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Department of Industry, Science and Resources
Industry House,
10 Binara Street,
Canberra

Via DISER Consultation Hub

Geelong Sustainability Submission to the Australian Government's Future Gas Strategy Consultation Paper

Geelong Sustainability welcomes the opportunity to provide a response to the Australian Government's Future Gas Strategy Consultation Paper. We recognise the importance of developing a strategy to oversee and manage gas use and production as it continues to decline through the transition to a decarbonised economy.

Geelong Sustainability is a not-for-profit community association and registered charity. Our vision is for people and our planet to thrive within sustainable limits. Our mission is to empower people to regenerate and protect the planet. To achieve this, we deliver projects that are focused on four strategic priorities - Climate Change, Renewable Energy, the Circular Economy and Sustainable Cities.

As a leading organisation focused on the continual transition towards net zero emissions, Geelong Sustainability's submission to the Future Gas Strategy has been made in line with our priorities for action.

1. No new gas projects should be developed

Since 2021, International Energy Agency (IEA) analysis has shown new fossil gas developments to be inconsistent with limiting global temperature rise to 1.5 degrees, and updated modelling reinforces this finding.[1] The UN Environment Program's 2023 Production Gap Report finds current global fossil fuel production plans would produce emissions 110% higher than what's required for 1.5°C. [2]

Fossil gas (methane) is a potent greenhouse gas, especially across short timescales, and Australian and international studies consistently demonstrate that the emissions formally recorded for gas production and consumption are likely to be well below real levels.[3]

The Future gas strategy must not underestimate the emissions likely to be associated with new gas production. A recent analysis of proposed Beetaloo Basin gas projects finds its 25-year lifetime emissions have likely been underestimated by 45% by formal modelling.[4] Over-reliance on offsets to

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[1] International Energy Agency (2023), 'Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach' https://www.iea.org/news/the-path-to-limiting-global-warming-to-1-5-c-has-narrowed-but-clean-energy-growth-is-keeping-it-open

[2] United Nations Environment Program (2023), 'Production Gap Report' https://www.unep.org/resources/production-gap-report-2023#:~:text=The%20Production%20Gap%20Report%20%E2%80%94%20first,C%20or%202%C2%B0C.

[3] International Energy Agency (2022), 'Global Methane Tracker' https://www.iea.org/reports/global-methane-tracker-2022/overview

[4] Climate Analytics (2023), 'Emissions impossible Unpacking CSIRO GISERA Beetaloo and Middle Arm fossil gas emissions estimates', https://climateanalytics.org/media/emissions_impossible.pdf

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compensate for emissions from new gas projects runs a high risk that Australia will fail to meet our climate commitments, given the substantial footprint of these developments.[5]

The Future Gas Strategy must adopt a good faith, and precautionary approach to achieving its stated aim: ' to.. support decarbonisation, including reaching our target of 43% reduction in emissions below 2005 levels by 2030 and net zero by 2050.' It must also be developed in line with Australia's commitment under the Paris Agreement to pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."[6] The weight of evidence shows new gas projects are compatible with neither Australia's commitment to limit their own emissions in line with limiting temperature increase to 1.5°C, nor a global 1.5°C trajectory.

Given the high levels of emissions associated with gas production and consumption, the focus of the Future Gas Strategy must be to reduce gas consumption as fast as possible, and to conserve supply from existing sources for hard-to-abate sectors as they transition. The Future Gas Strategy must secure Australia's energy security without developing new reserves.

Rather than expanding gas production, we instead encourage the Future Gas Strategy to focus on:

- The potential for demand side reduction, including residential energy efficiency and electrification, to address any forecast shortfalls (and avoid new production and infrastructure investment)
- The development of a gas demand response mechanism to address any potential peak day shortfalls
- Measures to address any remaining risk to Australia's energy security without increasing production (which may include reserves on existing production for local use)

Demand side opportunities are discussed further in Section 2.

2. Demand side measures should instead be deployed to address any potential local shortfalls

The Future Gas Strategy must detail a plan to deploy electrification, and other substitution technologies, that will avoid future gas shortfalls. It must also develop a demand response mechanism for gas as a priority - to resolve possible worst-case peak day shortfalls, without further investment in gas infrastructure or production.

A focused investigation of the potential for demand-side measures to avoid shortfalls will be an important focus of the Future Gas Strategy. Existing Australian consumption forecasts - including those underpinning the Australian Energy Market Operator's Gas Statement of Opportunities - don't serve this purpose.

Geelong Sustainability's recently-completed Climate Safe Rooms project has demonstrated the potential for streamlined household electrification upgrades to save money for households, reduce

[5] Climate Analytics (2023), 'Emissions impossible Unpacking CSIRO GISERA Beetaloo and Middle Arm fossil gas emissions estimates', https://climateanalytics.org/media/emissions_impossible.pdf
[6] Department of Climate Change Energy, the Environment and Water (2022), 'International climate action ' https://www.dcceew.gov.au/climate-change/international-commitments

emissions and deliver health benefits.[7] A recent study from the Institute of Energy Economics and Financial Analysis (IEEFA) demonstrates the power that a ban on new gas appliances would have, to reduce and delay projected shortfalls for Victoria, and deliver household savings.[8]

The Future Gas Strategy should also focus on the development of a coordinated plan - involving government, consumers, network businesses, regulators and market bodies - to oversee the migration of consumers from the shared gas network, and to avoid unaffordable energy prices driven by rising network costs for gas users remaining on the network late in the transition.

The Future Gas Strategy should prioritise the deployment of emerging technologies, including green hydrogen, to address hard-to-abate applications for gas.

3. The Future Gas Strategy must be consistent with a meaningful decarbonisation plan

Geelong Sustainability's goal for the local communities in which we work, is to pursue a target of net zero emissions by 2035 - in line with the City of Greater Geelong's adopted target.[9] [10]

The Future Gas Strategy will be a critical component of of Australia's emissions reduction plans. As such, it should be developed in consideration of:

- Australian and international research that consistently demonstrates the under-counting of fossil gas-related emissions in current reporting frameworks[11]
- Updated mainstream climate science indicating the likelihood that faster emissions reduction (reduced national budgets) will be required to limit warming to 1.5 degrees[12]
- The high risks - including high historical failure rates and higher-than-anticipated costs - associated with technologies to reduce emissions associated with gas production and consumption, like Carbon Capture and Storage[13]
- The limitations and challenges associated with methods attempting to sequester carbon in natural cycles - and the risk in relying on these to offset continued gas use[14]

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[7] Geelong Sustainability (2023), 'Climate Safe Rooms Final Report'https://www.geelongsustainability.org.au/wp-content/uploads/2023/09/Climate-Safe-Rooms-Final-Report-Sep-2023.pdf

[8] Institute for Energy Economics and Financial Analysis (2023), 'Addressing Victorias Fossil Gas Dilemma Means Ending Sales of Gas Appliances' https://ieefa.org/articles/addressing-victorias-fossil-gas-dilemma-means-ending-sales-gas-appliances

[9] City of Greater Geelong (2021), 'Climate Change Response Plan' https://hdp-au-prod-app-ggc-yoursay-files.s3.ap-southeast-2.amazonaws.com/5616/3822/6613/Climate_Change_Response_Plan_FINAL.pdf

[10] City of Greater Geelong (2021), 'Climate Change Response Plan' https://hdp-au-prod-app-ggc-yoursay-files.s3.ap-southeast-2.amazonaws.com/5616/3822/6613/Climate_Change_Response_Plan_FINAL.pdf

[11] International Energy Agency (2022), 'Global Methane Tracker' https://www.iea.org/reports/global-methane-tracker-2022/overview

[12] Forster, P. M.,(2023), Indicators of Global Climate Change 2022: annual update of large-scale indicators of the state of the climate system and human influence, Earth Syst. Sci. Data, 15, 2295–2327, https://doi.org/10.5194/essd-15-2295-2023, 2023.

[13] Institute for Energy Economics and Financial Analysis (2022) 'The carbon capture crux: Lessons learned' https://ieefa.org/resources/carbon-capture-crux-lessons-learned

[14] Climate Analytics (2023), 'Why Offsets Don't Work' https://climateanalytics.org/latest/why-offsets-dont-work-new-analysis/

These factors demonstrate the need to minimise ongoing gas use through the transition, and avoid new production.

4. LNG import terminals, and other investment in gas infrastructure, should be avoided

Geelong Sustainability has opposed proposals to develop LNG import terminals in Port Phillip and/or Corio Bay, for the following reasons:

1. They are contrary to global scientific warnings about climate change
2. They are contrary to positions of national and international energy operators
3. They are contrary to state government emissions reduction target and energy plans
4. It's far better to tackle the demand than supply side of the energy equation
5. The project has significant environmental and biodiversity risks
6. They are contrary to local government emissions reduction target and vision
7. They are contrary to our community's aspirations[15]

Instead, the Future Gas Strategy should focus on demand side measures to accelerate the ongoing decline in gas consumption - and introduce a demand response mechanism to address peak day shortfalls.

5. Fossil developments are a risk to Geelong's economy. Our community needs sustainable industries that will support livelihoods over the long term

As the world continues to transition to a decarbonised economy, new fossil fuel projects represent a financial risk to their host communities, rather than a reliable support to livelihoods.

The City of Greater Geelong has developed a Climate Change Response Plan that targets net zero by 2035.[16] Our region's long-term wellbeing will depend on the development of industries that will support jobs here for the long term, and that are consistent with our regions' climate goals.

New gas projects are particularly high risk for communities, given the uncertain future for the industry, the International Energy Agency's forecast for a global surplus from 2025[17], and the AER's

[15] Geelong Sustainability (2023), Submission to Viva Inquiry' https://www.geelongsustainability.org.au/wp-content/uploads/2023/05/GS-Sub-Viva-EES-Inquiry-11Apr22_Redacted.pdf
[16] City of Greater Geelong (2021), 'Climate Change Response Plan' https://hdp-au-prod-app-ggc-yoursay-files.s3.ap-southeast-2.amazonaws.com/5616/3822/6613/Climate_Change_Response_Plan_FINAL.pdf
[17] International Energy Agency (2023), 'World Energy Outlook' https://www.iea.org/reports/world-energy-outlook-2023

acknowledgement that gas assets face a high risk of becoming stranded.[18] Continued reliance on fossil fuels is a risk for Geelong businesses (as was demonstrated by the 2022 energy crisis sparked by global events), and new gas projects (such as the proposed Viva and Vopak import terminals) are likely to lead to long-term environmental degradation in return to short-term, volatile and uncertain returns as the global transition progresses.

The economy of Geelong and our surrounding regions are vulnerable to a number of climate risks, including vulnerability to flooding and storm surge, and bushfire, and impact on tourist and agriculture industries.[19]

The impact of resulting climate change on local economies must be considered when evaluating proposals for new fossil fuel developments.

Concluding remarks

The Future Gas Strategy should focus on the opportunity for demand side measures to avoid any potential shortfalls in gas supply. A coordinated strategy is required to best realise the opportunity to electrify, and to limit the impact of the migration off the shared gas network on all gas users.

Australia should not develop new gas projects, given the high impact of fossil gas on emissions, and given that new fossil fuel developments are inconsistent with the goal of limiting warming to 1.5 degrees or less.

The Geelong Community opposes gas import terminals in our bay. Instead, our community is focused on developing sustainable industries that will support our economy for the long term.

Yours Sincerely,

Dan Cowdell
Chief Executive Officer
Geelong Sustainability

Emma Chessell
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Geelong Sustainability

[18] Australian Energy Regulator (2023), 'Final Decision Ausnet 2023-2028 Access Arrangement Overview' https://www.aer.gov.au/documents/aer-final-decision-ausnet-2023-28-overview-june-2023
[19] City of Greater Geelong (2021), 'Climate Change Response Plan' https://hdp-au-prod-app-ggc-yoursay-files.s3.ap-southeast-2.amazonaws.com/5616/3822/6613/Climate_Change_Response_Plan_FINAL.pdf

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