



Ad Standards Community Panel
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AdStandards.com.au

Ad Standards Limited
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Case Report

1. Case Number :	0248-21
2. Advertiser :	Australian Gas Networks
3. Product :	House Goods Services
4. Type of Advertisement/Media :	TV - On Demand
5. Date of Determination	8-Sep-2021
6. DETERMINATION :	Dismissed

ISSUES RAISED

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

DESCRIPTION OF ADVERTISEMENT

This TV on demand advertisement features a single gas flame, transitioning from blue to green in colour. Text on screen states "The future of Australian gas is renewable."

THE COMPLAINT

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

It's a very simple advertisement that claims there is such thing as "renewable gas" and to learn more. This is a lie and falacy. It is misleading to be trying to sell the public on a concept using the word renewable, as this implies that it is good for the environment while also not being a fossil fuel. Only part of this is true, but the problem doesn't go away by using the alternate gas offerings as they still burn and release methane into the atmosphere - thus not removing the actual problem.

This ad is a deliberate attempt (I believe) to mislead the public and it is shameful that it is allowed to do so.



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 complaint specifically refers to a 15 second television advert depicting a single gas flame, transitioning from blue to green. The overlaying supers reads:

*"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 states that it "is a lie and fallacy" that there is such a thing as renewable gas and that "alternative gas offerings...still burn and release methane..."

Our response 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:

- Renewable gas is not a renaming of natural gas, or an attempt at "greenwashing". It instead describes a different type of gas. Renewable Gas is either carbon free (Renewable Hydrogen) or net carbon neutral (Bio-methane). Renewable gas is not produced using electricity derived from fossil fuels.*
- The advertisement introduces the audience to the concept of renewable gas. The concept is understood in the energy industry and the advertisement invites consumers to learn more about it by conducting an internet search. As a leader in the energy industry's journey to decarbonisation, we consider consumer education and awareness raising a key part of the journey, and this advertisement forms part*



of our consumer education and awareness campaign. Should a consumer follow the advertisement's suggestion and search for renewable gas on the web, there is a wide range of easily understandable information available that explains what is meant by "renewable gas".

- *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. The South Australian government's "Renewables SA" website states: "With more than 50 per cent of the South Australia's energy mix generated through renewable sources, new interconnection and storage technologies such as hydrogen will support South Australia to become a net 100 per cent renewable energy generator during the 2030s." As AGN own and operate the natural gas distribution network in 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 part of the Australian Gas Infrastructure Group (AGIG). AGN owns and operates natural gas distribution pipelines in South Australia, Victoria, New South Wales and Queensland, delivering natural gas to over 1.3 million residential and industrial customers. 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. This is consistent with Australian state and territory ambitions which collectively target net zero carbon emissions by 2050. We also intend to offer 100% renewable gas to new housing subdivisions by 2025.*
- *AGN's current projects, and those in planning for the near future involve the production of hydrogen to create renewable gas, and blending of that hydrogen with natural gas. Ultimately, our goal is to replace natural gas with renewable gas. This future would allow us to use our existing infrastructure to eventually supply renewable gas to all customers on our distribution networks. In addition to the AGN projects, several other major companies are investing in renewable hydrogen production projects including Jemena, Engie, Rio Tinto, Horizon Power and ATCO.*
- *AGN uses the terminology 'renewable gas' to convey the message to consumers that AGN is working towards decarbonising its existing natural gas distribution networks. Renewable hydrogen, or renewable gas is produced by electrolysis, the splitting of water by an electrolyser to produce hydrogen. If electrolysis is undertaken using renewable electricity, the process does not result in the release of carbon emissions into the atmosphere. The uses for renewable hydrogen include residential usage for heating, cooking, providing hot water and its other uses can include powering fuel cell vehicles such as cars, trucks and buses, as well as certain industrial applications and the generation of power at electricity plants.*



Many of the renewable hydrogen projects being undertaken by the above organisations are partially funded by the Australian Government Australian Renewable Energy Agency (ARENA) which aims to improve the competitiveness of renewable energy technology and increase renewable energy supply for the benefit of business and consumers. 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 advert 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 this widely accepted future into its own future and has planned 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 of environmental benefits from renewable gas. The advert directs consumers to search for 'renewable gas' on the internet, where they may learn about 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 an environmental benefit. As mentioned above, it simply notes AGN's future plans to transition to renewable hydrogen in its existing gas distribution network.



However, if the panel considers that the reference to ‘renewable gas’ constitutes an environmental claim, then we reiterate that the reference to renewable gas is a reference to renewable hydrogen, with comprehensive, easily understood information on renewable hydrogen available at various places on the internet, including the Australian State, Territory and Federal Government sites, and also on our website. Principally, that information explains that hydrogen production via electrolysis using renewable electricity results in zero carbon emissions. Accordingly, the planned transition to renewable gas, starting with blending, in AGN’s natural gas distribution networks has a genuine environmental benefit, and is entirely consistent with both state and federal government plans to develop the hydrogen industry as a key aspect of the decarbonisation journey.

Further, we believe that the claim ‘the future of gas is renewable’ is relevant and significant 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 renewable potential of 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, as well as supporting hydrogen use in other industries such as transport. State and Federal Government renewable hydrogen strategies have been released in recent years including the Commonwealth Government National Hydrogen Strategy, the Queensland Hydrogen Industry Strategy, the Western Australian Renewable Hydrogen Strategy and the South Australian Government’s Hydrogen Action Plan.

Further, AGN has implemented a board approved strategy, a number of significant hydrogen projects are currently underway in Australia, including AGN’s own projects. Further evidence supporting the truth of the suggestion that the future of gas is renewable can be seen by considering the state of the hydrogen industry and its role as a renewable gas in overseas jurisdictions. For example, in the UK and Europe the hydrogen industries are more advanced than in Australia, suggesting that and we expect that Australia will follow the example of these overseas jurisdictions to progress the future development of our hydrogen industry.

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 does not suggest that alternative energy options are not socially acceptable, nor that renewable gas is more socially acceptable than any other energy source.

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 simply informs customers of AGN's plans to transition to renewable gas in the future.

However, if the Panel considers that the use of the term 'renewable' or the phrase 'the future of gas is renewable' 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,*
- 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, 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 complainant's concern that the advertisement suggests that there is such a thing as 'renewable gas' which is false.

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 only language in the advertisement is "The future of Australian gas is renewable".

The Panel noted that "future" is a vague term and is not specifically defined in the advertisement.

The Panel noted that the advertisement does not state "renewable gas", but rather that the future of gas is renewable, and the Panel considered that the two references can be interpreted differently.

The Panel considered that the statement is vague and is an aspirational suggestion by the advertiser rather than an environmental claim. No specific benefits are claimed.



The Panel considered that the advertisement does not make an environmental claim and that the provisions of the Environment Code do not apply.

Conclusion

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