

10 November 2023

Future Gas Strategy Taskforce
Department of Industry Science and Resources
Industry House
10 Binara Street
Canberra ACT 2600

By email: GasOptions@industry.gov.au

To whom it may concern,

Re: Response to the Future Gas Strategy Consultation Paper

On behalf of our members, the Victorian Greenhouse Alliances (VGA) are pleased to provide this response to the consultation for the *Future Gas Strategy* (the Strategy).

The Victorian Greenhouse Alliances are formal partnerships of local governments and statutory agencies driving climate change action across Victoria's municipalities. The Alliances deliver regional mitigation and adaptation programs that provide economies of scale and enable projects typically beyond the reach of individual councils and agencies. Our project work is complemented by targeted advocacy, capacity building and regional partnerships.

We urge the Taskforce to consider the following recommendations when developing the strategy:

1. Establish a strategic partnership between the three tiers of government to oversee Australia's transition away from fossil fuels

As the risks and opportunities of climate change become increasingly clear, it is imperative that all levels of government work well together to accelerate the transition to net zero and to strengthen community resilience. To meet this challenge, the current fragmented approach to policy, funding and resourcing must be addressed. The recently released *Many Hands Makes Light Work*¹ report identifies that a new approach to climate governance is required to empower all spheres of government to fulfil their climate ambitions by promoting effective coordination between and across all levels of government. This 'multilevel governance' approach is intended to turbocharge climate action and give those on the frontlines a seat at the decision-making table. It is also designed to stimulate collaboration, engagement and communication between government portfolios and sectors of the economy.

Energy Consumers Australia have made the same recommendation to government in their *Stepping Up*² report, which calls for the creation of a new national partnership across all levels of government with the objective of ensuring an orderly and equitable shift to all-electric homes. The report states that this energy transition must be socially inclusive and appropriately managed to ensure that the benefits are shared by all users and costs are not unduly borne by vulnerable communities and those least able to afford it.

2. Develop clear targets based on the latest climate science and limiting global warming to 1.5°C

The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) demonstrates that no new fossil fuel projects should be allowed to proceed if global warming is to be limited to 1.5°C. The Strategy should provide a clear target date for ceasing all new domestic gas

¹ Melbourne Centre for Cities, [Many Hands Make Light Work](#), final report, July 2023

² Energy Consumers Australia (ECA), [Stepping Up: A smoother pathway to decarbonising homes](#), August 2023



projects that reflects the urgency of the science. This should be supported by the establishment of interim targets to provide certainty for the gas industry and a smooth transition for the energy market.

3. *Harmonise the Future Gas Strategy with the National Energy Performance Strategy (NEPS) to accelerate electrification to ensure the economic benefits of the transition can be secured*

Improving energy performance can help advance many of the Future Gas Strategy's objectives, including energy security, affordability and reducing emissions. The NEPS consultation paper released in November 2022 was silent on the role of local government. Whilst councils welcomed the round table discussions in June 2023, we recommend that local government is included in the governance arrangements in the draft NEPS to be published later this year.

There is a raft of mounting evidence supporting the case for rapid electrification of new and existing dwellings. The analysis conducted by Renew provides the most comprehensive and nuanced view of the costs and benefits of replacing gas appliances across a range of states and scenarios.³ The report demonstrates that in almost all scenarios there is a compelling economic case for electrification. These findings are further supported in a CSIRO report released last month into consumer impacts of the energy transition.⁴ The analysis determined that by 2030 the average difference in total energy costs, including transport, showed an all-electric home (without solar and a battery) will be around \$2,250 per year better off than a typical fossil-fuelled home.

The total costs and benefits of electrification should be considered in a holistic manner to take into consideration the value of avoided health costs. Improved indoor air quality by removing gas appliances and improved thermal comfort from more affordable heating and cooling has direct health benefits to residents. Sustainability Victoria's, Victorian Healthy Homes Program's cost-benefit analysis indicated that their upgrades would be cost-saving within 3 years – and would yield a net saving of \$4,783 over 10 years – due to savings in both energy and health.⁵ Savings were heavily weighted towards healthcare: for every \$1 saved in energy, more than \$10 is saved in health.

The costs of supporting households with energy efficiency and appliance upgrades can deliver multiple public benefits through healthier and more affordable home heating and cooling, job creation, and reduced emissions.⁶

4. *Prioritise implementation funding for localised outreach programs that support vulnerable and low-income households to electrify*

Implementation should seek to leverage the experience of councils and their trusted brand. The experience of councils demonstrates that the administration and trusted facilitation process is critical for delivering long-term program outcomes.

People experiencing or vulnerable to bill stress are often uncertain if programs and/or contractors are trustworthy; they are often time poor, unable to contribute even small amounts of personal funding and are often reluctant to go into debt. They need additional communications and contacts from trusted sources to have the confidence to act and information needs to be available in community languages. Low digital literacy is common, so support to access programs online is frequently required. Local governments are well placed to reach out and provide this additional support to community members if appropriately resourced and supported to do so. Program participants are typically inexperienced in managing upgrades, and rarely knowledgeable about the subject matter. Without the facilitation process, retrofit programs are at risk of failing to obtain take-up, and when homes have been upgraded, they are at risk of failing to deliver on their original intent (for instance, follow-up engagement with participants to verify bill savings).

³ (Renew) Alternative Technology Association, Household Fuel Choice in the NEM, 2018 Update ([link](#))

⁴ Graham, P., Meher-Homji, Z., Hays, L., and Foster., 2023, Consumer impacts of the energy transition modelling report, CSIRO, Newcastle ([link](#))

⁵ Sustainability Victoria, The Victorian Healthy Homes Program – Research finding, 2023 ([link](#))

⁶ VCOSS submission to Victorian Gas Roadmap ([link](#))



Implementation funding should be prioritised for 'facilitation services' like those being delivered by councils, that educate households on the benefits of electrification and enable them to take action through access to trusted installers, such as:

- Targeted outreach campaigns to ensure program awareness and engagement and support household decision making
- Referrals to experienced service providers that have been vetted by councils
- Assistance in accessing state government rebates and interest-free loans
- Additional financial subsidies provided in some council areas on a case-by-case basis.⁷

Councils across Australia are already supporting residents to electrify through the *Electrify Everything Community of Practice (the Community)*. The Community provides councils across the country with tools, support, and knowledge exchange. Since it commenced in February 2022, 84 regional and urban councils have joined the Community. In 2023, the Community led a national communications campaign to amplify the message of electrification, including a toolkit for councils with all-electric home infographics, a communications guide, and a set of '5 steps to an all-electric home' that can be tailored for each council. The campaign has so far reached over 677,000 Australians. Not only does this communication help residents on their electrification journey, it also helps to explain why and to create the social license for state and federal policies and programs.

Implementation needs to reach diverse communities with trusted messengers. There is a cultural and language barrier to accessing existing energy rebates and information. Trusted communicators and location-specific information in everyday language is needed to reach diverse communities. Councils have experience in reaching communities, such as during the COVID-19 pandemic.

The funding of local energy advisers (on a regional level) from diverse cultural backgrounds would assist in the delivery of energy services and information. With secure funding, culturally diverse energy experts can use their local networks, build trust, and deliver electrification information and services supported by federal, state and local governments directly to residents.

Resources should be allocated to scale-up existing council programs and fill gaps in regions where there are no programs being delivered. This is particularly important for smaller rural councils that require additional capacity to replicate the established models operating across the local government sector. This should be complemented by upskilling opportunities for regional industry and tradespeople, similar to Solar Victoria's *Upskilling for Plumbers* program.⁸

We thank you for taking the time to consider this submission and would be happy to discuss any of the contents in further detail.

Greenhouse Alliances and contacts

- Barwon South-West Climate Alliance (BSWCA), Sue Phillips, Executive Officer, sue.phillips@bswca.org
 - o City of Greater Geelong
 - o Golden Plains Shire
 - o Surf Coast Shire
 - o Borough of Queenscliffe
 - o Colac Otway Shire
 - o Warrnambool City Council
- Central Victorian Greenhouse Alliance (CVGA), Annika Kearton, Chief Executive Officer, ceo@cvga.org.au

⁷ For example, this program in Merri-bek has assisted 233 households to date <https://zerocarbonmerri-bek.org.au/solar-and-energy-financial-support-for-residents-on-a-low-income/>

⁸ Growing Victoria's clean energy workforce ([link](#))

- o Ararat Rural City Council
 - o Ballarat City Council
 - o Buloke Shire Council
 - o Central Goldfields Shire Council
 - o Gannawarra Shire Council
 - o Greater Bendigo City Council
 - o Hepburn Shire Council
 - o Loddon Shire Council
 - o Macedon Ranges Shire Council
 - o Mildura Rural City Council
 - o Mount Alexander Shire Council
 - o Pyrenees Shire Council
 - o Swan Hill Rural City Council
- Eastern Alliance for Greenhouse Action (EAGA), Scott McKenry, Executive Officer, scott.mckenry@maroondah.vic.gov.au
 - o City of Boroondara
 - o Glen Eira City Council
 - o City of Knox
 - o Maroondah City Council
 - o Monash City Council
 - o Stonnington City Council
 - o Whitehorse City Council
 - o Yarra Ranges Council
- Gippsland Alliance for Climate Action (GACA), Tiffany Harrison, Coordinator, tiffany.harrison@gccn.org.au
 - o Baw Baw Shire Council
 - o East Gippsland Shire Council
 - o Latrobe City Council
 - o South Gippsland Shire Council
 - o Wellington Shire Council
- Goulburn Murray Climate Alliance (GMCA), Carole Hammond, Executive Officer, eo@gmca.org.au
 - o Alpine Shire Council
 - o Benalla Rural City Council
 - o Campaspe Shire Council
 - o Greater Shepparton City Council
 - o Indigo Shire Council
 - o Mansfield Shire Council
 - o Mitchell Shire Council
 - o Moira Shire Council
 - o Murrindindi Shire Council
 - o Towong Shire Council
 - o Strathbogie Shire Council
 - o Wangaratta Rural City Council
 - o Wodonga City Council
 - o Alpine Resorts Victoria
 - o Goulburn Broken Catchment Management Authority
 - o North East Catchment Management Authority
- Northern Alliance for Greenhouse Action (NAGA), Dean Thompson, Executive Officer, dean@naga.org.au
 - o Banyule City Council
 - o City of Darebin
 - o Hume City Council



- o Manningham City Council
- o City of Melbourne
- o Merri-bek City Council
- o Nillumbik Shire Council
- o City of Whittlesea
- o City of Yarra

- South East Councils Climate Change Alliance (SECCCA), Dan Pleiter, Acting Chief Executive Officer, dpleiter@seccca.org.au
 - o Bass Coast Shire Council
 - o Bayside City Council
 - o Cardinia Shire Council
 - o City of Casey
 - o Greater Dandenong City Council
 - o Frankston City Council
 - o Mornington Peninsula Shire Council
 - o City of Kingston
 - o City of Port Phillip

- Western Alliance for Greenhouse Action (WAGA) Fran Macdonald, Executive Officer, franm@brimbank.vic.gov.au
 - o Brimbank City Council
 - o Maribyrnong City Council
 - o Hobsons Bay City Council
 - o Melton City Council
 - o Moonee Valley City Council
 - o Moorabool Shire Council
 - o Wyndham City Council

This letter has been approved through the Greenhouse Alliances governance structures but may not have been formally considered by individual members. The submission does not necessarily represent the views of all members.

