

Gas Comms Guide

**Costly gas is
pushing up
power prices.**

Key Messages

- Adding more renewable energy such as wind and solar with storage is a better way to meet our energy needs than opening new gas projects.
- In recent years, gas corporations have been making record profits while energy prices for Australian consumers have been rising.
- Australia is one of the world's largest gas exporters - we've got stacks of the stuff but over 70% of our gas is shipped overseas.
- Extracting and burning gas emits methane pollution, which contributes to global warming.
- Gas projects can pollute the environment, including rivers, groundwater and farmland.
- Cleaner and cheaper renewable energy, like solar and wind, is the lowest cost form of new electricity generation and is getting cheaper all the time.

Key Messages

- Smart electric heaters, cooking appliances and hot water systems are cheaper to run than gas alternatives.
- Making the switch from gas to electric appliances is a win for reducing our cost of living, as well for our health and climate.¹

Communications tips

- Focus on the positive, cleaner and cheaper renewable energy power future that we want to see, and how this is a better option than continuing to support polluting and expensive fossil fuels.
- Concern about the high cost of living is the number one issue for many Australians. Make sure you highlight how your climate solution helps this; or at least doesn't make it worse.
- Be clear about the economic and health benefits of getting off gas and moving to clean renewable energy. Message testing with gas users showed that health messages were most engaging on an emotional level and then a clear cost savings breakdown engaged them on a rational level. Having both is key.
- Provide examples of how switching to electric appliances can help save money and provide desirable cooking and home heating and cooling options.

Communications tips

- Highlight the values we share up front, such as the health benefits of clean air, and the people and places that will be protected from moving away from polluting fossil fuels like gas.

Gas pushes up our power prices

Qatar and Australia are the world's largest exporters of LNG, each providing around 20% of global exports in 2022.² Yet, Australians pay sky-high prices for gas.

Over 70% of the gas extracted in Australia is contracted for export or used by the gas industry itself.³ Only a much smaller share is used in Australian homes, for manufacturing and electricity generation.⁴

Analysis by the Reserve Bank of Australia found domestic gas roughly doubled in price in the years immediately following the opening up of gas exports in 2015.⁵ Further, in mid-2023 the Australian Energy Market Operator reported that although Australian gas prices had come down from record highs in 2022, they were still at some of the highest levels ever recorded.⁶

Expensive gas is a key reason electricity prices have escalated in recent years. Because so much Australian gas is exported, our domestic prices are tied to the volatile international market.⁷

The Russian invasion of Ukraine and the resulting spike in international gas prices saw the Australian Government take the extraordinary step of placing a price cap on wholesale gas prices in Australia in December 2022. The Energy Price Relief Plan capped gas prices at \$12 per gigajoule on new wholesale gas sales, a third of the record \$36 per gigajoule seen across the country in mid-2022.⁸

Federal Energy Minister Chris Bowen said, "This is all about cutting the link between very volatile international gas prices and the prices Australian industries and households pay for gas."⁹

Studies from CSIRO¹⁰ and the Australian Energy Market Operator¹¹ have repeatedly shown that renewable energy is the cheapest form of new energy generation.¹² Adding more of it will put downward pressure on wholesale prices, and therefore the prices Australian households pay for their own power bills.

The gas industry often claims that a "lack of supply" is causing high domestic gas prices,¹³ and uses this argument to lobby for new gas fields and exploration licenses.

But Australia's supply of gas has dramatically increased over the past decade,¹⁴ and power prices have not plummeted - quite the opposite.¹⁵ If more supply was the answer then

having plenty of gas would have already fixed the price issue.

It's cheaper for Aussies to ditch gas at home, and switch to electric appliances

Climate Council analysis shows gas heaters, cooking appliances and hot water systems are almost always more expensive to run than the smart, electric alternatives now available.¹⁶

Australian households which go all-electric can make yearly bill savings ranging between \$500 and \$1,900 depending on which capital city they're in. Individual savings can be calculated using Climate Council's Home Appliance Savings Calculator.¹⁷

Climate Council analysis shows households that go fully electric in Hobart can save up to \$1,899 on their annual bills, in Canberra households can save up to \$1,876, in Adelaide \$1,457, Brisbane \$1,424, Melbourne \$1,207, Sydney \$924 and Perth \$803.¹⁸

For Australians living in one of the more than three million homes with solar panels on the roof, switching to electric heaters, cooking appliances and hot water systems could save them roughly an additional \$800 on bills every year.

We can move to renewable, clean power without any new gas

Opening more new gas supply is an unnecessary and dangerous step in Australia's efforts to tackle climate change

The rapid development of battery storage technology makes renewables backed by batteries a cheaper and cleaner option than developing more gas-fired generators as we shift from coal-fired power.¹⁹

Australia is highly vulnerable to climate change impacts, like bushfires, droughts and extreme heat. Further gas expansion increases our exposure to climate risks.

Existing coal and gas infrastructure alone will push the world past globally agreed temperature goals.²⁰ Even the once conservative International Energy Agency has forecast that there can be no new coal and gas projects if the world is to reach net zero emissions by 2050.²¹

Contrary to repeated claims from gas corporations and their supporters,²² reputable energy forecasts show that our domestic use of gas will continue to shrink over the coming decades.²³

Put another way, the future of gas is small and dwindling.²⁴ Renewable energy now makes up more than 35% of our electricity in the National Electricity Market, while gas generation dropped below 5%²⁵ in the first quarter of 2023.

Australia is the sunniest and windiest inhabited continent on the planet.²⁶ We have everything we need to make deep, enduring and immediate cuts to greenhouse gas emissions, including those from gas.²⁷

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Speak with us.

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