Talking Points on Gas

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The Beyond Gas Network has created this document to provide candidates for the 2022 federal election about the serious issues with the Government's 'gas led recovery'.

To contextualise the issues:

- The world is headed to over 3-degree temperature rise by the end of the century [1, p. 6]. This would be catastrophic. Australia's Climate Panel states Australia must make deep, rapid greenhouse cuts to emissions immediately, by 75% for 1.5 degree temperature rise, by 50% for a 2 degree rise [2]. We need to reach these goals in 8-10 years.
- Australia is uniquely placed to drive this renewable transformation through its abundant supply of renewable energies.
- Instead, the federal government proposes to **massively increase emissions** through the ''gas led recovery'. The National Gas Infrastructure Plan (NGIP) [3] ignores climate consequences, ignores emissions and ignores abatement (except carbon capture and storage).
- Gas expansion is a carbon time bomb.

The government spins a false story about gas.

1. The Government claims: 'We are running out of gas'

- We have enough gas. The Australian Energy Market Operator (AEMO) states Australia has 'sufficient supply to address near-term forecast shortfalls' [4, p. 3].
- This massive gas expansion is mostly for export, not domestic use.
- Nearly 80% of our gas is exported [5, pp. 6-7].
- Global corporations export more LNG (liquid natural gas) from Australia than anywhere else in the world, 80.9 million tonnes in 2021, sucking out the gas for export and creating the impression of undersupply [6].
- The biggest user of gas in Australia is the gas export industry, using 25% of all gas burned in Australia to liquify and transport gas for export [7, p. 11].
- Australia's gas grid, and a gas reservation policy for eastern states would ensure all domestic needs are met - something a government committed to low emissions and low energy prices could ensure.
- Gas generation to the grid in 2021 is at the lowest level in 15 years [8].
- Renewables provided five times more generation to the grid than gas in 2021 [8].
- The race to decarbonisation through full electrification [9] is on.

2. The Government claims: 'Gas is a low emissions technology'

- Gas is a potent greenhouse gas. The potential emissions from the five gas basins is over three times Australia's annual emissions (1602 million tonnes of carbon dioxide equivalent total potential against 513million tonnes CO2-e) [10].

- The Beetaloo Basin alone will increase Australia's annual *domestic* emissions by 5% and *total* emissions when burnt by 22% [11].
- Woodside's Pluto project in WA will increase that state's emissions by 80% by 2030 [12, p. 10].
- By 2030, as many nations reduce their carbon emissions, up to 13% of all global emissions may originate in Australia [13, p. 24].
- Gas is mostly methane. When methane is burnt it produces almost three times more carbon dioxide by weight than the original weight of methane [14].
- Methane traps heat more than 84 times more effectively than CO2 for the first 20 years after being emitted [15].
- Scientists have t recently detected exceptionally high levels of methane in the atmosphere [14].
- Australia did not sign the methane pledge at COP26 [16].
- If the Federal Government's plans for gas expansion proceed, Australia may not meet even its paltry Paris emissions targets.
- Gas is exactly the WRONG fuel for this time.

3. The Government claims: 'Gas is a transition fuel'

- We don't need a transition fuel. We should flip straight to renewables.
- As an energy source for electricity, renewables with battery storage are now cheaper than gas [17].
- Government subsidies for gas infrastructure – roads, pipelines, gas plants- are a disincentive for investment in clean, cheap, low emission renewables [17].
- Some gas may be needed but AEMO sees continued decline in gas use [18, p. 84].
- The question of whether some gas is needed distracts from the mammoth scale of the Federal government's gas proposal.

4. The Government claims: 'We need the jobs'

- Gas is a very low intensity employer and an unlikely driver for an economic recovery.
- Only 0.2% [19] of the total Aust workforce is employed in gas and oil extraction.
- That number is declining (25% since 2014 [20]) though LNG production is growing.
- Only 1% [21] of Australia's LNG is used as feedstock in manufacturing industry.
- More gas production has not reduced gas prices for manufacturers [21].

5. The Government claims: 'Producing more gas will reduce gas prices for consumers'

- More gas production has not reduced gas prices for manufacturers [21].
- Gas prices have gone up by 75% even though production has increased by 150% during the term of the federal coalition government [22] [23].
- Gas corporations charge high prices for gas in East Coast Australia because they can sell gas at those prices overseas [24].

6. The Government claims: 'We need the revenue'

- Fossil fuel corporations pay very little in taxes and royalties [25].
- In 2020 Federal coffers received only $1.15 billion in revenue from gas and oil taxes (PRRT) representing a paltry 0.2% of total Federal revenue ($552 billion) that year [25].
- The Federal government has given more in subsidies to gas (approx. $2 billion) since Sept 2020 than it received in the previous year from gas royalties and taxes!
- State and Federal governments together heavily subsidised fossil fuels to about $10.3 billion in 2021 [26].

- Corporations exported $27 billion of LNG from WA in 2019-2020 but the WA government received just 1% ($425 million) of its total state revenue from that bonanza (half as much as from car registrations) [27].
- It is estimated that no tax or royalties are paid on up to two-thirds of LNG exports [27].
- Fossil fuels still receive more taxpayer subsidies than renewables [28].

7. The Government claims: 'CCS will save the day'[29]

- Despite billions in investment and decades in development CCS is a failure so far and in future cannot be developed at scale, in time, to compete with renewables.
- In 2021, a massive 35 ***billion*** tonnes of CO2 was emitted globally but only a measly 10 million tonnes of CO2 was sequestered through carbon capture and storage[29].
- That is 0.03% of the total CO2 emissions.
- CCS is prohibitively expensive.
- CCS requires energy to store it and so creates even more emissions.
- The vast majority of CCS projects in the world are really about pushing gas into the ground to force more fossil fuels out, what is known as 'Enhanced Oil Recovery'.
- CCS is a ruse that governments and the fossil fuel bloc use to prop up and subsidise that industry and to delay the renewable revolution.
- CSS will not save the day.

8. The Government claims: 'We Can Offset the Emissions'

- Genuine, certified nature-based offsets are available and need investment for growth [30].
- However, many local and international carbon credit markets are largely unregulated, inconsistent and dodgy and cannot be relied upon to abate gas.

See the Beyond Gas Network Candidates' Briefing on Gas document for more information on Offsets.

Gas extraction and production also presents threats to:

- **The environment**. Fracking requires 100s of drills pumping toxic chemicals deep under the ground and risks contamination of groundwater [30]. Seismic undersea blasting, underwater drilling, impacts marine life.
- **First Nations peoples' rights**. Traditional Owners fear for their lands, waters and sacred sites, and their calls for no fracking are, again, being ignored [32].
- **Human health.** Compelling evidence grows of serious impacts on the health of people living or working near gas extraction and processing places [33, pp. 28-29]. Doctors for the Environment Australia (DEA) have called for an immediate ban on new gas projects and heavy regulation of existing gas activities [33, p. 5].

The Alternative

Australia can lead the world in decarbonisation through its abundance of renewable energies and with battery storage provide virtually unlimited cheap, zero-emissions renewable energy to electrify everything [34]. This is Australia's opportunity.

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