Climate Change Team  
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Thank you for the opportunity to comment on this report.

By way of background, GAMAA was formed in 1957 and currently has 37 member companies both large and small. It is the peak industry body representing the interests of Australian manufacturers and suppliers of domestic and commercial gas heating, hot water and cooking appliances and components. Our member companies employ a combined total of 4,500 workers in Australia, with a significant manufacturing and employment base in Victoria. The vast majority of the 4.8 Million domestic gas appliances enjoyed by Victorian consumers are supplied by GAMAA members. Our primary activity is to work with our members, government agencies, political representatives and other industry stakeholders to develop and implement workable, equitable and practical initiatives, standards and regulations.

Our detailed answers to the questions in the survey template\(^{(1)}\) are on the following pages.

Our overarching comments are as follows:

1. GAMAA is supportive of actions that Victoria is already taking for building owners and households to be less emissions intensive. These actions already recognize the part efficient gas appliances can play in this regard. These actions should continue to assist in meeting the State’s emission reduction goals for now, particularly given the current uncertainties and opportunities regarding decarbonisation of the energy sector (electricity and gas) in general.

2. GAMAA does not support the combination of decarbonisation of the electricity sector and electrification (fuel switching) of the gas sector. Rather, the ‘major opportunity’ is the decarbonisation of the Energy sector (Electricity and gas), rather than just the Electricity Sector alone, as this provides a far greater potential for decarbonisation at the fastest rate and lowest overall cost to the community, whilst maintaining the expected community levels of energy security, stability and reliability.

3. GAMAA does not support Victoria specific initiatives regarding the energy efficiency requirements of appliances. This is already regulated nationally through E3/GEMS and the RET also has the effect of setting minimum energy standards for solar and heat pump water heaters. These are already under review as part of the national ‘Trajectory for low energy buildings’ program. Any Victoria specific initiatives in this regard will result in duplication, inefficiencies and unwarranted increases in the regulatory and cost burden of appliance manufacturers and suppliers.
We look forward to further engagement regarding this matter as it is of great significance to the Victorian community and GAMAA members. Please contact our Vice President dealing with this issue, Leon Bogers [redacted], or myself [redacted] if you have any queries about our comments to date.

Yours sincerely

Ross Jamieson
President

Overleaf: Detailed answers to the questions in the survey template

Questions and Answers as per the survey template

1. Do you support these targets recommended by the Panel?

GAMAA has no position regarding the long term target of net zero greenhouse gas emissions by 2050, nor the recommended interim targets outlined in the report.

2. Are these the key issues influencing what the right targets are for Victoria? Are there other issues that should be considered?

GAMAA is supportive of actions that Victoria and others are already taking for building owners and households to be less emissions intensive. These actions already recognize the part efficient gas appliances can play in this regard. As examples, lower emissions water heating is already mandated for new homes and encouraged for existing homes through the Solar Victoria Rebate. The Victorian Energy Upgrades (VEU) program already provides incentives for lower emissions water heating and area heating appliances, including gas.

The Forum believes these actions should continue to assist in meeting the State’s emission reduction goals for now, particularly given the current uncertainties and opportunities regarding decarbonisation of the energy sector (electricity and gas) in general.

3. Do you agree with the Panel’s indicative trajectories to 2050?

GAMAA has no position regarding the long term target of net zero greenhouse gas emissions by 2050, nor the recommended interim targets outlined in the report.

4. Are there other key greenhouse gas emissions reduction opportunities beyond those the Panel identified?

Yes, this is the decarbonisation of the gas sector.

The final report identifies the electrification (fuel switching) rather than the decarbonisation of the gas sector in the built and industry environments as a ‘major opportunities’ to reduce emissions. This completely ignores the potential for decarbonisation of the gas sector which is deeply flawed and misguided and contrary to the stated objective of maintaining technology neutrality. It is also contrary to the activities of both the Hydrogen Working Group of the COAG Energy Council[3] and the $96M Future Fuels CRC[4] and many other projects underway in Australia and internationally in this area.

Reticulated Natural Gas currently provides an average of at least 44% of the annual energy consumption in Australian homes[5]. In Victoria this proportion is much higher at 69% with more than 4.5 Million domestic gas appliances installed[6]. To illustrate the scale of the existing Victorian Natural Gas network, it can store the same amount of energy as 2 Billion ‘Powerwall’ batteries[6]. It is widely recognized that reticulated Natural Gas contributes significantly to the security, stability and reliability of the Victorian energy network, including the electricity supply.

3 https://www.futurefuels crc.com “Enabling the decarbonisation of Australia’s energy networks”.
4 Energy Networks Australia (ENA) publication “Reliable and clean gas for Australian homes” September 2017
5 Calculated from Energy Networks Australia (ENA) publication “Gas Vision 2050” 2017.
Achieving decarbonisation of the electricity sector, whilst maintaining the expected levels of security, stability and reliability, will be a monumental task even without any electrification of the gas sector. The magnitude of this task and the associated investment will be multiplied if the energy load currently carried by the Natural Gas sector is also electrified over time.

Hence the ‘major opportunity’ is the decarbonisation of the Energy sector (Electricity and Gas), rather than the Electricity Sector alone, as this combination provides a far greater potential for decarbonisation at the fastest rate and lowest overall cost to the Victorian community, whilst maintaining the expected levels of energy security, stability and reliability.

5a: Across the Victorian economy, which activities do you think the Victorian government should prioritise in reducing Victoria’s greenhouse gas emissions?

a. Activities that support the decarbonisation of the energy sector (electricity and gas) as this provides a ‘major opportunity’ for rapid decarbonisation at lowest cost to the Victorian community.

b. Continuation of the actions that Victoria is already taking for building owners and households to be less emissions intensive as outlined in our answer to Question 2.

5b: What policies or programs are needed to drive these emissions reductions?

a. Policies that recognize the ‘major opportunity’ that decarbonisation of the energy sector (electricity and gas) provides for rapid decarbonisation at lowest cost to the Victorian community.

b. Continuation of the policies and programs that Victoria already has for building owners and households to be less emissions intensive as outlined in our answer to Question 2.

6: Are there any emissions reduction opportunities identified by the Panel that you would not support Victorian government action on? Why not?

GAMAA does not support the combination of decarbonisation of the electricity sector and electrification (fuel switching) of the gas sector. The ‘major opportunity’ for the Victorian community is the decarbonisation of the Energy sector (Electricity and gas), rather than the Electricity Sector alone, as this provides a far greater potential for decarbonisation at the fastest rate and lowest overall cost, whilst maintaining the expected levels of energy security, stability and reliability.

GAMAA does not support Victoria specific initiatives regarding the energy efficiency requirements of appliances. This is already regulated nationally through E3/GEMS and the RET also has the effect of setting benchmark minimum energy standards for solar and heat pump water heaters. These are already under review as part of the national ‘Trajectory for low energy buildings’ program. Any Victoria specific initiatives in this regard will result in duplication, inefficiencies and unwarranted increases in the regulatory and cost burden of appliance manufacturers and suppliers.

Questions 7 to 14

GAMAA has no comments.