

Item 5.

Post Exhibition - All-Electric Development - Draft Sydney Development Control Plan 2012

File No: X099810

Summary

All-electric buildings are healthier, more cost-effective and energy efficient. They avoid locking households and businesses into increasingly expensive fossil fuel systems, support long-term equity and resilience across all communities, and advance the City of Sydney's (the City's) net-zero emissions objectives.

To support this shift, at its meeting on 16 June 2025, Council approved the Draft Sydney Development Control Plan 2012 - All-Electric Development (draft DCP) for public exhibition. This report recommends approval of the publicly exhibited draft DCP with minor amendments following consideration of submissions.

The proposed planning controls, set to commence after 31 December 2026, require new residential accommodation, newly constructed offices over 1,000 square metres and hotels with more than 100 rooms and buildings with more than 100 serviced apartments to be fully electric and not connected to fossil gas. The proposed controls don't apply to existing buildings or industrial uses.

Given the specific needs of the hospitality sector, food and beverage premises in a mixed-use development may have a gas connection - provided there is sufficient space and electrical capacity for future electrification. This aims to reduce structural and cost barriers when transitioning to all-electric systems later.

The draft DCP was exhibited from 15 July to 12 August 2025, and the City received 84 submissions and survey responses. Most submissions supported the electrification measures, citing health benefits, operational cost savings and environmental outcomes.

Several submissions recommended strengthening provisions for food and beverage premises and expanding requirements to additional building types. Support was expressed for Council's strong leadership. Some submissions raised concerns about consumer choice, energy reliability, infrastructure capacity and cost impacts for developers and consumers.

Following public exhibition, minor amendments are proposed to the draft DCP to clarify the infrastructure requirements for food and beverage tenancies and provide clear definitions for affected development types.

If adopted, the draft DCP will replace the indoor air quality provision that was adopted by Council in June 2025 as part of policy and housekeeping amendments to the City's local environmental plans and development control plans, introducing more comprehensive electrification requirements across a broader range of building types and systems.

Recommendation

It is resolved that:

- (A) Council note the matters raised in submissions to the public exhibition of All-Electric Development - Draft Sydney Development Control Plan 2012, as shown at Attachment A to the subject report;
- (B) Council approve the revised Draft Sydney Development Control Plan 2012 – All-Electric Development, as shown at Attachment B to the subject report, as amended following public exhibition; and
- (C) authority be delegated to the Chief Executive Officer to make minor amendments to the Draft Sydney Development Control Plan 2012 – All-Electric Development to correct any errors or omissions prior to finalisation of the development control plan.

Attachments

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| Attachment A. | Summary of Submissions |
| Attachment B. | Draft Sydney Development Control Plan 2012 - All-Electric Development - as amended |

Background

1. This report follows the public exhibition of the Draft Sydney Development Control Plan 2012 - All-Electric Development (draft DCP). Following consideration of submissions, it is recommended Council adopt the draft DCP with minor amendments to clarify the policy intent. The revised draft DCP is shown at Attachment B.
2. In August 2023, Council resolved to investigate planning controls to require all-electric new development, in response to the health and economic impacts of gas use in developments.
3. In December 2023, as part of proposed amendments to its local environmental plans and development control plans, Council resolved to publicly exhibit the Policy and Housekeeping DCP. This includes an indoor air quality provision that restricts indoor gas appliances, including cooktops, ovens, and space heaters, in new residential developments.
4. At the time of adopting the Policy and Housekeeping DCP for public exhibition, Council acknowledged further research, and consultation was required to inform future planning controls to address other gas uses such as hot water systems and to consider similar requirements for non-residential buildings. The City prepared the Discussion Paper: Electrification of New Development (discussion paper) to explore these issues and options for planning controls. The discussion paper was publicly exhibited from 31 March to 5 May 2025.
5. At its meeting on 16 June 2025, Council adopted the indoor air quality provision as part of the policy and housekeeping amendments, restricting indoor gas appliances in new residential development after 31 December 2025.
6. At the same meeting, Council approved the public exhibition of the draft DCP that is the subject of this report. The draft DCP includes more comprehensive electrification requirements than those included in the Policy and Housekeeping DCP, that extend across a broader range of building types and systems.
7. The pre-exhibition report to Council, available at city.sydney/230625 (Item 12.3), outlines the background to the preparation of the discussion paper and draft DCP, as well as the outcomes of public consultation on the discussion paper.
8. If adopted, the draft DCP will replace the indoor air quality provision that was adopted in the policy and housekeeping amendments when it comes into force after 31 December 2026.

Exhibited draft DCP

9. The draft DCP aims to improve air quality and health by reducing exposure to pollutants and protect future residents and businesses from rising gas prices, dual connection charges and costly future conversions. The draft DCP will also deliver more efficient buildings that benefit from lower operating costs.
10. The draft DCP requires all-electric systems (including water heating) in:
 - (a) new residential accommodation, and

- (b) the erection of new prescribed office premises, prescribed hotel or motel accommodation or prescribed serviced apartment buildings, as defined by the State Environmental Planning Policy (Sustainability Buildings) 2022 including:
 - (i) offices over 1,000sqm
 - (ii) hotels with over 100 rooms, and
 - (iii) serviced apartment buildings with over 100 apartments.
11. The provisions include:
- (a) a requirement that affected development not be connected to fossil fuel gas
 - (b) a requirement for affected development to provide sufficient space and electrical capacity for all-electric systems
 - (c) an allowance for dedicated gas connections for new food and beverage premises within mixed-use developments containing affected development, where sufficient space and electrical capacity to support future electrification is provided
 - (d) a delayed commencement date of after 31 December 2026, to allow for a period of market adjustment
12. The provisions do not:
- (a) apply retrospectively to existing buildings or alterations or additions - they only apply to the development of a new building
 - (b) apply to industrial development as these uses often rely on high-temperature processes or specialised equipment where electrification may not yet be technically or economically feasible
 - (c) restrict use of bottled gas
 - (d) restrict use of renewable gas, which may have a role in industrial processes where electrification is not yet feasible. For clarity, the proposed provisions apply only to fossil fuel gas

Post-exhibition amendments

13. Following consideration of submissions, minor amendments are proposed to the draft DCP, including:
- (a) clarification that where a gas connection is included in an affected food and beverage tenancy, the premises must also have sufficient space and electrical capacity to enable future electrification. This will be supported by an estimated maximum demand calculation. This amendment improves clarity, responds to feedback, and strengthens alignment with the policy's intent without changing the overall scope.

- (b) replacement of references to “prescribed development” with explicit definitions for key development types, including hotels or motels with at least 100 guest rooms, office premises with a net lettable area of at least 1,000m², and buildings with at least 100 serviced apartments. This ensures the draft DCP remains clear and effective regardless of future changes to the State Environmental Planning Policy (Sustainable Buildings) 2022.

14. The revised draft DCP is shown at Attachment B.

Public exhibition

15. The draft DCP was publicly exhibited from 15 July to 12 August 2025. The following activities supported the public exhibition:

- (a) A webpage and survey were created to allow people to view the draft DCP and provide feedback
- (b) The project was promoted in the July and August editions of the Sydney Your Say eNews
- (c) Approximately 90 key stakeholders, including those that had made a submission to the discussion paper, were notified of the exhibition by email
- (d) Social media posts were featured on the City’s LinkedIn page and Instagram accounts in June 2025, linking to the consultation page
- (e) Stakeholder briefing sessions were offered during the exhibition period and attended by interested parties

16. The City received 84 responses, with 74 from individuals and 10 from stakeholders in the development industry (3), advocacy organisations (5), and utility or service providers (2).

17. In total, 60 responses supported the all-electric provisions, 23 objected and 1 was neutral. These responses came from 2 sources:

- (a) email submissions (49 total)
 - (i) 34 in support
 - (ii) 14 objected
 - (iii) one neutral
- (b) survey responses (35 total)
 - (i) 26 in support
 - (ii) 9 objected

18. A detailed summary of all the issues raised in submissions, along with the City’s response, is shown at Attachment A. Responses to key issues raised are provided below.

General support

19. Most community submissions supported the draft DCP. Twenty-seven community submissions and 26 survey responses cited multiple benefits.
20. Seven industry bodies and advocacy organisations also expressed support, including Doctors for the Environment Australia, Energy Consumers Australia, the Property Council, Ausgrid, the Royal Institution of Chartered Surveyors, 350 Australia and Healthy Futures, and the Global Cooksafe Coalition.

Lower energy costs and long-term savings

21. Twenty-six community member submissions highlighted the financial advantages of electrification, with improved energy efficiency reducing energy bills for households and businesses over time. Some pointed out that avoiding gas infrastructure in new developments could lower upfront costs and avoid expensive future retrofits. Electrification was also seen to reduce exposure to future gas price increases.
22. Organisations reinforced these points. Doctors for the Environment Australia linked energy efficiency to cost savings; Energy Consumers Australia highlighted avoiding costly gas infrastructure lock-in; Ausgrid described electrification as a cost-effective alternative to retrofits that would also deliver cost benefits to the wider network; and 350 Australia and Healthy Futures, along with the Global Cooksafe Coalition, noted potential long-term cost reductions.

Recognition of leadership

23. Twenty-six community member submissions described the approach as a valuable precedent for other councils in advancing safer, more efficient, and future-ready building standards. Several noted the reliance on expert advice, particularly on public health, and described the policy as evidence based.
24. Several organisations also acknowledged the City's leadership. Doctors for the Environment Australia highlighted the reliance on expert health advice; Energy Consumers Australia noted the City's role in climate action and consumer protection; 350 Australia and Healthy Futures commended the City's leadership and role in paving the way for broader electrification; and the Global Cooksafe Coalition described the policy as balanced, and industry informed.

Health concerns and improving indoor air quality

25. Twenty-five community member submissions expressed support for health reasons. They raised concerns about air pollution from gas appliances, especially in poorly ventilated homes. Many cited advice from medical professionals and health organisations. Submitters saw electrification to improve indoor air quality, reduce respiratory problems, and protect vulnerable groups such as children and older people.
26. Organisations shared these health concerns. Doctors for the Environment Australia stressed the public health and occupational risks of gas appliances. Energy Consumers Australia framed electrification as a consumer health protection measure. Ausgrid highlighted health and environmental benefits. The Global Cooksafe Coalition emphasised reduced heat stress and improved conditions for hospitality workers. 350 Australia and Healthy Futures also supported the health rationale for electrification.

Future-proofing electrical capacity in commercial kitchens

27. Twenty-five community member submissions supported allowing a gas connection but requiring sufficient space and capacity to support future electrification in food and beverage premises. They saw this as a practical, flexible approach that allows commercial kitchens to switch to electric appliances over time. Submitters noted this would future-proof new buildings without forcing immediate operational changes and reduce long-term costs and disruption.
28. Organisations such as 350 Australia and Healthy Futures supported the approach. The Global Cooksafe Coalition commended the flexible approach and called for retrofit support for existing buildings.
29. Doctors for the Environment Australia and Energy Consumers Australia supported embedded infrastructure but recommended clearer requirements. Energy Consumers Australia suggested requiring an electrification-readiness report and clear criteria such as capped outlets and 3-phase power.
30. As a result of these submissions, a post-exhibition amendment is recommended to the draft DCP to clarify infrastructure requirements. The proposed amendment is to ensure if a gas connection is provided in affected food and beverage premises, the premises must also include sufficient space and electrical capacity, supported by an estimated maximum demand calculation, to enable future electrification. This ensures kitchens are fully equipped for safe and complete electrification in line with policy objectives. Development assessment planners will assess compliance consistent with accepted approaches such as kWh per square metre calculations, without requiring additional reports or specific documentation.

Transition timeline

31. Several industry bodies and organisations expressed strong support for the proposed lead-in period. The Property Council supported the transition timeframe, highlighting its role in enabling developers to manage costs, procurement and prepare for new requirements.

Existing buildings and building types

32. Organisations expressed varied perspectives on the scope of the electrification policy, particularly regarding its application to existing buildings, and specific building types such as industrial and commercial.

(a) Existing buildings

- (i) Energy Consumers Australia suggested expanding the scope to include renovations and alterations based on thresholds like floor area or value to prevent future gas lock-in
- (ii) Property Council supported the application of the policy to new developments only due to feasibility concerns, and
- (iii) Global Cooksafe Coalition and Royal Institution of Chartered Surveyors supported the new development scope but recommended focusing on transitioning existing buildings once adopted.

Response: Following consideration of submissions, no amendment is proposed to the draft DCP. The draft DCP was intentionally limited to new developments, excluding major renovations and alterations due to cost and feasibility considerations. The City remains committed to supporting electrification in existing buildings through other ongoing programs and initiatives.

(b) Industrial buildings

- (i) Ausgrid acknowledged the complexities related to electrifying the industrial sector and noted that its exclusion from the provisions is appropriate.

(c) Commercial buildings

- (i) Energy Consumers Australia, 350 Australia, and Healthy Futures advocated for extending the scope to all commercial buildings beyond the thresholds in the future.

Response: Following consideration of submissions, no amendment is proposed to the draft DCP. The thresholds for new commercial developments align with the NSW Government's Sustainable Buildings SEPP to balance feasibility and impact. Smaller commercial projects, which are less common in the local area, face greater space and infrastructure challenges, often making full electrification less viable. This approach maximises impact while remaining achievable. Based on gas use data from the financial year 2021/22, commercial offices under 1,000 m² account for just 0.71% of gas consumption in the local area.

Gas appliance preference and consumer choice

- 33. Six community member submissions expressed a preference for gas appliances and stressed the importance of preserving consumer choice. Submitters opposed regulating energy sources in new developments, arguing that individuals should decide which appliances to use.
- 34. Organisations such as the Urban Taskforce and Business Sydney echoed these concerns. They warned that removing gas options could reduce buyer appeal, affect project viability, and limit consumer freedom.

Response: The provisions apply only to new developments and do not restrict existing buildings. With nearly 90,000 gas-connected homes already in the local area, choice remains. The policy supports a gradual but powerful market transition by maintaining choice in the existing housing stock, while preventing long-term fossil fuel lock-in in new builds.

Authority to regulate energy use

35. Five community member submissions questioned whether the City had authority to regulate energy use. They argued that energy policy decisions should rest with other government levels and expressed concern that the approach may exceed the City's planning remit. Some questioned prioritising electrification over the provision of other local services.
36. The Urban Taskforce reflected these jurisdictional concerns and called for a consistent state-wide approach to energy regulation.

Response: The City is empowered to implement planning controls that reflect local priorities via its DCP. The draft DCP aligns with state and national goals, including NSW's net zero targets. The NSW Productivity and Equality Commission's March 2025 report supports using planning tools to limit gas connections, citing benefits such as cost savings, improved health, and equity outcomes. While the report acknowledges that the NSW Government has ruled out imposing a ban at the state level, it suggests that local councils can play a role in this transition.

Electricity supply reliability and backup energy options

37. Four community member submissions raised concerns about electricity supply reliability. They cited personal experience with blackouts and questioned whether infrastructure could support increased demand. Submitters suggested retaining gas as a backup and expressed hesitation about relying entirely on electric systems for space and heating and cooking.
38. Similar concerns came from the Urban Taskforce, which warned about pressure on the electricity network and the cost and impact of necessary infrastructure upgrades. Business Sydney raised risks related to electricity grid reliability. Jemena emphasised the need to maintain flexible energy planning to accommodate renewable gas options as part of a reliable system.

Response: Ausgrid advised that Sydney's electricity network, especially in the CBD, has significant capacity to meet forecast electrification demand due to reduced consumption from energy efficiency. Requiring all-electric development as standard improves predictability and enables more accurate network planning. Ausgrid does not expect major impacts on medium-term investments and will incorporate the requirements in long-term plans. The policy enhances resilience by supporting decentralised, renewable-powered systems integrated with batteries and smart technologies. This approach boosts local energy generation, reduces vulnerability to disruptions, and enables faster recovery during extreme events. The City continues to work closely with Ausgrid to ensure network readiness and resilience. The draft DCP does not restrict use of renewable gas, which may have a role in industrial processes where electrification is not yet feasible. For clarity, the proposed provisions apply only to fossil fuel gas.

Cost and affordability challenges

39. Three community member submissions objected on financial grounds, citing electricity costs, appliance affordability, and impacts on business viability and employment.

40. Organisations including the Urban Taskforce and Business Sydney opposed the all-electric provisions due to increased costs, concerns about the viability of delivering residential projects and risks to housing affordability.

Response: All-electric systems may have higher upfront costs but offer lower ongoing expenses and better efficiency. Costs are expected to decline as technologies mature. Electricity prices are likely to stabilise or fall with renewables, while gas prices are likely to rise due to market issues and supply risks. Avoiding fossil fuel infrastructure prevents costly future retrofits.

Ausgrid has advised that the increase in demand can largely be accommodated within the existing electricity network without major upgrades. Where augmentation - such as substations - is needed, it is often required regardless of energy type. Well-designed load management can reduce these infrastructure demands. Ausgrid is also reviewing cost allocations and improving transparency through hosting capacity maps to help developers' ability to plan and manage electrification costs.

Timing and readiness for policy implementation

41. Urban Taskforce argued the lead-in time is too short for developers to change processes and replace stockpiles, suggesting a staged approach to prevent impediments to development and allow developers time to adjust without incurring unsustainable costs.

Response: Feedback on timing to the earlier consultation on the discussion paper varied, with some respondents advocating for immediate implementation and others requesting a longer transition period. In developing the draft DCP, the City carefully considered this range of feedback and incorporated an 18-month lead-in period from public exhibition to commencement. This timeframe supports market readiness, infrastructure planning, and supplier capacity building. It allows developers to accommodate projects already in early design stages, adjust procurement processes, manage increased electrical demand from appliances such as induction cooktops, and integrate electrification into site feasibility and acquisition decisions.

Impact on housing options for low- and middle-income families

42. Urban Taskforce raised concerns that the electrification could increase development costs and reduce the viability of affordable housing projects, calling for exemptions for these housing types to protect housing affordability and housing delivery.

Response: Applying electrification requirements to these housing types supports an equitable transition away from fossil fuels, reducing long-term energy costs for vulnerable households. These residences are among the most important to electrify to ensure a fair transition that protects vulnerable communities from volatile gas prices, dual connection charges and costly future retrofits. Exemptions risk locking in fossil fuel dependence and passing retrofit costs onto the community. Early stakeholder engagement with social and community housing providers indicates they are already designing all-electric new developments, recognising the importance of avoiding reliance on gas given rising prices and the structural barriers these households face in converting later.

Potential short-term emissions increases

43. Urban Taskforce raised concerns that transitioning to all-electric developments could temporarily increase emissions, potentially undermining environmental benefits during the initial phase of electrification.

Response: Short-term emissions fluctuations may occur, but the electricity grid is rapidly decarbonising - projected to reach 82% renewable energy by 2030 - significantly reducing lifecycle emissions from electric buildings. Given the long lifespan of buildings, decisions made today will have lasting environmental impacts. As the grid continues to decarbonise, the emissions advantage of electric systems will increase. In contrast, emissions from burning fossil fuel gas cannot be reduced by renewable energy sources and can only be offset.

Key Implications**Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision**

44. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This policy is aligned with the following strategic directions and objectives:
- (a) Direction 2 - A leading environmental performer - Requiring all-electric new development supports the City's target of net zero emissions by 2035 and complements the decarbonisation of the electricity grid.
 - (b) Direction 4 - Design excellence and sustainable development - Electrification encourages energy-efficient, resilient buildings that meet best practice sustainability standards.
 - (c) Direction 6 - An equitable and inclusive city - Requiring all-electric systems prevents further gas network expansion and ensures new buildings are more affordable and easier to maintain. This approach protects occupants - particularly low-income households and renters - from rising gas prices.
 - (d) Direction 7 - Resilient and diverse communities - Electric systems offer greater flexibility and resilience than centralised gas infrastructure. They can integrate with renewable energy, batteries and smart technologies, supporting local energy generation and reducing exposure to supply disruptions and extreme weather events.
 - (e) Direction 10 - Housing for all - Clear planning controls for all-electric development support the delivery of sustainable, future-ready housing. Electrification reduces long-term costs and avoids retrofitting, helping ensure vulnerable residents are not left behind in the energy transition.

Risks

45. The proposal sits within the City's risk appetite, which supports innovation and transformation towards long-term environmental and social goals. Electrification delivers clear community benefits, including improved health, equity and climate outcomes, and aligns with the City's commitment to minimising risks to public health and safety.

Environmental

46. The draft DCP supports the City's environmental priorities by increasing the use of renewable energy through the electrical energy network and reducing reliance of fossil fuels. It aligns with the Environmental Strategy 2025–2030, which identifies building electrification as essential to meeting local area emissions targets and net zero. Feedback received during public exhibition of the Strategy and in focus group discussions showed strong support for electrifying both vehicles and buildings. Participants noted that rising electricity bills and the high cost of retrofitting - particularly for lower-income households and renters - make it difficult to respond to climate impacts. By requiring electric technologies from the outset, the proposal helps avoid locking more people into expensive, polluting systems and prevents the problem from growing.

Relevant Legislation

47. Environmental Planning and Assessment Act 1979.
48. Environmental Planning and Assessment Regulation 2021.
49. State Environmental Planning Policy (Sustainable Buildings) 2022.

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