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Gas Substitution Roadmap consultation paper

The Committee for Gippsland welcomes the opportunity to comment on the Gas Substitution Roadmap consultation paper.

About the Committee for Gippsland

Committee for Gippsland is a positive and influential voice for Gippsland helping to create a thriving and sustainable future for the region.

As the region's lead representative voice to government, the Committee for Gippsland brings together groups representing various business and industry views and interests to collaborate on regional priorities and outcomes that bring broader benefit to Gippsland communities.

Membership of the Committee for Gippsland includes a diversity of members from across the region including well established industry sectors such as energy, agriculture and health, through to new and emerging businesses as well as those organisations that provide support services, education and professional advice.

About the Gippsland Hydrogen Cluster

The Gippsland Hydrogen Cluster is auspiced by the Committee for Gippsland under the Hydrogen Technology Cluster Australia program administered by National Energy Resources Australia and is driving the development of Australia's hydrogen industry.

Established in 2021 as a network of industry with a pipeline of projects, the Gippsland Hydrogen Cluster vision is to connect, facilitate and drive the development of a local hydrogen industry from generation through to application.

It supports all forms of clean hydrogen.

By partnering with world-leading technology driven companies and organizations, the Gippsland Hydrogen Cluster will help encourage government investment, drive technology innovation, attract business investment, develop local industry, leading to a brighter and stronger future for Gippsland.

The Cluster will achieve this through collaboration and advocacy in identifying economic, social and environmental opportunities to secure government and private investment, developing both the hydrogen sector and our region.

The Gippsland Hydrogen Cluster's aim is to ensure that we strengthen Gippsland as part of Australia's clean energy future by using technology and innovation to help build Australia's hydrogen generation and bringing together key technology proponents, industry, service providers and users.

The importance of hydrogen as a fuel source as Australia transitions towards a net-zero carbon economy is broadly recognized and appreciated.

About Gippsland

Gippsland is a diverse and resource driven region. It is 4.2 million hectares in size, with a population of 283,039 people. By 2026, this is forecast to grow to over 300,000 people. With an average travel time of around 90 minutes from Melbourne, Gippsland is serviced by freeway and V/Line rail. It is one of Victoria's eight key regional growth areas, along with Ballarat, Geelong and Bendigo.

The region produces 60 per cent of Victoria's electricity, 70 per cent of Victoria's gas (40 per cent of Eastern Australia's domestic gas), around 23 per cent of Australia's milk output, and about 26 per cent of Victoria's beef production.

Mining and agriculture are key industries and drivers of a vibrant supply chain however, historically energy production has been a large driver of economic activity in Gippsland due to the high concentration of power generators in the region.

The region is positioning itself to transition away from coal-based power production and embracing new clean energy technologies. Local investment continues in solar and battery storage and the region's wind competitive advantage is likely to secure Australia's first offshore windfarm.

Gippsland has a reasonably well diversified economy with health care and social assistance, education, tourism, and public administration being the largest emerging areas of economic activity which may be an outcome of government spending in response to power generation closures.

The region also has a vibrant tourism industry, from small bed and breakfasts and wineries to the largest inland lakes system in the southern hemisphere. It also includes Phillip Island and the Phillip Island Nature Park, which are not only a national icon, but an international draw card attracting millions of international visitors to Victoria each year.

Gippsland's Hydrogen Potential

Gippsland is uniquely placed to be Australia's global-scale hydrogen production centre with a highly skilled workforce and existing energy infrastructure.

Building on this, Gippsland is home to the \$500 million Hydrogen Energy Supply Chain (HESC) project which aims to develop clean hydrogen for export to Japan utilising gasified brown coal and carbon capture and storage.

Gippsland also has major potential for renewable energy-based hydrogen, with the country's most advanced off-shore wind farm site Star of the South.

Gas Substitution Roadmap – a sensible way forward

The Cluster supports the intent behind the Victorian government's Gas Substitution Roadmap consultation paper.

While the Victorian government is focused on renewable energy sourced hydrogen, broadening this to include clean hydrogen derived from coal gasification with carbon capture and storage (CCS) would assist the government

in meeting its decarbonisation goals. The cost of hydrogen production from gasification with CCS is currently significantly lower than that from renewables and is expected to be for the next decade.¹

Further, Victoria has a world class brown coal resource and a world class geological sequestration site located in near proximity in the Gippsland basin. These two complimentary features make Gippsland ideally suited to see the production of hydrogen from the gasification of brown coal and sequestering the CO₂.

As the discussion paper notes, the potential hydrogen market, especially for household, transport and zero emission industrial applications has yet to develop. However, what is being proposed in the discussion represents a measured approach to introducing hydrogen into the existing gas network for residential and industrial consumption.

The Committee for Gippsland and the Gippsland Hydrogen Cluster would welcome further discussion regarding the Gas Substitution Roadmap consultation paper and can be contacted on (03) 5623 3219.

Yours sincerely



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Committee for Gippsland



Jon McNaught
Chair
Gippsland Hydrogen Cluster

¹ Clean Energy Finance Corporation, *Australian Hydrogen Market Study*, May 2021, p. 32.