

**Submission: Gas infrastructure in a zero emissions economy**

Thank you for the opportunity to provide feedback to Infrastructure Victoria's (IVs) Interim report: *Towards 2050: Gas infrastructure in a zero emissions economy*.

Committee for Melbourne (the Committee) is an apolitical, not-for-profit, member-based organisation that brings together over 140 organisations from Greater Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Melbourne.

As an independent organisation, the Committee represents no single interest group or political position but seeks to challenge conventional thinking and to develop innovative ideas to continue to enhance Melbourne's position as an economically prosperous and highly liveable global city.

The Committee welcomes IV's role in providing expert advice to the Victorian Government regarding the future of Victoria's gas infrastructure and commends IV on its interim report (the report).

With its four unique net zero pathways for gas decarbonisation, underpinned by extensive research and modelling, this advice will add great value to the Victorian Government's *Gas Substitution Roadmap* and complement current work underway by DELWP.

In our [submission](#) to IVs Draft 30-Year Infrastructure Strategy in February 2021, the Committee supported draft recommendation 08 ("Allow new gas-free housing estates and review current gas policies") and highlighted the need for a gas transition plan.

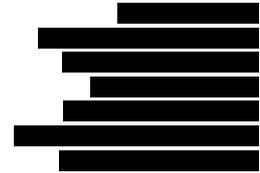
As IV prepares to submit its final report to the Treasurer in December 2021, it is worth reflecting on the release earlier this month of the Intergovernmental Panel on Climate Change's (IPCCs) latest [climate report](#).

The report highlights that global warming resulting from human-centred activities will increase the global average temperature to 1.5 degrees Celsius above industrial levels within the next decade. This has prompted calls for greater ambition in emission reduction policies and initiatives.

Given the urgency of the climate crisis and acknowledging the findings from the latest IPCC report, IV may consider providing more ambitious, short-term recommendations in its final report than it may have otherwise provided, to help fast-track gas decarbonisation. Such recommendations would need to avoid jeopardising appropriate longer-term gas decarbonisation policies.

The Committee supports IVs 'no regrets' measure to improve energy efficiency. While the Victorian Government has a suite of policies that encourage energy efficiency, more could be done including, as articulated in the report, policies to support increased household insulation.

IV could recommend that new buildings be all-electric. This policy could cut emissions while saving households on gas bills., It may also reinforce the direction that the building industry is headed with the Green Building Council of Australia encouraging the industry to go entirely electric. 6-Star *Green Star* buildings are required to be fossil fuel-free, with that requirement moving to 5-Star in 2023 and 4-Star by 2026.



Furthermore, City of Melbourne is supporting changes that ensure new buildings and urban renewal precincts are not connected to natural gas infrastructure. For example, the Arden urban renewal precinct's Draft Structure Plan calls for all-electric buildings and fossil-fuel free precinct infrastructure.

A second short-term initiative to help fast-track gas decarbonisation efforts could be practical regulations to reduce fugitive emissions from the production and transport of natural gas. Ensuring organisations replace old and outdated valves, install new valves correctly and follow a valve preventative maintenance program, could be highly effective.

Recognising that the best approach to long-term natural gas decarbonisation remains uncertain and will likely vary in different locations and for different end-users, the Victorian Government will need to be updated regularly with the most accurate information available. Ensuring that the government has access to high quality data and expertise at regular intervals will increase its chances of delivering the *right* long-term gas decarbonisation solutions.

To aid its understanding of the most appropriate long-term solutions, the government could undertake and scale up a series of small-scale trials to ascertain the feasibility of its options. Instigating trials on various categories of natural gas users will be important as the impacts will likely vary between different categories of residential and commercial users.

Policy alignment between the Victorian and Federal Governments on gas decarbonisation measures will be critical. The Federal Government's "gas-led recovery" from the pandemic-induced economic recession may complicate efforts to decarbonise Victoria's gas sector. Clarification on what the gas-led recovery means for Victoria's natural gas transition is required.

The Committee thanks IV for providing the opportunity to offer feedback on its interim report and looks forward to reflecting on the final report upon release.

Yours sincerely,