



Ad Standards Community Panel
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AdStandards.com.au

Ad Standards Limited
ACN 084 452 666

Case Report

1. Case Number :	0121-22
2. Advertiser :	Australian Gas Networks
3. Product :	Other
4. Type of Advertisement/Media :	TV - Free to Air
5. Date of Determination	8-Jun-2022
6. DETERMINATION :	Dismissed

ISSUES RAISED

AANA Environmental Code\1 Truthful and Factual
AANA Environmental Code\2 Genuine Environmental Benefit

DESCRIPTION OF ADVERTISEMENT

This television advertisement features an animated, artistic view of the proposed evolution of the natural gas network to renewable gas, finishing with a single gas flame, transitioning from blue to green in colour. Text on screen states: "We're changing natural gas, for good. Creating a new gas. Using solar and wind energy. Blending a cleaner fuel. The future of Australian Gas is renewable."

THE COMPLAINT

Comments which the complainant/s made regarding this advertisement included the following:

Natural gas (methane) is a green house gas 20 to 50 times more damaging in the short term than carbondioxide. This advert suggests that the gas is becoming greener being generated from solar energy. Presumably they are promoting trials where "green" hydrogen is being blended with natural gas. Up to 20% hydrogen can be added without the need to modify gas appliances. Currently the extent of this blending makes little difference to the greenness of natural gas.

The advertisement claims that it is "Renewable Gas". The Gas which is piped into people's homes is not renewable and they should not be allowed to claim that it is.



THE ADVERTISER'S RESPONSE

Comments which the advertiser made in response to the complainant/s regarding this advertisement include the following:

Thank you for notifying Australian Gas Networks Limited (AGN) of the above complaint and for providing the opportunity to respond. AGN takes its obligations under advertising standards seriously and we endeavour to ensure that the relevant guidelines are followed, in particular the Environmental Claims Code.

The complaint relates to our current advertising campaign for renewable gas. The advertisement supers read:

*"We're changing natural gas, for good.
Creating a new gas
Using solar and wind energy
Blending a cleaner fuel.
The future of Australian Gas is renewable."
[AGN Logo] [Search Renewable gas]*

For reference we have included a video file of the advert as part of our submission.

In the complaint, the complainant indicates that they are concerned that the advertisement:

- 1. Indicates that natural gas is becoming greener; and*
- 2. Suggests that the gas is becoming greener being generated from solar energy.*

The complainant also states that "currently the extent of blending hydrogen with natural gas makes little difference to the greenness of natural gas".

AGN agrees with the complainants' statement that "currently the extent of blending hydrogen with natural gas makes little difference to the greenness of natural gas". Factually this is correct at this early stage of decarbonisation, however AGN submits that nowhere in the advertisement is it stated or implied that:

- 1. blending of renewable and natural gas at current levels (of up to 5%) makes a material difference to the "greenness" of natural gas;*
- 2. natural gas itself is becoming greener; or that*
- 3. natural gas is generated from solar energy.*

Rather, the advertisement is designed to raise awareness about and generate interest in steps that AGN is taking towards decarbonisation, starting with blending renewable gas (generated from wind and solar) with natural gas.

Our detailed response below addresses the AANA Environmental Claims Code which the complaint has initially been assessed against by Ad Standards, and also all sections of the Advertiser Code of Ethics which the Community Panel will also consider.



RESPONSE TO COMPLAINT RECEIVED

1. AANA Environmental Claims Code for Advertising and Marketing Section 1. Truthful and Factual Presentation.

Environmental Claims in Advertising or Marketing Communication:

a) shall not be misleading or deceptive or be likely to mislead or deceive;

The advertisement is not misleading or deceptive, or likely to be misleading or deceptive because:

- The advertisement clearly visually represents the blending of natural gas (blue bubbles) with renewable gas (green bubbles) and represents that the blend of the two will result in a cleaner fuel. Contrary to the submission of the complainant, the advertisement does not imply that the natural gas itself is changing to a greener substance or that natural gas is generated from solar energy.*
- The advertisement refers to AGN's current and planned future changes to the natural gas network to blend renewable gas with natural gas to create a cleaner blend of fuel, consistent with the Federal Government's National Hydrogen Strategy. AGN has already started to trial implementation of these changes in AGN's South Australian network and AGN has similar projects in advanced planning stages in Queensland and Victoria. Ultimately AGN's board endorsed strategy is to blend of renewable gas (hydrogen) with natural gas to reduce and eventually replace volumes of natural gas consumed by its customers in AGN's distribution networks.*
- The concept of renewable gas is well understood in the energy industry but potentially not as well amongst smaller end consumers of gas. The advertisement is designed to introduce the concept of renewable gas to distribution network customers and invites them to learn more about it by conducting an internet search. As a leader in the energy industry's journey to decarbonisation, AGN considers consumer education and awareness raising a key part of the journey, and this advertisement forms part of our consumer education and awareness campaign.*
- The advertisement's suggestion that 'the future of Australian gas is renewable' is consistent with the Australian Government's "National Hydrogen Strategy" and the State of South Australia's Hydrogen Action Plan, which treat the development of the green hydrogen industry as an essential aspect of the energy transition. As AGN owns natural gas distribution networks in Victoria, New South Wales, Queensland and South Australia, we are pleased to be able to lead the industry in developing hydrogen and introducing the public to its role as a renewable gas, as this is essential to the energy transition.*
- AGN is implementing a board approved low carbon strategy to convert its natural gas distribution networks to renewable gas. We are targeting a 10% blend of renewable hydrogen in our gas distribution networks by 2030, moving to a full conversion to renewable hydrogen by 2050 at the latest. This is consistent with Australian State, Territory and Federal ambitions which collectively target net zero carbon emissions by 2050.*



- *It is still early in the transition to renewable gas and AGN's advertisement is intended to generate interest and further research about the path that it has started down to meet the target net zero carbon emissions and future steps it is planning to take. The advertisement does not state that AGN has already made a "difference to the greenness of natural gas" as the complainant suggests.*
- *It is also important to note that the Australian Government supports the development of a renewable hydrogen industry, as demonstrated by its National Hydrogen Strategy released in 2019. There are also a number of State and Territory renewable hydrogen strategies in existence including in South Australia, Victoria, the Northern Territory, Victoria, Western Australia and Queensland.*

b) shall display any disclaimers or important limitations and qualifications prominently, in clear, plain and specific language

The advertisement itself does not display any disclaimers, limitations or qualifications as there is no information supplied in the ad that requires a disclaimer, limitation or qualification.

The advertisements' message to consumers that "the future is renewable" is widely accepted and endorsed at State, Territory and Federal levels of Government in Australia and internationally. This advertisement also shows consumers that AGN has factored renewable gas into its own future and is planning for decarbonisation, showing consumers that the company's future is aligned with the widely accepted view that society's future requires a transition to renewable energy.

We therefore consider the advertisement is compliant with this requirement of the Code.

c) shall represent the attributes or extent of the environmental benefits or limitations as they relate to a particular aspect of a product or service in a manner that can be clearly understood by the consumer.

The advert itself does not make any representations about environmental benefits from current renewable gas projects. The intent of the advertisement is to direct consumers to search for 'renewable gas' on the internet, where they may learn about what renewable gas is, how it is generated, AGN's future targets and the environmental benefits from using renewable gas, but the advertisement itself does not make any such representations.

We consider that the advertisement is compliant with this requirement of the Code.

Section 2. Genuine Benefit to the Environment.

Environmental Claims must:

a) be relevant, specific and clearly explain the significance of the claim;

The advertisement does not make a claim about current environmental benefits from renewable gas. As mentioned above, the advert notes that blending natural gas and



renewable gas will result in a cleaner fuel and signals AGN's future plans to transition to renewable hydrogen in its existing gas distribution network.

The planned transition to renewable gas, starting with blending in AGN's natural gas distribution networks, has a genuine environmental benefit and is consistent with both State and Federal government plans to develop the hydrogen industry as a key aspect of the decarbonisation journey.

Further, AGN believes that the claim 'the future of gas is renewable' is clear to consumers who may be considering the long-term future of the two main sources of energy in Australia (electricity and gas) and seeking to understand more about the future potential of renewable gas in order to make informed consumer decisions for their energy usage.

Accordingly, we consider that the advertisement is compliant with this section of the Code.

*b) not overstate the claim expressly or by implication;
The assertion that the future of gas is renewable is not an overstatement as significant, government funded projects (both State and Federal) are already underway to facilitate the transition from natural gas to renewable gas.*

AGN is implementing a board approved strategy with renewable gas blending starting in South Australia in 2020 and other several projects under way.

Like electricity, which has been moving towards more renewable energy for over 20 years and reached 27% renewable electricity during 2021, the transition to renewable gas will take time and our customers are aware of this.

We believe that the advertisement is compliant with this section of the Code.

*c) not imply that a product or service is more socially acceptable on the whole.
The advert states that a future blend of renewable gas and natural gas will be a cleaner fuel. This may imply that blended gas will be more socially acceptable (if people are seeking cleaner fuels), however the statement is also factual. The advertisement does not suggest that alternative energy options are not socially acceptable.*

We consider that the advertisement is compliant with this section of the Code.

Section 3. Substantiation.

Environmental Claims in Advertising or Marketing Communication:

a) shall be able to be substantiated and verifiable. Supporting information shall include sufficient detail to allow evaluation of a claim;

We do not consider that the advertisement makes an environmental claim, as noted above, it informs customers of AGN's plans to transition to renewable gas in the future and that the blended gas will be a cleaner fuel.



However, if the Panel considers that the use of the term 'renewable' or the phrase 'the future of gas is renewable' or 'blending a cleaner fuel' does constitute an environmental claim, then we reiterate our response in Section 1a, i.e. that any such claim is substantiated and verified by:

- the renewable hydrogen projects currently underway by both AGN (and other organisations in the energy industry),*
- AGN's board approved low carbon strategy which provides us with a roadmap to reach 100% renewable hydrogen in our distribution networks,*
- the State and Federal government funding that has been and is being made available in support of the transition to decarbonisation and cleaner fuels for gas consumers,*
- State and Federal Government strategies released in recent years with respect to renewable hydrogen, such as the Commonwealth Government National Hydrogen Strategy and the South Australian Government's Hydrogen Action Plan, and*
- By the call to action prompting consumers to search the web for renewable gas to find out more information.*

All of the above support the notion that renewable gas is a real commodity, when blended with natural gas creates a cleaner fuel than natural gas on its own, is supported by government, and that AGN's plans are not only well developed, but are being implemented.

b) shall meet any applicable standards that apply to the benefit or advantage claimed;

We do not consider that our advertisement is subject to additional applicable standards regarding the benefit claimed.

c) containing testimonials shall reflect the genuine, informed and current opinion of the person giving the testimonial.

Our advertisement is compliant with this section of the Code of Practice as no testimonials are present in the advertisement.

2. AANA Code of Ethics for Advertising and Marketing

We have also addressed Section 2 of the AANA Code of Ethics for Advertising and Marketing, which relates to Consumer Complaints.

Section 2.1 Advertising or Marketing Communications shall not portray people or depict material in a way which discriminates against or vilifies a person or section of the community on account of race, ethnicity, nationality, gender, age, sexual preference, religion, disability, mental illness or political belief.

Our advertisement does not breach this section of the Advertiser Code of Ethics as it does not depict material that discriminates or vilifies a person or section of the community as identified in section 2.1

Section 2.2 Advertising or Marketing Communications shall not employ sexual appeal:



*(a) where images of Minors, or people who appear to be Minors, are used; or
(b) in a manner which is exploitative or degrading of any individual or group of people.*

Our advertisement does not breach this section of the Advertiser Code of Ethics as it does not employ sexual appeal against Minors or in a manner that is exploitative or degrading to any individual or group of people as identified in section 2.2.

Section 2.3 Advertising or Marketing Communications shall not present or portray violence unless it is justifiable in the context of the product or service advertised.

Our advertisement does not breach this section of the Advertiser Code of Ethics as it does not present or portray violence as identified in section 2.3.

Section 2.4 Advertising or Marketing Communications shall treat sex, sexuality and nudity with sensitivity to the relevant audience.

Our advertisement does not breach this section of the Advertiser Code of Ethics as there is no sex, sexuality or nudity present.

Section 2.5 Advertising or Marketing Communications shall only use language which is appropriate in the circumstances (including appropriate for the relevant audience and medium). Strong or obscene language shall be avoided.

Our advertisement does not breach this section of the Advertiser Code of Ethics as there is no strong or obscene language used.

Section 2.6 Advertising or Marketing Communications shall not depict material contrary to Prevailing Community Standards on health and safety.

Our advertisement does not breach this section of the Advertiser Code of Ethics as it does not depict material contrary to Prevailing Community Standards on health and safety.

Section 2.7 Advertising or Marketing Communications shall be clearly distinguishable as such to the relevant audience.

Our advertisement does not breach this section of the Advertiser Code of Ethics as our advert is clearly distinguishable to its relevant audience.

We trust the above response addresses any concerns regarding the advertisement, and provides the Community Panel with sufficient information for their review. However, if any further information is required, please do not hesitate to contact us.

THE DETERMINATION



The Ad Standards Community Panel (the Panel) considered whether this advertisement breaches the AANA Environmental Claims in Advertising and Marketing Code (the Environmental Code).

The Panel noted the complainants' concerns that the advertisement suggests that natural gas is renewable and 'green'.

The Panel viewed the advertisement and noted the advertiser's response.

Is an environmental claim being made?

The Panel considered whether the advertisement made an Environmental Claim.

The Environment Code applies to 'Environmental Claims' in advertising and marketing communications.

The Code defines Environmental Claims as *“any express or implied representation that an aspect of a product or service as a whole, or a component or packaging of, or a quality relating to, a product or service, interacts with or influences (or has the capacity to interact with or influence) the Environment”*.

The Panel noted that the advertisement includes the written text: “Using solar and wind energy. Blending a cleaner fuel. The future of Australian gas is renewable”.

The Panel considered that the combined reference to solar and wind energy and the statement that they are blending a 'cleaner' fuel is a representation that the new product would have a positive capacity to influence the environment, in that it would be less harmful and less polluting because of its reliance on such forms of renewable energy (solar and wind). Overall, the Panel considered that this did constitute an Environmental Claim.

1 c) Environmental Claims in Advertising or Marketing Communication...shall represent the attributes or extent of the environmental benefits or limitations as they relate to a particular aspect of a product or service in a manner that can be clearly understood by the consumer.

The Panel noted that the Practice Note for this Section includes:

The environmental claim should not be extended, or implied to be extended, to a whole product or service when it relates only to one aspect of the product eg packaging or energy use, or service. For example, if the claim relates to the:

- *packaging only, but not the use of that product, the claim should not imply that it relates to the product as well as the packaging;*



- *energy use in the manufacture of a product, the claim should not imply that it relates to the energy use in the manufacture of the packaging as well. Relevant information should be presented together.*

The Panel considered that the advertisement does not imply that the entirety of Australian Gas Networks business is clean, only that there is some action being taken by the advertiser to create a cleaner product. The Panel considered that the statement at the end of the advertisement ‘The future of Australian Gas is renewable’ clearly identifies that not all Australian Gas is currently renewable.

The Panel considers that the advertisement is clear in that it states that they are making the gas cleaner by blending different fuels together. The Panel also noted that the advertisement ends with a search bar symbol and the term ‘renewable gas’ which provide a clear way for consumers to find out more information about the product.

The Panel considered that the Environmental Claim represents the extent of the environmental benefit as being limited to the limited production of the cleaner gas in a way which would be clearly understood by the consumer.

Section 1 c) conclusion

The Panel determined that the advertisement did not breach Section 1 c) of the Environmental Code.

2 a) Environmental Claims must... be relevant, specific and clearly explain the significance of the claim

The Panel noted that the Practice Note for this Section includes:

“Environmental claims should only be made where there is a genuine benefit or advantage. Environmental benefits should not be advertised if they are irrelevant, insignificant or simply advertise the observance of existing law. Advertising and marketing communication should adequately explain the environmental benefits of the advertised product or service to its target audience. It is not the intent of the advertiser making the claim that will determine whether it is considered misleading; it is the overall impression given to the consumer that is important. Advertising therefore should not inadvertently mislead consumers through vague or ambiguous wording. Providing only partial information to consumers risks misleading them. Generally a claim should refer to a specific part of a product or its production process such as extraction, transportation, manufacture, use, packaging or disposal.”

The Panel noted that the advertiser’s response in detailing that the advertiser is taking steps towards decarbonisation by blending renewable gas with natural gas. The Panel considered that this Claim is clearly represented in the advertisement.

The Panel further noted that the advertisement prompts consumers to find out more information about the process through the use of the search bar at the end of the ad.



The Panel considered that the Environmental Claim in the advertisement though merely implied is relevant and specific, and that a fuller explanation of the significance of the claim is easily accessible through the advertiser's website.

Section 2 a) conclusion

The Panel determined that the advertisement did not breach Section 2 a) of the Environmental Code.

Conclusion

Finding that the advertisement did not breach the Environmental Code on any other grounds the Panel dismissed the complaints.