

20 April 2023

Integrated Energy Policy
ACT Government

Via Email: gastransition@act.gov.au

MASTER BUILDERS ACT SUBMISSION TO THE REGULATION TO PREVENT GAS CONNECTIONS IN THE ACT

Thank you for the opportunity to provide a submission to this important reform.

The Master Builders Association of the ACT (MBA) has participated in the consultation workshops on the electrification transition to date and we look forward to on-going dialogue with government about the opportunities and impacts of this reform.

Master Builders ACT is the peak industry association for the ACT's building and construction industry. With over 1,000 members across residential, commercial, civil contractors, subcontractors, suppliers, and professional sectors of our industry. Our members represent all levels of the supply chain, from the landowner and developer, through to builders, subcontractors, suppliers, designers, and engineers. Our members also include professionals who advise these building industry practitioners, including architects, lawyers, and surveyors. We operate Canberra's largest specialist building and construction industry training organisation, MBA Group Training, which currently trains approximately 200 carpentry apprentices and more than 7,000 construction workers in short courses each year. As such, our members are significant stakeholders in the proposed reform and the broader electrification strategy.

Context

We note and support the six high level themes which have been identified by the ACT Government for further consultation, namely:

- Supporting lower income households and renters
- Transitioning complex buildings
- Finding alternatives for specific has requirements
- Opportunities for the workforce and the economy
- The future of the gas network, and
- Role of batteries and electric vehicles

Challenges

Of all the themes identified by ACT Government, we urge the Government to pay particular attention to investigating the opportunities and impacts on the local workforce.

The building and construction industry is already struggling to address workforce shortages to deal with the current workload.

Historically, Government policy (both Federal and ACT) has not matched changes in workforce demands with actions that address industry needs successfully. Arguably, our current system of attracting people to the building and construction industry, training them in the necessary roles, and supplying quality candidates to local employers, has not performed well. As a result, employers rely heavily on international skilled migration and company-specific training and re-skilling to meet their workforce needs.

In the ACT, the challenges of meeting our current workforce needs are made harder by the fact many construction trade apprenticeships are funded by the Government at the lowest rate of any State or Territory Government in Australia. Yet, the plans of the ACT Government to prevent gas connections and prioritise electrification is the most ambitious in Australia.

The significance of the workforce impact from the ACT Government's electrification policy should not be underestimated. It should not be assumed that private employers alone will meet the workforce needs and address the workforce impacts. Significant research, planning, consultation, and communication should be invested early by the ACT Government for this transition to be successful.

It is somewhat concerning that the ACT Government has chosen to progress with the proposed regulation to prevent gas connections without this research, planning and consultation being completed.

Proposed Regulation

Regarding the specific regulation to prevent new gas connections in the ACT we have participated in the consultation workshop held on 17 March 2023 as a panel member and provided responses to the consultation questions asked in that workshop.

While we support the general nature of feedback made during the 17 March workshop, we would like to emphasise the need for government to consider the transition arrangements and impact of the regulations on renovations and extensions of existing properties connected to the gas network.

When considering how the new regulation will apply specifically to renovations and extensions, while on the one-hand we support the objective of moving towards full electrification (as outlined in the ACT Government's policy) in a timely manner, we also believe the following impacts should be considered:

- Not delaying or causing re-design for projects already substantially commenced or approved.
- Not imposing such an unreasonable cost on the project (through conversion from gas to

electricity) to make the project unviable, thereby maintaining the status quo gas connection.

- Not imposing a barrier to greater investment, renewal or development of new housing, (especially public, social and affordable housing) in the ACT.

We suggest a fine-grain assessment of existing residential areas be undertaken to identify opportunity for redevelopment (consistent with Government planning strategies) because transitioning from gas to electricity may be more efficient through a redevelopment proposal, than prohibiting connections on existing dwellings.

Conclusion

We are available to discuss any aspect of this submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Hopkins', with a long horizontal flourish extending to the right.

Michael Hopkins
Chief Executive Officer