



Environmental Defenders Office

13 September 2023

Ad Standards
PO Box 5110
BRADDON ACT 2612

Complaint lodged via website at www.adstandards.com.au

Complaint about Gas Energy Australia on behalf of Climate Tasmania

1. We act for Climate Tasmania. Climate Tasmania provides timely, independent and authoritative advice to Tasmanian business, government and community leaders on climate change and appropriate policy responses.
2. We are writing on their behalf to ask that you investigate whether statements made by Gas Energy Australia (**GEA**) in an article written in the Hobart Mercury newspaper and republished on their website are allegedly misleading and deceptive. Specifically, Climate Tasmania are concerned that GEA's representations about the environmental impact of Liquefied Petroleum Gas (**LPG**) are seeking to capitalise on consumer preferences for climate friendly products whilst omitting relevant negative aspects of these products and therefore are in breach of s1(a) and 2(b) of the Environmental Claims Code.

The Representations

3. The original article in the Hobart Mercury was an advertorial/opinion piece but the complaint is based on the website that reproduces the material contained in it see Annexure A. Gas Energy Australia makes a number of representations about the environmental impact of renewable LPG on their website. Renewable Liquid Petroleum Gas (**rLPG**) are molecules made from recycled carbon such as renewables or waste materials. The representations include:
 - “Renewable LPG is part of a clean, innovative pathway to a future that won't cost the Earth.”
 - “For many people, especially in colder climates, electric appliances are slow to kick-in and have to run harder for longer, negating any green benefits...”
 - “ELECTRIFY everything is a very 2022 solution to carbon emissions. It's so last year that it's already outmoded, Australia's LPG sector will do all of this without the huge costs to

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families and businesses of changing to electrical appliances or retrofitting their premises from Phase 1 to Phase 3 wiring to cope with the new loads”.

- “With the Australian Energy Market Operator belling the cat on looming electricity shortfalls and potential major blackouts, rLPG is an important complement to government policy, providing zero-emitting energy that relieves pressure on the electricity grid, saves on switching costs and is 100% reliable”.
- “So Australia's LPG sector achieving not only net zero, but actual zero, emissions by 2045 should be a relief to governments and families alike”.

4. These representations carrying the following imputations:

- rLPG’s entire lifecycle is consistent with actual zero emissions or zero emissions energy and this will be achieved by 2045.
- rLPG can be sourced in a renewable way that doesn’t have negative impacts upon the environment.
- That the environmental impact of electricity production used for heating electric appliances is equal to or worse than the environmental impact of using rLPG.
- rLPG is more cost effective than electrifying your home and involves less risks in terms of reliable energy.
- rLPG involves zero emissions which assist families and their health.

5. These representations are potentially misleading or deceptive as:

- rLPG is not consistent with zero emissions across its lifecycle and will thus fail to reach either actual zero emissions or net zero emissions by 2045.
- The terms “renewable” and “clean” paint the product as environmentally friendly whilst hiding LPGs true impact including the health impacts of burning rLPG.
- Electric energy is capable of operating with zero emissions in the use phase which is untrue for rLPG.
- Electrifying your home saves money over the longer term

Misleading or Deceptive Conduct Under the Environmental Claims Code

6. Section 1 of the Environmental Claims Code (**the Code**) pertains to misleading or deceptive conduct in relation to environmental claims. Clause 1 of the Code necessitates that environmental claims made in advertising or marketing communication should not be misleading, deceptive, or likely to mislead or deceive. It further mandates the clear display of disclaimers, important limitations, and qualifications in a prominent manner. Additionally, it emphasises the need to represent the attributes or scope of environmental benefits or limitations in a manner that can be clearly understood by consumers. Clause 2 also requires environmental claims to be relevant and explain the significance of the claim, not overstate the claim, or imply the product is more socially acceptable overall.

Claim 1: The use of rLPG emits greenhouse gases and therefore is not net-zero nor consistent with the Paris Agreement.

7. GEA makes the representation that Australia's LPG sector will achieve not only net zero, but actual zero emissions by 2045. The distinction between the two is relevant in this context. Net zero requires greenhouse gas emissions to be *cut as close to zero as possible* and for any remaining emissions to be re-absorbed from the atmosphere to ensure that anthropogenic emissions produced do not exceed emissions taken out of the atmosphere.¹ While GEA can claim that biomass used to produce rLPG does remove GHG from the atmosphere where it is grown, it will not be enough to compensate for all of the scope 1, 2 and 3 emissions resulting from production, distribution and the ultimate burning of the rLPG. Therefore, net emissions will be positive unless there is some additional removal of greenhouse gases to reflect these emissions. There are no disclaimers present on the website to make the qualifications regarding the use of offsets or other details about the how GEA will ensure rLPG is net zero.
8. GEA don't define "actual emissions" but we assume they mean the sum of all positive emissions. While a physical activity may be able to achieve net zero emissions (positive emissions compensated exactly by removal of greenhouse gases from the atmosphere) no conceivable physical activity can achieve actual zero emissions. This is clearly in breach of s2(b) of the Code by overstating the environmental benefit of rLPG, and not disclosing negative impacts.²
9. The concept of achieving "net zero" is based upon the need to limit warming below 1.5°C to prevent further tipping points from being reached and then maintaining that temperature.³ The United Nations High-Level Expert Group on the Net Zero Commitments of Non-State Entities released a report (UNHLEG Report) in November 2022 which provided certain requirements for such claims to be legitimate. One such requirement is the need for pledges to cover an organisation, or in this instance sector's, entire value chain.⁴
10. This includes emissions generated from sources under the actor's control such as from a company's production (scope 1), indirect emissions produced to generate power (scope 2) and emissions that are not under the actors' direct control but are nonetheless associated

¹ *United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions* (Report 2022) accessed online at https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf pg. 19.

² All global modelled pathways that limit warming to 1.5°C require rapid and deep reductions in emissions. Even in *net zero* scenarios it is insufficient to rely too heavily on offsets.

³ *United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions* (Report 2022) accessed online at https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf pg. 12.

⁴ *United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions* (Report 2022) accessed online at https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf pg. 17.

with them (scope 3).⁵ For example, a petrol companies scope 3 emissions would include the emissions from the burning of their petrol in the cars of their customers.

11. In the context of LPG, whilst it is theoretically possible to reduce scope 1 and 2 emissions the same cannot be said for scope 3 as the use of LPG for residential, cooking or as fuel in cars inherently involves the emission of greenhouse gases. The assertion that the sector is capable of zero emissions as a result of renewable LPG creates the misleading impression that renewable LPG, separate from conventional LPG, is capable of burning without the emission of greenhouse gases. In reality, renewable LPG and conventional LPG are chemically identical, and the only difference lies in how they are sourced.⁶ GEA doesn't make it clear on their website as to whether the biowaste being used to produce the rLPG contains a negative component (related to the GHG removed when the biomass is grown) that is roughly equivalent in magnitude to the emissions when the rLPG is burned. Greenhouse gases could be added or removed during the manufacturing process of rLPG and the chemical composition of the gases removed from the atmosphere would undoubtedly be different from the chemical composition of the gases emitted to the atmosphere on combustion. The emission could also contain some methane which has a larger global warming potential than carbon dioxide. This is important information to ensure that in accordance with section 2(b) of the Code that the benefit of the emissions reductions from the biomass are not overstated.

Claim 2: Describing rLPG as “renewable” or “clean” provides no explanation of its environmental benefit

12. The assertion that rLPG is “part of a clean and innovative pathway that won't cost the Earth” has the potential to mislead consumers as to the relative environmental benefits of the product. The ACCC Green Marketing Guide provides useful guidance when it comes to broad and general language, it states: “broad or unqualified claims can be risky as they are ambiguous and do not explain any specific environmental benefit.”⁷ It goes on to list claims of concern:

- Green
- Environmentally friendly
- Energy efficient
- Recyclable

⁵ International Energy Agency, *Net Zero by 2050: A Roadmap for the Global Energy Sector* (Report, May 2021) found online at https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf pg. 35.

⁶ Onwudili & Edou, “Process modelling and economic evaluation of biopropane production from aqueous butyric acid feedstock, *Renewable Energy*, v 184, January 2022, accessed online at <https://www.sciencedirect.com/science/article/abs/pii/S0960148121016256>.

⁷ Australian Competition and Consumer Commission, *Green Marketing and the Australian Consumer Law* (Report, 2011) accessed online at <https://www.accc.gov.au/system/files/Green%20marketing%20and%20the%20ACL.pdf> pg. 12.

- Carbon neutral
 - ‘Renewable’ or ‘green’ energy.⁸
13. It suggests advertisers “should be careful when advertising renewable or green energy that any representations made about cost, amounts supplied, or *the associated benefits* are truthful and correct [emphasis added].”⁹ In this context, the renewability of LPG is linked with its capacity to achieve net zero emissions and its overall impact on the planet. The advertisement goes on to state “Tasmania will begin the transition to 100 per cent renewable and net zero emission LPG (rLPG) in 2025.” This sentence defines rLPG or renewable LPG as not only renewable but also net zero emissions.
14. Describing rLPG in these terms isolates specific benefits of the production process, whilst ignoring the detrimental impact of other parts of the product's lifecycle. This, combined with representations that the LPG industry will achieve actual zero emissions and offers an alternative to electricity creates the overall impression that rLPG, much like solar or wind energy, does very little, if any, harm to the environment. In reality, use of LPG, renewable or otherwise, emits greenhouse gases that have the potential to cause significant damage to the planet. Research has found that renewable gases still contain methane, and with leaks in transmission along their distribution and transmission, renewable gas still causes 50% of the emissions of conventional gas.¹⁰
15. The topic of lifecycle emissions has been addressed in the AANA Environmental Claims Code Practice Note, albeit briefly. It states that
- “An unqualified general environmental claim may convey that the product or service has far-reaching environmental benefits or conveys to consumers a broad range of environmental attributes it does not have. Unqualified claims (stated or implied), such as “green” or “eco-friendly” should therefore be evidenced with a high-level of substantiation, for example, such as that based on a full life-cycle assessment.”*¹¹
16. Whilst the word “renewable” has a specific definition in the context of energy sources (sources that are naturally replenished on a human timescale), the assertion that it is “part of a clean, innovative pathway that won’t cost the Earth” and consistent with “net zero” carries with it the imputation that rLPG has the far-reaching environmental benefits described above.¹²

⁸ Ibid pg. 12 – 14.

⁹ Ibid pg. 14.

¹⁰ https://global-uploads.webflow.com/612b0b172765f9c62c1c20c9/640e8ccfb257f2302fa05aa9_RNG-is-even-more-expensive-than-fossil-gas.pdf, pg. 3.

¹¹ Australian Association of National Advertisers, *Environmental Claims Code* (Practice Note, May 2018) accessed online at <https://aana.com.au/content/uploads/2018/03/180316-Environmental-Claims-Code-Practice-Note.pdf> pg. 3.

¹² ‘Renewable Energy’ *Environmental and Energy Study Institute* (Web Page) accessed online at <https://www.eesi.org/topics/renewable->

Renewable LPG is potentially better for the environment in that it does not require fossil fuels and can potentially limit greenhouse gases in the production process. To suppose, however, that rLPG “won’t cost the Earth” is to ignore aspects of its lifecycle that pose substantive environmental risks.

17. The approach outlined in the Environmental Claims CAP Code in the UK may be of use in this regard. Rule 11.4 of the Code states:

*“Marketers must base environmental claims on the full life cycle of the advertised product, unless the marketing communication states otherwise, and must make clear the limits of the life cycle. If a general claim cannot be justified, a more limited claim about specific aspects of a product might be justifiable. Marketers must ensure claims that are based on only part of the advertised product’s life cycle do not mislead consumers about the product’s total environmental impact.”*¹³

18. In this instance, it is highly likely that the claim will mislead consumers into thinking that rLPG has a limited environmental impact by failing to specify that the claim ignores emissions associated with the use of the product. There are concerns around the use of rLPG in a home and the website does not discuss the negative impacts of the product as required in section 2(b) of the Practice note. Heating and cooking by gas is associated with health-harming air pollutants, such as nitrogen oxides, carbon monoxide, sulphur dioxide and particulates. They can lead to increased cardiopulmonary symptoms, asthma attacks (gas stoves are estimated to cause 12% of childhood asthma in Australia¹⁴), days lost from work due to respiratory disease, emergency department visits and premature death.

Claim 3: Electricity provides a better long-term solution to combating the detrimental effects of climate change and therefore use of gas should not be encouraged into the future

19. Gas Energy Australia make multiple representations that the environmental impact of rLPG is less than that of electricity, and therefore the use of gas should be encouraged over a transition to electricity:

- *“LPG will be net zero over the same time frame as electricity, but go further to deliver actual zero emissions as sectors we rely on, such as trucking, get their emissions under control.”*

[energy/description#:~:text=Renewable%20energy%20is%20derived%20from,sunlight%2C%20water%2C%20and%20wind.](#)

¹³ *Environmental Claims CAP Code* (UK) r 11.4, Advertising Standards Authority, accessed online at <https://www.asa.org.uk/static/cb614039-0acc-4b5d-8fcb11cc9bfd0302/ab796622-cb47-498e-b7c57a6ce83da022/The-CAP-Code-Environmental-claims.pdf> pg. 2.

¹⁴ Climate Council, [Kicking the Gas Habit: How Gas is harming our Health](#).

- *“For many people, especially in colder climates, electric appliances are slow to kick-in and have to run harder for longer, negating any green benefits, let alone practical effectiveness.”*
- *“In short, there is no downside for governments or the public in seizing on LPG’s transition and factoring it into federal and state policy decisions, nor in families and businesses continuing to use the gas they know, love and trust.”*
- *“With fossil-free rLPG available from 2025, aiding government 2030 emissions targets, it leaves any sensible person scratching their head as to why taxpayers, homeowners or businesses would foot the bill to switch [to electricity].”*

20. As stated above, the use of “actual zero emissions” is highly misleading and overstates the benefits of the claim. It is hard to see how trucking emissions can ever be zero emissions for the reasons set out above. In combination, these representations carry with them the imputation that renewable LPG is broadly comparable to electricity generated from renewable resources in terms of its value to the planet. It suggests that transitioning away from gas use is both unnecessary and inefficient and that the environmental benefits of doing so are negligible.

21. Pursuant to the GEA website, renewable LPG generated from feedstocks will not be available until 2025, at which point production is expected to replace up to 11% of conventional LPG.¹⁵ Hence, the assertion that fossil-free LPG will be available from 2025 is misleading because it overstates the amount of fossil-free LPG that will be available in breach of section 2(b) of the Code. The vast majority of commercially available LPG will still be comprised of conventional LPG extracted from fossil fuels.

22. Further, as highlighted in a 2021 report by the Australian Renewable Energy Agency (**ARENA**), there is currently insufficient data to determine whether the production of rLPG is a viable and sustainable option for development in Australia:

- *“There is a significant difference between theoretical resource potential, representing all the feedstock that is available, and the resources that are technically, commercially and sustainably accessible.”¹⁶*

23. This sentiment is reiterated in the report prepared by Frontier Economics for Gas Energy Australia:

- *“A key consideration for the development of bioLPG production in Australia is the availability of viable and sustainable feedstocks. Australia has a significant bioenergy*

¹⁵ ‘Pathway to Zero Emission for LPG’ *Gas Energy Australia* (Web Page, 12 March 2023) accessed online at <https://www.gasenergyaus.au/read/2008/pathway-zero-emission-for-lpg.html>.

¹⁶ Australian Renewable Energy Agency, *Australia’s Bioenergy Roadmap* (Report, November 2021) accessed online at <https://arena.gov.au/assets/2021/11/australia-bioenergy-roadmap-report.pdf> pg. 24.

resource potential however there is presently a lack of clarity and data pertaining to the extent and sustainability of Australia's feedstock resources."¹⁷

24. Moreover, the use of biomass is not inherently better for the environment than the use of fossil fuels. In fact, ARENA stated in their 2021 bioenergy roadmap that:

- *"There are risks that biomass production and use could in some circumstances be worse for the climate than using fossil fuels."*¹⁸

25. Ultimately, the representations are likely to mislead consumers into believing that rLPG is viable on the same timescale as other renewable sources such as wind and solar whilst being significantly easier to use due to it using the same infrastructure as existing LPG. In reality, the vast majority of LPG supplied in the immediate term is likely to be conventional LPG derived from fossil fuels and it remains unclear whether rLPG will ever be a viable alternative. This only serves to extend the life of non-renewable LPG as consumers avoid transitioning away from the use of LPG in the belief that the product is better for the environment than it actually is.

Claim 4: Electrifying your home saves money over the longer term.

26. The GEA advertisement makes several claims about the reliability and cost of electricity:

"ELECTRIFY everything is a very 2022 solution to carbon emissions. It's so last year that it's already outmoded, Australia's LPG sector will do all of this without the huge costs to families and businesses of changing to electrical appliances or retrofitting their premises from Phase 1 to Phase 3 wiring to cope with the new loads.

27. The most efficient way to run your home for both budget and climate reasons is to have an electric home powered by clean electricity such as solar panels and heat pumps. Rewiring Australia outlines that the costs of running an all electric home compared to a fossil fuel home are around half, with the average gas and petrol home costing \$5,300 per year with 9,550 kg of CO₂ emissions and \$1,850 per year with zero emissions for rooftop solar, heat pump, induction cooking and an electric car.¹⁹ While there are upfront costs of converting some appliances and installing solar, even when the financing of new appliances is taken into account, rewiring the average household is cheaper than conventional technology in just a few short years.²⁰

¹⁷ Frontier Economics, *Pathway to zero emissions for LPG* (Report, January 2023) pg. 37.

¹⁸ Australian Renewable Energy Agency, *Australia's Bioenergy Roadmap* (Report, November 2021) accessed online at <https://arena.gov.au/assets/2021/11/australia-bioenergy-roadmap-report.pdf> pg. 14.

¹⁹ <https://www.rewiringaustralia.org/>.

²⁰ https://global-uploads.webflow.com/612b0b172765f9c62c1c20c9/615a513770739cc6477e67f4_Castles%20and%20Cars%20Rewiring%20Australia%20Discussion%20Paper.pdf.

28. Rewiring Australia has examined the costs of renewable gas, made from organic sources like agricultural waste and landfill, waste water and manure, and found it is even more expensive than fossil gas.²¹ American studies found that the price of renewable gas varied between 2 to 15 times as expensive as fossil gas. Rewiring Australia concluded that given the heat provided by high performance electric heat pumps is “approximately at cost parity with fossil gas, a transition to renewable gas would increase household bills by several fold, tipping the scales heavily in favour of electrification”.²²

Harm Associated with the Conduct

29. The misleading nature of the representations is of concern given the latest scientific information about climate change. Global emissions are still increasing, admittedly at a decreasing rate. To remain inside the 1.5°C limit we would need to see reductions in emissions by 45% by 2030. At this stage emissions are set to increase by 11% over the same period. As it stands, the annual mean global near-surface temperature for each year between 2023 and 2027 is already predicted to be between 1.1°C and 1.8°C higher than the 1850-1900 average. Current pledges by parties to the Agreement put the world on track for around 2.5 degrees warming by the end of the century, meaning significant emissions reductions are still required to mitigate against the worst impacts of climate change. The IPCC’s Sixth Working Group Report (AR6) has confirmed:

- Human induced climate change is already affecting many weather and climate extremes in every region across the globe. Evidence of observed changes in extremes such as heatwaves, heavy precipitation, droughts, and tropical cyclones, and, in particular, their attribution to human influence, has strengthened since AR5 (the last assessment reports of IPCC).
- Global surface temperatures will continue to increase until at least mid-century under all emissions scenarios considered. Global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide and other greenhouse gases occur in the coming decades.
- Many changes in the climate system become larger in direct relation to increasing global warming. They include increases in frequency of hot extremes, marine heatwaves, heavy precipitation, and in some regions agricultural and ecological droughts; an increase in the proportion of intense tropical cyclones and reductions in Arctic Sea ice, snow cover and permafrost.
- Continued global warming is projected to further intensify the global water cycle, including its variability, global monsoon precipitation and the severity of wet and dry events;

²¹ https://global-uploads.webflow.com/612b0b172765f9c62c1c20c9/640e8ccfb257f2302fa05aa9_RNG-is-even-more-expensive-than-fossil-gas.pdf, pg. 1.

²² https://global-uploads.webflow.com/612b0b172765f9c62c1c20c9/640e8ccfb257f2302fa05aa9_RNG-is-even-more-expensive-than-fossil-gas.pdf, pg. 2.

- Under scenarios with increasing CO2 emissions, the ocean and land carbon sinks are projected to be less effective at slowing the accumulation of CO2 in the atmosphere;
- Many changes due to past and future greenhouse gas emissions are irreversible for centuries to millennia, especially changes in the ocean, ice sheets and global sea level.

30. It is imperative that green claims can be trusted so that effective steps can be taken to prevent further damage. Greenwashing reduces consumer trust in products that genuinely make a difference as it becomes difficult to differentiate between genuine and misleading or overstated claims. As such, there is a broader public policy benefit to be had from a strict approach towards green claims. This is particularly important in relation to “zero emissions” claims as it is increasingly important that these representations are accurate.

If you have any further queries, please do not hesitate to contact me by email on kirsty.ruddock@edo.org.au or by phone at (02) 7229 0031.

Yours Faithfully

Environmental Defenders Office

A handwritten signature in black ink, appearing to read 'KR', with a long horizontal flourish extending to the right.

Kirsty Ruddock

Managing Lawyer

Safe Climate (Corporate and Commercial)

Annexure 1 – Gas Energy Australia Banner –website found at www.gasenergyaus.au as at June 2023



Annexure 2: Gas Energy Australia Website Reproduction

Link: <https://www.gasenergyaus.au/read/2018/renewable-lpg-part-of-clean-innovative.html>

Renewable LPG is part of a clean, innovative pathway to a future that won't cost the Earth

29 March 2023

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ELECTRIFY everything is a very 2022 solution to carbon emissions. It's so last year that it's already outmoded.



Perhaps surprisingly, over 36,000 homes across Tasmania rely on LPG for in-home cooking and hot water, some two million nationally. So Australia's LPG sector achieving not only net zero, but actual zero, emissions by 2045 should be a relief to governments and families alike.

Tasmania will begin the transition to 100% renewable and net zero emission LPG (rLPG) in 2025, with three Australian Sustainable Aviation Fuel (SAF) plants generating 100% rLPG as a by-product. Their initial production runs will replace 11% of current LPG demand overnight, beginning the full transition to phase-out all conventional LPG in just two decades.