
  - (i) services 1 dwelling only, and
  - (ii) has a capacity, or combined capacity, of 40,000 litres or more.

Clauses 3.3 and 3.4 of the SEPP provide other considerations for large commercial and certain State significant development where the consent authority must consider if the development minimises the use of on-site fossil fuels, in conjunction with the goals of achieving net zero emissions in NSW by 2050.

Schedules 1, 2, and 3 of the Sustainable Buildings SEPP specifies energy and water use, and thermal performance standards for the erection, change of use, and alteration to a BASIX

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<sup>8</sup> North Sydney Council, Delivery Program 2025-2029 and Operational Plan 2025-2026, July 2025.

building, and larger commercial developments. However, the SEPP does not prevent the usage and installation of gas in residential and commercial developments and permits gas hot water systems, including for swimming pools and spas.

#### *SEPP (Exempt and Complying Development Codes) 2008 (Codes SEPP)*

The Codes SEPP permits certain development as exempt (not requiring consent) or complying (approval via a complying development certificate), such as hot water systems, internal alterations and additions, and new residential, commercial and industrial buildings. However, the SEPP does not specify any requirements regarding the use of gas.

#### Local Legislation

##### *North Sydney Local Environmental Plan (NSLEP) 2013*

The NSLEP 2013 does not have the legislative function to impose regulations and restrictions regarding energy sources. In addition, the aims and objectives of the LEP and zones cannot specifically prohibit the use and connection to gas.

##### *North Sydney Development Control Plan (NSDCP) 2025*

Section 10 – Environmental Sustainability of the NSDCP 2025 provides guidance to achieving environmentally sustainable building designs for both residential and commercial developments.

The NSDCP 2025 currently does not specifically discourage the use and installation of gas home appliances. However, this part of the DCP encourages and promotes the installation of renewable sources of energy and sustainable architectural building design practices. Of particular note, the current DCP does not contain objectives that promote health.

#### **Approaches to moving away from gas at different levels of government**

Across Australia, multiple jurisdictions have rolled out measures to phase out gas use in buildings to reduce emissions and improve indoor air quality.

#### NSW Government

In response to Australia's commitments under the Paris Agreement and the goal of reducing emissions, the NSW Government has introduced the *Net Zero Plan*, which sets out a pathway to achieve net zero emissions by 2050. To achieve this, the NSW Government has established a wide range of sustainable strategies to assist with the transition, including delivering a *Gas Decarbonisation Roadmap*<sup>9</sup>. The roadmap aims to provide clarity to industries and households on gas decarbonisation, including supporting business and household electrification and energy bill reduction. The NSW Government has also committed to setting targets for 2035

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<sup>9</sup> NSW Climate and Energy Action, Delivery a Gas Decarbonisation Roadmap, July 2025 update.

and 2050 to increase electrification of homes and local business in NSW as per the NSW Consumer Energy Strategy.

### ACT Government

As part of its plan to phase out fossil fuel energy use in Canberra by 2045, the ACT Government has introduced regulations that ban new gas network connections across all residential, commercial, and community facility land use zones, as well as for residential buildings located in non-residential zones. These rules have applied to new gas connections since 1 March 2024, following a transition period. The regulation covers all residential developments and most other building types, meaning that renovations involving the removal of an existing gas connection are also subject to the restriction. However, existing gas connections are not affected. Exemptions are allowed for certain connections in commercial or community facility zones, but these require review and approval by the relevant Minister<sup>10</sup>.

### Victorian Government

Similar to the ACT Government, the Victorian Government established its *Gas Substitution Roadmap*, which implemented a statewide ban on residential reticulated gas connections from 1 January 2024 to reduce emissions and improve indoor air quality. The prohibition applies to planning applications for new dwellings and residential subdivisions. It does not apply to other building types and does not restrict the use of bottled gas. Furthermore, the Victorian Government has committed to all new government buildings, including schools and hospitals, being constructed without gas and investigating options to progressively electrify most commercial buildings where appropriate electric appliances are readily available<sup>11</sup>.

### NSW Councils

A number of councils in NSW have implemented gas reduction or prevention measures in residential and commercial developments via a DCP amendment, education program, or environment strategy. Table 1 on the next two pages provides a summary of other councils' approaches to this issue.

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<sup>10</sup> ACT government, Regulation to prevent new gas connections starts in December, November 2023.

<sup>11</sup> Department of Transport and Planning and the Department of Energy, Environment and Climate Action, Victoria's Gas Substitution Roadmap, June 2025 update.

**Table 1 – Status of Electrification Across NSW Councils (as of July 2025)**

| Council        | Implementation Approach                       | Justification                                                      | Residential         | Commercial                                                            | Application Location   | Application type                   |
|----------------|-----------------------------------------------|--------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------|------------------------|------------------------------------|
| Lane Cove      | Implemented via DCP                           | Environmental sustainability, indoor air quality, and cost savings |                     |                                                                       | Whole LGA              | New Buildings                      |
| Newcastle      | Implemented via DCP                           | Indoor air quality and cost savings                                |                     |                                                                       | Whole LGA              | New Dwellings                      |
| Waverley       | Implemented via DCP                           | Indoor air quality                                                 |                     |                                                                       | Whole LGA              | New Dwellings<br>All Alts and Adds |
| Parramatta     | Implemented via DCP                           | Environmental sustainability, indoor air quality, and cost savings |                     |                                                                       | Precinct – city centre | New Buildings                      |
| City of Sydney | Implemented via DCP                           | Environmental sustainability, indoor air quality, and cost savings | From 1 January 2026 | From 1 January 2027 (proposed amendments on exhibition until 12/8/25) | Whole LGA              | New Dwellings                      |
| Inner West     | Implemented via education program             | Environmental sustainability, indoor air quality, and cost savings |                     |                                                                       | Whole LGA              | New Buildings                      |
| Hornsby        | Implemented via DCP                           | Indoor air quality                                                 |                     |                                                                       | Whole LGA              | New Dwellings                      |
| Canada Bay     | Amendment to DCP was not supported by Council | Environmental sustainability, indoor air quality and cost savings  |                     |                                                                       | Whole LGA              | New or Replacement Dwellings       |

| Council              | Implementation Approach                   | Justification                                                     | Residential | Commercial | Application Location   | Application type                  |
|----------------------|-------------------------------------------|-------------------------------------------------------------------|-------------|------------|------------------------|-----------------------------------|
| Blue Mountains       | Implemented via an environment strategy   | Environmental sustainability, indoor air quality and cost savings |             |            | Whole LGA              | New Buildings                     |
| Ryde                 | Implemented via an environmental strategy | Environmental sustainability, indoor air quality and cost savings |             |            | Whole LGA              | Council assets and infrastructure |
| Canterbury-Bankstown | Implemented via DCP                       | Environmental sustainability and indoor air quality               |             |            | Precinct – city centre | New Buildings                     |

*Note: Where the gas restriction applies to residential and commercial developments the box is coloured green, and the box is red for developments where the restriction is not applicable.*

## City of Sydney (CoS) Council

In 2024, CoS Council supported the exhibition of amendments to the CoS DCP to prohibit gas cooking appliances, to improve indoor air quality and mitigate the health impacts from burning gas. In March 2025, the CoS published a discussion paper regarding the electrification of all new development, exploring how planning controls could help phase out fossil fuel use in new building, and explaining the health, cost, and equity benefits of electrification.

The CoS's discussion paper proposes making all-electric systems mandatory for both new buildings and major renovations to achieve its net-zero emissions targets by 2035. It argues that eliminating fossil fuel gas connections in new developments is crucial for reducing greenhouse gas emissions, improving public health by avoiding indoor air pollution from gas appliances and combustion activities, and is increasingly cost-effective due to the falling price of renewable energy and efficient electric technologies such as heat pumps and induction cooking.

The paper also outlines the significant emissions reduction potential from this shift, noting that gas use in buildings accounts for a substantial portion of the City's emissions. It addresses potential challenges such as ensuring grid capacity and reliability, managing upfront costs for developers and residents, and supporting equitable access. The proposal seeks community and stakeholder feedback regarding transitioning away from gas infrastructure in new developments, and emphasising all-electric buildings as the cleaner, healthier, and more future-proof standard for Sydney's sustainable development<sup>12</sup>.

In June 2025, CoS Council unanimously endorsed the amendments to the DCP, adopting planning controls requiring electric indoor appliances (cooktops, ovens, and space heating) in new residential developments for development applications (DAs) lodged after 31 December 2025. A further amendment to the DCP was also endorsed for public exhibition seeking feedback on proposed planning controls that will require new residential accommodation and larger office buildings (over 1000sqm), hotels (over 100 rooms) and serviced apartment buildings (over 100 apartments) to be all-electric for DAs lodged after 31 December 2026. The proposal does not impact on the ability for food and beverage businesses and industrial uses to use gas and the controls will not apply to existing buildings or when changes are proposed to existing buildings. The proposed planning controls were on exhibition from 15 July 2025 to 12 August 2025.

### **Options to move away from gas**

As discussed above, electrifying buildings and phasing out gas connections and appliances would reduce greenhouse gas emissions, and improve residential amenity and health. It is also considered a more cost-effective and energy-efficient approach that future-proofs developments for emerging electric technologies and avoids costly retrofits. All-electric buildings could further benefit households by eliminating gas connection costs, support the transition towards long-term environmental equity and resilience, and advance North Sydney's emission targets.

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<sup>12</sup> City of Sydney, Discussion Paper Electrification of new development, March 2025.

Given the legislative constraints and the limited statutory power of local councils, North Sydney Council has few options to prohibit gas and require the electrification of developments. Whilst it is acknowledged that local council planning frameworks do not have the power to override State policies like SEPPs, implementing these changes through a Council DCP is considered to be the most appropriate mechanism; as demonstrated in Table 1, many metropolitan Sydney councils have adopted this approach. However, it should be noted that the function of a DCP is to provide guidance for local development; it does not carry determinative legislative weight. To provide additional statutory power to enforce the DCP provisions, Council could impose a development consent condition on applicable Development Applications requiring appliances to be electric.

As demonstrated in Table 1, all councils who have implemented a policy of restricting gas have applied this to residential developments, with a small number also applying it to commercial developments. Similarly, almost all councils apply this policy to new buildings across the whole LGA, with a couple of councils only applying it to the city centre.

Based on the above analysis of different types of approaches, Council has a number of options when applying discouragement of new gas connections and gas appliances, including:

- 1. Type of development
  - a. New residential accommodation developments
  - b. New residential accommodation developments, and residential alterations and additions
  - c. All classes of development
- 2. Applicable location
  - a. LGA-wide
  - b. Precinct-based
- 3. Do nothing/no action

These options for applying a policy of banning gas are discussed in Table 2 below, along with the advantages and disadvantages/challenges of these approaches.

Table 2: Options for electrifying developments

| Option |                                            | Advantages                                                                                                                                                                                                       | Disadvantages/Challenges                                                                                   |
|--------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 1a.    | New residential accommodation developments | Reduces risk of exposure to air pollutants. Results in healthier indoor amenity.<br><br>Future-proofing & ongoing cost savings for consumers.<br>Lower energy bills.<br>Avoids need for costly future retrofits. | Power plant/grid dependence with additional burden and demand on local electricity grid during peak hours. |

| Option |                                                                                       | Advantages                                                                                                                                                                                                                                                                                               | Disadvantages/Challenges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                       | <p>Provides a clear, simple, and unambiguous policy position which can be consistently applied.</p> <p>Allows industry &amp; stakeholders to adjust to this change gradually, minimising disruptions to the development industry.</p> <p>Progress towards achieving Council's environmental targets.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1b.    | New residential accommodation developments, and residential alterations and additions | <p>Reduces risk of exposure to air pollutants. Results in healthier indoor amenity.</p> <p>Future-proofing and on-going cost savings to consumers. Lower energy bills. Avoids need for costly future retrofits.</p> <p>Progress towards achieving Council's environmental targets.</p>                   | <p>Power plant/grid dependence with additional burden and demand on the local electricity grid during peak hours.</p> <p>Complexity of banning gas for developments involving alterations and additions, given many developments are undertaken through complying development and do not need to consider the DCP controls.</p> <p>To avoid uncertainties and inconsistencies, consideration needs to be given to the threshold that would trigger a requirement for electrification, particularly if the development does not involve any amendments to the gas connection or appliances.</p> <p>Retrofitting older buildings can involve higher upfront costs, particularly if electrical capacity or equipment upgrades are needed.</p> |

| Option |                                                                                                         | Advantages                                                                                                                                                                                                                                                                                                                                                                                                   | Disadvantages/Challenges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1c.    | All classes of developments (residential and commercial – new buildings, and alterations and additions) | <p>Reduces risk of exposure to air pollutants, and results in healthier indoor amenity.</p> <p>Future-proofing and on-going cost savings to consumers. Lower energy bills. Avoids the need for costly future retrofits.</p> <p>Progress towards achieving Council’s environmental targets.</p>                                                                                                               | <p>Power plant/grid dependence with additional burden and demand on the local electricity grid during peak hours.</p> <p>Limited research undertaken to date on impact of banning gas on businesses. E.g., may be issues related to availability of appropriate technologies and appliances, and businesses may not be ready or feasible (operational performance and efficiency) for the transition. Concerns are also raised regarding capacity of existing power grid, as a sharp increase in electricity demand could lead to grid strain during peak periods and raise the risk of instability or blackouts.</p> |
| 2a.    | LGA-wide                                                                                                | <p>Equitable and consistent approach across the LGA.</p> <p>Significant progress towards achieving Council’s environmental targets.</p>                                                                                                                                                                                                                                                                      | <p>Power plant/grid dependence with additional burden and demand on the local electricity grid during peak hours.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2b.    | Precinct-based                                                                                          | <p>Allow Council to target specific localities for transitioning away from gas, allowing for a more coordinated and strategic rollout of electrification measures, and ensuring that all DAs within the precinct are aligned with broader electrification and sustainability goals.</p> <p>Council can better plan infrastructure upgrades, target education and support programs, and engage with local</p> | <p>May create unnecessary inequalities between different locations.</p> <p>Concentrated increases in electrical demand within a precinct could place pressure on the local grid, especially during peak usage periods, raising concerns about power stability and potential outages.</p>                                                                                                                                                                                                                                                                                                                              |

| Option |                          | Advantages                                                                                                                                                                                                                    | Disadvantages/Challenges                                                                                                                                                                                                                                                                                                                                                                                  |
|--------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                          | <p>stakeholders to ensure a smooth implementation.</p> <p>Council can lead precincts towards becoming Net Zero exemplars, ensuring that all developments, regardless of type, demonstrate reliance solely on electricity.</p> |                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3.     | Do nothing/<br>No action | Nil                                                                                                                                                                                                                           | <p>Impacts on Council's ability to achieve its environmental targets to reduce greenhouse gas emissions.</p> <p>Residents, workers and visitors being exposed to additional air pollutants.</p> <p>Higher energy costs for residents and businesses.</p> <p>May lead to Council falling behind other councils with regards to best practice environmentally sustainable and health planning policies.</p> |

Options 1a and 2a, discouraging new gas connections and gas appliances for all new residential dwellings across the LGA is the recommended option for the following reasons:

- it brings Council in line with many other councils in Sydney who have implemented similar policies;
- it allows industry and stakeholders to adjust incrementally, minimising disruptions to the development industry;
- it provides a clear, simple, and unambiguous policy position which can be consistent applied;
- captures the residential development sector that is currently experiencing major growth;
- it ensures that Council is promoting the desired future direction for environmental sustainability within the LGA; and
- it minimises the community's exposure to harmful combustion gases and promotes a healthy indoor residential amenity.

It is proposed that new gas connections and gas appliances be discouraged in all new residential developments from 1 January 2026, subject to feedback received during the exhibition of the draft DCP amendment.

It is also proposed that future amendments to the DCP be explored to expand the application of the gas ban to alterations and additions to residential development, and non-residential development, subject to further investigation.

### **Proposed DCP Amendments**

In light of the above recommendation, amendments to the NSDCP 2025, as shown in Attachment 1 to this report and summarised below, are proposed.

## ***Section 10 – Environmental Sustainability***

### ***10.2 Energy efficiency***

Various minor administrative amendments, including the reordering of provisions, and amendments to reflect best practice of heat pump hot water systems over gas and solar hot water systems.

### ***10.3 Passive solar design***

An amendment to reflect best practice of heat pump hot water systems over solar hot water systems.

### ***10.7 All electric developments***

*Insertion of a new clause, objectives, and provisions to prohibit gas connections and appliances in new residential developments, as detailed below.*

#### ***Objectives***

- O1 To improve indoor air quality and promote personal health by reducing the risk of exposure to harmful airborne byproducts from the combustion of gas.***
- O2 Minimise the need for costly future installations and retrofits, and to reduce operational costs by avoiding ongoing gas connection standing charges.***

#### ***Provisions***

- P1 All development involving the erection of new residential accommodation (including the replacement of an existing dwelling) must only use electricity for all daily and operational needs (including cooking, space heating and water heating appliances). Compliance with this provision must be demonstrated on the development application plans.***
- P2 Where a development involves only alterations and additions to an existing dwelling, consideration is to be given to the replacement of existing gas fuelled appliances with electric only appliances.***

## **Proposed Development Consent Condition**

It is also proposed to impose a development consent condition on applicable DAs prohibiting gas connections and requiring appliances to be electric. This would provide Council with additional statutory power to enforce the DCP provisions. An example of a consent condition is provided below.

### ***All electric development – Residential accommodation***

*Prior to the issue of an occupation certificate, all appliances (including cooking, space heating, and water heating appliances) must be electric-only, to ensure that no harmful airborne byproducts are produced from the combustion of gas appliances.*

Reason: To protect and improve indoor residential amenity of harmful air pollutants from gas associated combustion activities.

## **Consultation Requirements**

The draft DCP amendment is proposed to be publicly exhibited for a minimum of 28 days in accordance with the requirements of the Environmental Planning and Assessment Act (EP&A Act) 1979 and its Regulation (2021) with regard to the exhibition and making of DCPs. Community consultation will also be undertaken in accordance with Council's Community Engagement Strategy 2025-2029.

Exhibition material including plain-English explanatory information and a copy of the amended DCP will be available for viewing during the exhibition period on Council's website with hard copies available at Council's Customer Service Centre and Stanton Library.

Notification of the public exhibition will be through:

- Exhibition notice on Council's website;
- Community engagement project webpage on Council's Have Your Say website;
- Notices in Council's Customer Service Centre and Stanton Library; and
- Notification to Precinct Committees.

A further report will be submitted to Council following the public exhibition period on the outcomes of the community consultation.

## **Financial/Resource Implications**

There will be minimal financial and resource implications in pursuing the proposed draft DCP amendment and development condition which can be accommodated within existing budget lines. The proposal will result in an improvement of indoor amenity for all new residential development and contribute to the net reduction of greenhouse gas emissions across the whole LGA. Furthermore, cost savings are expected for residents and tenants who convert to electrical appliances.

## Legislation

Compliance with the relevant provisions of the following legislation have been addressed throughout this report:

- *Environmental Planning and Assessment Act 1979* and its accompanying Regulation (2021)
- *Local Government Act 1993*
- *State Environmental Planning Policy (Sustainable Buildings) 2022*
- *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008*
- *North Sydney Local Environmental Plan 2013.*