



Ad Standards Community Panel
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AdStandards.com.au

Ad Standards Limited
ACN 084 452 666

Case Report

1. Case Number :	0331-20
2. Advertiser :	Australian Gas Networks
3. Product :	House Goods Services
4. Type of Advertisement/Media :	Internet
5. Date of Determination	11-Nov-2020
6. DETERMINATION :	Dismissed

ISSUES RAISED

AANA Environmental Code\1 Truthful and Factual
AANA Environmental Code\2 Genuine Environmental Benefit
AANA Environmental Code\3 Substantiation

DESCRIPTION OF ADVERTISEMENT

This internet advertisement features information about Australian Gas Network. In particular, the case relates to two web pages.

The first page , <https://www.australiangasnetworks.com.au/renewablegas>, explains the projects Australian Gas Networks is working on to introduce 'renewable gas' to the natural gas network.

The second page, <https://www.australiangasnetworks.com.au/gas-explained/benefits-of-natural-gas/environmental-benefits>, explains the emissions reductions that can be achieved by using natural gas over alternative energy sources.

THE COMPLAINT

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

The opening statement has been recently been found to be untrue, and given the damaging effects of un-burnt fugitive methane gas as well as "vented" CO2 gas contributing to global warming, is dangerously incorrect and now known to be false. It is an outdated assumption promoted by the gas industry in an effort to avert attention from the damaging effects of the entire gas process. Also significant use of renewable



gas has not commenced. They do not indicate in the advertisement the proportion of Renewable Gas used in the gas grid. My research indicates it remains in the Pilot program phase and hence is insignificant.

*A general explanation for the layperson is contained in this article.
<https://reneweconomy.com.au/gaslighting-on-emissions-ieefa-says-burning-lng-worse-than-coal-for-climate-19615/>*

In a new report, the Institute for Energy Economics and Financial Analysis (IEEFA) says that emissions from the production and use of natural gas may have been significantly underestimated and that this has been obfuscated by a concerted campaign of the gas industry.

"The industry claims burning fossil fuels such as 'natural' gas is cleaner than burning coal, a commodity on its way out as the world transitions to cleaner more sustainable energy sources," IEEFA gas analyst Bruce Robertson said.

"This is simply not the case. Gas is worse than coal in the short term due to its release of methane into the atmosphere."

The IEEFA's report is found here. https://ieefa.org/wp-content/uploads/2020/04/Australias-LNG-Industry-Growth-and-Emission-Standards-Decline_April-2020.pdf

Given the findings of this highly regarded report, the Australian Gas Networks must not be allowed to continue to run advertisements making this claim until they can prove otherwise. Their current position essentially relies on a lack of study.

ADDITIONAL COMMENTS:

I have learnt (from a significant figure in the Energy Industry!) that this is not a new issue, but AGN has doubled-down in apparent contempt for your earlier ruling. My contact drew my attention to your earlier ruling.

*"(Ads Standards) Regulator rules it is misleading to claim gas is 'cleaner and greener"
<https://reneweconomy.com.au/regulator-rules-it-is-misleading-to-claim-gas-is-cleaner-and-greener-56914/>*

*So here are better links that I have located to these current advertisements.
<https://m.facebook.com/252255965128649/posts/1252838091737093/?d=n>*

When clicking on each of the green squares, you are taken to these pages.

Square 1

https://www.australiangasnetworks.com.au/renewablegas?utm_source=facebook&utm_medium=social&utm_campaign=renewable+gas&utm_content=retargeting_home+owner_home+owner_linkad_carousel+video+renewable+gas

Square 2 (perhaps identical)



Both contain the claims "Natural gas is already significantly cleaner than grid electricity...."

I contend that the latest understanding (referred to in my original submission) which of recent includes fugitive emissions, and venting of CO2 from high-concentration CO2 gas resources, make these claims untrue. It is more accurate to say that the entire life-cycle gas extraction and burning process is not significantly different to grid electricity. Hence the claim is significantly is untrue. (And possibly contemptuous of your earlier ruling).

An additional claim is made further down the page. "Gas already has a much lower carbon intensity than grid electricity". That would not be true in South Australia where their trial is occurring since there is virtually no coal-fired electricity generation, and I believe it again is no longer true when a complete assessment is made of fugitive emissions of gas, and venting of CO2 is taken into consideration.

Furthermore, the accompanying video on those pages, <https://vimeo.com/443228468> also includes the following at the 28 second mark, "...as we transition to an even more sustainable source of energy....". implying that petroleum gas is somehow sustainable. This, following your recent ruling is another (egregious?) unsupported claim that no longer stands up to a close examination.

I would support them in making a serious attempt to transition to renewable gas, but their actions which I have highlighted above have all the hallmarks of tobacco-industry delaying tactics and intellectual dishonesty which if left unchallenged threatens to bring the advertising industry into disrepute.

To make it clear, a transparent understanding that gas industry emissions have been underreported is a recent development and it seems the Gas Industry is making hay while the sun shines, so to speak. It would be a poor reflection on AdStandards if it did not take into account recent current state of play.

the central misleading claim is on the Australian Gas Networks website which claims the following.

<https://www.australiangasnetworks.com.au/gas-explained/benefits-of-natural-gas/environmental-benefits>

"Gas hot water systems provide instant hot water, with up to 83% less carbon emissions than electric hot water system"

"Natural gas can help deliver significant emission reductions, using technology and infrastructure that is already in place for large scale electricity generation are nearly 70% lower than the brown coal power stations that produced 19% of Australia's electricity in 2014, or 57% less than the black coal power stations that produced 43% of Australia's electricity, with no loss in stable base load generation.



In your home, using natural gas appliances for your heating, hot water and cooking are even more efficient, with emissions 83% lower than brown coal. (Source: Dept of Environmental Natural Greenhouse Accounts Factors Aug 2015)"

This graphic on that same page makes a similar misleading claim about CO2 emissions of electricity

It has been found by the Institute for Energy Economics and Financial Analysis (IEEFA) in a study conducted by professors from both Australian National and Melbourne Universities that domestic gas can only claim "..... conventional or 'natural' gas has 50% fewer greenhouse emissions than coal". This Australian Gas Networks website page exceeds 50%.

The study by The Institute for Energy Economics and Financial Analysis (IEEFA) the found that (even when ignoring the potentially far worse fugitive emissions which give all the indications that a 50% claim is optimistic) it was only reasonable to claim conventional or 'natural' gas has 50% fewer greenhouse emissions than coal https://ieefa.org/wp-content/uploads/2020/03/Is-the-Gas-Industry-Facing-its-Volkswagen-Moment_March-2020.pdf

of note is this statement in the report

"The gas industry has generally ignored methane leakage to date, and claims conventional or 'natural' gas has 50% fewer greenhouse emissions than coal. This is misleading and deceptive, and only covers the domestic industry".

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 (AGN) of the above complaint to Ad Standards and providing the opportunity for us to respond for the consideration of the Community Panel. AGN takes seriously its obligations under the advertising standards to ensure relevant guidelines are followed, in particular the Environmental Claims Code.

AGN owns and operates natural gas distribution pipelines, which deliver natural gas to over 1.3 million customers across Australia. AGN is progressing the conversion of its natural gas network to renewable gas, with the first stage commencing in South Australia later this year by blending renewable hydrogen gas into the natural gas network. The complaint is based on our advertising campaign for renewable gas.

In addition to the formal notification from Ad Standards, the Case Managers contacted AGN advising that:

- "Originally the complainant indicated that they had viewed an advertisement on Instagram which they believed may be misleading. Upon following up with the complainant we were able to clarify that it was the website content the Instagram linked to which the complainant was referring to in their complaint."*



- *“However, the complaint only relates to the content of these two webpages:*
 - *<https://www.australiangasnetworks.com.au/renewablegas>*
 - *<https://www.australiangasnetworks.com.au/gas-explained/benefits-of-natural-gas/environmental-benefits>”*

For clarity, I have noted below the contents identified in the initial Ad Standards complaint as they pertain to the webpages identified, and have referenced these as Page 1 and Page 2 accordingly in our response.

- *[Page 1] <https://www.australiangasnetworks.com.au/renewablegas>*
 - *“Natural gas is already significantly cleaner than grid electricity...”*
 - *“They do not indicate in the advertisement the proportion of Renewable Gas used in the gas grid.”*
 - *“Gas already has a much lower carbon intensity than grid electricity, but there is more to do.”*
 - *Embedded Video Voice Over at 28 seconds “...as we transition to an even more sustainable source of energy”*
- *[Page 2] <https://www.australiangasnetworks.com.au/gas-explained/benefits-of-natural-gas/environmental-benefits>*
 - *Gas hot water systems provide instant hot water, with up to 83% less carbon emissions than an electric hot water system”*
 - *“Natural gas can help deliver significant emission reductions, using technology and infrastructure that is already in place, for large scale electricity generation, with emissions that are nearly 70% lower than the brown coal power stations that produced 19% of Australia's electricity in 2014, or 57% less than the black coal power stations that produced 43% of Australia's electricity, with no loss in stable base load generation. In your home, using natural gas appliances for your heating, hot water and cooking are even more efficient, with emissions 83% lower than brown coal. (Source: Dept of Environmental Natural Greenhouse Accounts Factors Aug 2015)”*

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;

In our view, the claims made in our webpages are not misleading, as Natural Gas is a cleaner energy source than electricity from the grid.



AGN relies on annual emissions data published by the Australian Government's Department of Industry, Science, Energy and Resources (DISER) in the National Greenhouse Accounts Factors (NGAFR) report, which is designed for use by companies and individuals to estimate greenhouse gas emissions.

The methods used in the NGAFR "are consistent with international guidelines and are subject to international expert review each year", and form the basis of the Australian Government's National greenhouse accounts.

We consider the NGAFR to be the most authoritative emissions data available in Australia, and is therefore the appropriate basis for our comparison of natural gas emissions to grid electricity. This data is clearly referenced on our website.

The NGAFR data has been used as the basis for claims on website Page 2, such as gas hot water systems being up to 83% lower carbon emissions than electric hot water systems. The comparisons do vary by state depending on the electricity generation mix, with the greatest emissions savings of 83% being in Victoria (where our largest number of customers live), which has the highest concentration of electricity created from coal fired power stations.

The complaint that the content of these pages is misleading is largely based on the view that a report by the Institute for Energy Economics and Financial Analysis (IEEFA) has proven natural gas is not cleaner than grid electricity. In AGN's view, the article does not outweigh the Australian Government approach as provided by DISER. The DISER information is robust and reliable and forms a reasonable basis for the statements made by AGN.

The complaint also notes that natural gas could not have a lower carbon intensity than grid electricity in South Australia... since there is virtually no coal-fired electricity generation. While it is true that South Australia no longer has coal fired electricity, DISER data has been used to show that in South Australia emissions from natural gas hot water are up to 67% lower than electric hot water systems (based on 2015 data as quoted on the website). This is due to South Australia sourcing a significant amount of its electricity from Victoria and using natural gas to generate over 50% of electricity produced in South Australia, which is a much less efficient than using natural gas at a home or business property. Again this data is based on the DISER.

The complaint refers to an embedded video on Page 1, which is an educational video on the required evolution of Australia's energy mix to a low carbon emissions future and the contribution that AGN is making by developing renewable gas for use in our network. The phrase "even more sustainable source of energy" refers to improving Australia's energy mix in total. We believe this is clear in the introduction of the video.

The complaint asserts "They do not indicate in the advertisement the proportion of Renewable Gas used in the gas grid" in relation to the 'Renewable gas' Page 1 webpage. We do not believe this is correct, as the same page states:



“Located at the Tonsley Innovation District, HyP SA is an innovative energy project that will produce renewable hydrogen. A 1.25MW electrolyser will be used to produce renewable hydrogen for blending up to 5% with natural gas. This will be supplied to more than 700 existing homes and businesses in Mitchell Park.”

We believe the webpage details the scale of the project, noting how many customers will be impacted (700), the percentage of renewable gas being blended with natural gas (up to 5%), and where those customers are located (Mitchell Park, SA). The project is also supported by an extensive community engagement program with customers in the area.

For the reasons set out above, we disagree that the content of the webpages is in any way misleading.

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

While the pages identified do not include any disclaimers, we do display limitations and qualifications prominently in clear, plain and specific language. Our project descriptions are clear on the size and nature of the project (as referenced in Section 1 a). Our webpages clearly state where data has been sourced, in the same font as other material on the page, which is easy to read, and located on the same page. For example “(Source: Dept of Environmental Natural Greenhouse Accounts Factors Aug 2015)”. Accordingly, we consider we are 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.

We believe that the wording of claims on our website make clear the extent of the environmental benefits or limitations relating to natural gas. We support our claims with a source where relevant, and state percentages and appliance types as part of our comparison.

*Section 2. Genuine Benefit to the Environment.
Environmental Claims must:*

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

We believe the claimed benefits are relevant to consumers as they are based on comparing the two main sources of residential energy and that one option is cleaner than the other. That is relevant information to a person who is interested in which energy source is producing less carbon. We also state twice (including a visual call out) on Page 2 that Solar is the cleanest energy option where it is available.

b) not overstate the claim expressly or by implication;



The claims made in page 1 and Page 2 are not an overstatement as we provide relevant percentages and a source with the information. As outlined in Section 1 a, our comparisons are based on emissions data provided by the Australian Government which supports our claim that Natural Gas appliances produce less carbon emissions than Electricity from the grid.

c) not imply that a product or service is more socially acceptable on the whole. Page 1 and Page 2 of our website seek to make a factual point about natural gas relative to electricity, which is a relevant decision for some consumers. There is no suggestion that alternative energy options are not socially acceptable, nor that natural gas, hydrogen or biogas is more socially acceptable than grid-electricity.

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;

As noted in our response to Section 1a, we believe our claims are be substantiated and verified based on government provided data. Our webpages state where data has been sourced, in a font that's easy to read, and located on the same page. For example (Source: Dept of Environmental Natural Greenhouse Accounts Factors Aug 2015). We accept that more recent NGAFR data is available, and will update the webpage reference to the date of the report soon, however the relevant comparisons have not changed materially since the 2015 report.

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

We do not believe 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.

We do not believe our advertisement breaches this section of the Code of Practice as no testimonials are present in the advert.

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.



We do not believe our advertisement in any way breaches 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.

We do not believe our advertisement breaches in any way 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.

We do not believe our advertisement breaches in any way 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.

We do not believe our advertisement breaches in any way 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.

We do not believe our advertisement breaches in any way 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.

We do not believe our advertisement breaches in any way 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.

We do not believe our advertisement breaches in any way this section of the Advertiser Code of Ethics as our advert is clearly distinguishable to its relevant audience.



3. *Other Matters raised in the complaint*

The complaint refers to AGN showing “apparent contempt” for the earlier Ad Standards ruling for case 0202-20. We do not agree with this comment. The Community Panel’s decision was that the advertisement did not clearly note natural gas was being compared to grid electricity rather than all other energy options, such as renewables. The decision did not consider if natural gas was cleaner than other energy forms.

AGN accepted the ruling that our advertisement should more clearly explain the comparison that was being made and will have regard to this in future marketing. The advertisement the case related had already been removed before the decision of the Community Panel as part of our planned rotation of advertising..

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

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 concerns that the advertisement made environmental claims which were misleading.

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 complainant identified a number of claims, and each is discussed below.

Proportion of renewable gas

The Panel noted the complainant’s concern that the advertisement does not indicate the proportion of Renewable Gas used in the gas grid.



The Panel noted that the advertisement did not explicitly include a claim that renewable gas is currently used, however considered that a claim is made about the future use of the renewable gas.

The Panel considered that the advertisement did include a claim in relation to the use of renewable gas and identified this as claim 1.

Gas is cleaner than grid electricity

The Panel noted the complainant's concern that the claim "Natural gas is already significantly cleaner than grid electricity" is untrue due to fugitive emissions (the release of methane into the atmosphere), and venting of CO₂." The Panel also noted the complainant's concern that the claim "Gas already has a much lower carbon intensity than grid electricity" is untrue due to:

- the fact that in places like South Australia there is virtually no coal-fired electricity generation
- fugitive emissions, and venting of CO₂.

The Panel noted that the complainant had provided the following source as a basis for these statements: <https://reneweconomy.com.au/gaslighting-on-emissions-ieefa-says-burning-lng-worse-than-coal-for-climate-19615/>.

The Panel considered that the two statements identified by the complainant were statements about the environmental benefit of the product, and constituted environmental claims.

The Panel considered that the phrase "Natural gas is already significantly cleaner than grid electricity" is an environmental claim and identified this as claim 2.

The Panel considered that the phrase "Gas already has a much lower carbon intensity than grid electricity" is an environmental claim and identified this as claim 3.

Transition to an even more sustainable source of energy

The Panel noted the complainant's concern that the phrase "as we transition to an even more sustainable source of energy" is misleading as it implies that petroleum gas is sustainable.

The Panel considered that the advertisement does make a claim about transitioning to sustainable sources and that this may be considered to be an environmental claim about the product.

The Panel considered that the phrase "as we transition to an even more sustainable source of energy" is an environmental claim and identified this as claim 4.

Percentage of carbon emissions



The Panel noted the complainant's concerns that the claims:

1. "Gas hot water systems provide instant hot water, with up to 83% less carbon emissions than electric hot water systems"
2. "Natural gas can help deliver significant emission reductions, using technology and infrastructure that is already in place for large scale electricity generation are nearly 70% lower than the brown coal power stations that produced 19% of Australia's electricity in 2014, or 57% less than the black coal power stations that produced 43% of Australia's electricity, with no loss in stable base load generation" and
3. "In your home, using natural gas appliances for your heating, hot water and cooking are even more efficient, with emissions 83% lower than brown coal."

are misleading as the Institute for Energy Economics and Financial Analysis (IEEFA) report states that conventional or 'natural' gas has 50% fewer greenhouse emissions than coal, and the numbers stated in the above claims are in excess of this.

The Panel noted that the complainant has provided the following source in support of the complaint: <https://ieefa.org/wp-content/uploads/2020/03/Is-the-Gas-Industry-Facing-its-Volkswagen-Moment-March-2020.pdf>.

The Panel considered that all three statements were making specific claims relating to percentages of carbon emissions, and that these constitute environmental claims.

The Panel considered that the statement "Gas hot water systems provide instant hot water, with up to 83% less carbon emissions than electric hot water systems" is an environmental claim and identified this as claim 5.

The Panel considered that the statement "Natural gas can help deliver significant emission reductions, using technology and infrastructure that is already in place for large scale electricity generation are nearly 70% lower than the brown coal power stations that produced 19% of Australia's electricity in 2014, or 57% less than the black coal power stations that produced 43% of Australia's electricity, with no loss in stable base load generation" is an environmental claim and identified this as claim 6.

The Panel considered that the statement "In your home, using natural gas appliances for your heating, hot water and cooking are even more efficient, with emissions 83% lower than brown coal." is an environmental claim and identified this as claim 7.

Claims

The Panel noted that the following Claims have been identified in the advertisement:

- Claim 1: The impression the advertisement gives in relation to the use of renewable gas
- Claim 2: Natural gas is already significantly cleaner than grid electricity
- Claim 3: Gas already has a much lower carbon intensity than grid electricity



- Claim 4: Transition to an even more sustainable source of energy
- Claim 5: Gas hot water systems provide instant hot water, with up to 83% less carbon emissions than electric hot water systems
- Claim 6: Natural gas can help deliver significant emission reductions, using technology and infrastructure that is already in place for large scale electricity generation are nearly 70% lower than the brown coal power stations that produced 19% of Australia's electricity in 2014, or 57% less than the black coal power stations that produced 43% of Australia's electricity, with no loss in stable base load generation
- Claim 7: In your home, using natural gas appliances for your heating, hot water and cooking are even more efficient, with emissions 83% lower than brown coal.

The Panel then considered each claim under the relevant sections of the Environmental Code.

1 a) Environmental Claims in Advertising or Marketing Communication shall not be misleading or deceptive or be likely to mislead or deceive

The Panel noted that the Practice Note for this section of the Environmental Code includes:

“It is not intended that legal tests be applied to determine whether advertisements are misleading or deceptive, or likely to mislead or deceive, in the areas of concern to this Code.

Instead, consideration will be given as to whether the average consumer in the target market would be likely to be misled or deceived by the material.

Factors to consider include:

An advertisement may be misleading or deceptive directly or by implication or through emphasis, comparisons, contrasts or omissions. It does not matter whether the advertisement actually misled anyone, or whether the advertiser intended to mislead – if the advertisement is likely to mislead or deceive there will be a breach of the Code.

Environmental claims relating to future matters or commitments should be based on reasonable grounds as at the time the claim was made, even if the future matter does not come to pass. The fact that a person may believe in a particular state of affairs does not necessarily mean that there are reasonable grounds for the belief.

The target market or likely audience of the advertising or marketing communication should be carefully considered when making environmental claims. Therefore all advertising should be clear, unambiguous and balanced, and the use of technical or scientific jargon carefully considered.”



Claim 1

The Panel noted the advertiser's response that the webpage clearly states the percentage of planned renewable gas.

The Panel noted that the webpage includes the text:

"Located at the Tonsley Innovation District, HyP SA is an innovative energy project that will produce renewable hydrogen. A 1.25MW electrolyser will be used to produce renewable hydrogen for blending up to 5% with natural gas. This will be supplied to more than 700 existing homes and businesses in Mitchell Park."

The Panel noted that not all sections of the two webpages expressed the planned proportion of renewable gas, however considered that nowhere on the webpage did it explicitly state or strongly imply that renewable gas was currently in use.

The Panel considered that the website is a piece of marketing communication which would only be accessed by an interested consumer and that this would be the target market. The Panel considered that consumers interested in renewable gas would be easily able to access information on the website which detail the planned use of renewable energy.

The Panel considered that the advertisement would not mislead or deceive the target market into believing that renewable gas is currently in use, or that renewable gas is planned to be used at a higher percentage than is clearly stated on the webpage.

The Panel considered that claim 1 was not be misleading or deceptive or be likely to mislead or deceive.

Claim 2

The Panel noted that the advertiser had responded that it relies on annual emissions data published by the Australian Government's Department of Industry, Science, Energy and Resources (DISER) in the National Greenhouse Accounts Factors (NGAFR) report, which is designed for use by companies and individuals to estimate greenhouse gas emissions. The Panel further noted the advertiser's response that: "The methods used in the NGAFR "are consistent with international guidelines and are subject to international expert review each year", and form the basis of the Australian Government's National greenhouse accounts. This reference is clearly identified on the website... The complaint that the content of these pages is misleading is largely based on the view that a report by the Institute for Energy Economics and Financial Analysis (IEEFA) has proven natural gas is not cleaner than grid electricity. In AGN's view, the article does not outweigh the Australian Government approach as provided by DISER. The DISER information is robust and reliable and forms a reasonable basis for the statements made by AGN... While it is true that South Australia no longer has coal fired electricity, DISER data has been used



to show that in South Australia emissions from natural gas hot water are up to 67% lower than electric hot water systems (based on 2015 data as quoted on the website). This is due to South Australia sourcing a significant amount of its electricity from Victoria and using natural gas to generate over 50% of electricity produced in South Australia, which is much less efficient than using natural gas at a home or business property. Again this data is based on the DISER.”

The Panel noted the advertiser had provided the following source as evidence of the claims made: <https://www.industry.gov.au/sites/default/files/2020-07/national-greenhouse-accounts-factors-august-2015.pdf>

The Panel considered that the advertiser had provided evidence in support of its claim that ‘natural gas is already significantly cleaner than grid electricity’. The Panel considered that the advertiser had a reasonable basis for the environmental claim, and that the claim had been expressed clearly with reference to evidence. The Panel considered that the target audience of consumers interested in learning more about natural gas would not be misled or deceived by claim 2.

Claim 3

In line with discussion relating to claim 2, the Panel considered that the claim that gas already has a much lower carbon intensity than grid electricity is supported by evidence and has a reasonable basis, and target consumers would not be misled or deceived by claim 3.

Claim 4

The Panel noted the advertiser’s response that the phrase “transition to an even more sustainable source of energy” refers to improving Australia’s energy mix in total and consider this is clear in the introduction of the video.

The Panel considered that in the context of the video and the future-focussed theme, the most likely understanding of this claim is that Australia as a whole is transitioning to more sustainable sources of energy – such as wind and solar – and that gas is a part of that transition. The Panel considered that members of the target audience would recognise the context of the advertisement and would not be misled or deceived by claim 4.

Claim 5

The Panel noted the advertiser’s response that it uses NGAFR reports for the basis of its claims and that the figure of gas hot water systems having up to 83% lower carbon emissions than electric hot water systems was based on data from Victoria, and is consistent with information in the NGAFR report.

The Panel considered that the advertisement uses the phrase ‘up to’ and this is a clear reference to the figure of 83% being the maximum difference. The Panel considered that the advertisement includes a reference to the report where this figure is found,



and that this information was portrayed in a clear manner for members of the target audience.

The Panel considered that target consumers would not be misled or deceived by claim 5.

Claim 6

Consistent with the discussion in relation to claim 5, the Panel considered that the advertisement uses figures that are in line with information in the NGAFR report.

The Panel considered that target consumers would not be misled or deceived by claim 6.

Claim 7

Similar to the discussion related to claim 5, the Panel considered that the advertisement includes a reference to the report where this figure is found, and that this information was portrayed in a clear manner for members of the target audience. Unlike claim 5, the Panel noted that claim 7 does not use the qualifier 'up to', however noted there was a more direct comparison with brown coal.

Overall, the Panel considered that the claim made was in line with the report referred to and that target consumers would not be misled or deceived by claim 7.

1 a) conclusion

The Panel determined that claims 1-7 were not misleading or deceptive and did not breach Section 1 a) of the Environmental Code.

2 b) Environmental Claims must not overstate the claim expressly or by implication

The Panel noted that the Practice Note for this section of the Environmental Code provides:

“Advertisers and marketers should avoid making claims that expressly or impliedly overstate an environmental benefit. Consideration should be given to whether there is sufficient disclosure of any negative impacts. For example, whether negative impacts have been withheld which, if known, would diminish the positive attribute.”

Claim 1

Consistent with the discussion under Section 1 a) the Panel considered that the information provided on the website in relation to planned use of renewable gas was clearly presented, and that the claim was not overstated either expressly or by implication.

The Panel considered that the advertisement did not overstate claim 1 expressly or by implication.



Claim 2

Consistent with the discussion under Section 1 a) the Panel considered that the information provided on the website in relation to natural gas being cleaner than grid electricity was consistent with provided evidence.

The Panel considered that the word 'significantly' did create the impression of a large difference between the environmental impact of natural gas and grid electricity. However, the Panel considered that the word 'significantly' was not clearly defined and was a matter of personal interpretation and that some people would consider the difference between the two to be significant.

The Panel considered that the advertisement did not overstate claim 2 expressly or by implication.

Claim 3

Consistent with the discussion under Section 1 a) and the discussion in relation to claim 2, the Panel considered that the information provided on the website in relation to gas already having a much lower carbon intensity than grid electricity was not overstated either expressly or by implication.

The Panel considered that the advertisement did not overstate claim 3 expressly or by implication.

Claim 4

Consistent with the discussion under Section 1 a), the Panel considered that most people viewing the advertisement would understand this phrase to be referring to the wider energy sector, and not gas specifically.

The Panel considered that the advertisement did not overstate claim 4 expressly or by implication.

Claim 5

Consistent with the discussion under Section 1 a), the Panel considered that most people viewing the advertisement would understand the phrase 'up to' to mean the maximum possible difference. The Panel considered that most reasonable consumers would understand that this maximum difference wouldn't apply to energy everywhere.

The Panel considered that the advertisement did not overstate claim 5 expressly or by implication.

Claim 6

Consistent with the discussion under Section 1 a) the Panel considered that the claims made were in line with information in the provided report. The Panel noted the use of the phrase 'significant emission reductions' and considered that while the word



'significant' was a matter of personal interpretation, the claim also provides a number of statistics which are clearly stated and which could be considered significant by consumers.

The Panel considered that the advertisement did not overstate claim 6 expressly or by implication.

Claim 7

The Panel considered that the claim made is in line with information provided in the report and is specific in its reference to brown coal. The Panel considered that the advertisement did not overstate claim 7 expressly or by implication.

2 b) conclusion

The Panel determined that claims 1-7 were not overstated expressly or by implication and that the advertisement did not breach Section 2 b) of the Environmental Code.

3 a) Environmental Claims in Advertising or Marketing Communication shall be able to be substantiated and verifiable. Supporting information shall include sufficient detail to allow evaluation of a claim

The Panel noted that the Practice Note for this section of the Environmental Code includes:

"Advertisers and marketers should have a reasonable basis for making a claim and therefore should hold appropriate, balanced, comprehensive and credible evidence to substantiate all express and implied claims. Information to support a claim may include, but is not limited to, documentary evidence or data evidencing conformity with an identified standard, research, studies, or an expert independent audit. There is no requirement to use third party verification or certification before an environmental claim is made. An advertiser's own internal procedures may be able to provide the necessary substantiation.

In testing the validity of any claim the Panel will only rely on information/material provided by the advertiser and the complainant. The Panel may seek expert advice to assist in the consideration of material provided in relation to the complaint. It is not the intent for the Panel to act as an arbiter of scientific fact, or of philosophical approaches to understanding or addressing environmental concerns.

Advertisers have a variety of avenues available for making such information available to consumers, for example, websites, brochures, labels, shelf-talkers; such information does not need to be included in the advertising or marketing communications itself."

Claim 1



The Panel noted that there was no requirement for the advertiser to use third party verification or certification to make an environmental claim. The Panel considered that the statements regarding the planned trials of renewable gas were clearly set out and reasonably represented the advertiser's plans.

The Panel considered that claim 1 was sufficiently substantiated.

Claim 2

The Panel noted that both the advertiser and the complainant had provided evidence in support of their positions.

The Panel considered that it was not the role of the Panel to act as an arbiter of scientific fact, rather the Panel's role is to consider whether it was reasonable for the advertiser to have made claims on the basis of the evidence provided, and whether these claims were substantiated or verifiable based on this information.

The Panel considered that the claim of natural gas being significantly cleaner than grid electricity was in line with the National Greenhouse Accounts Factors (NGAFR) report from the Australian Government's Department of Industry, Science, Energy and Resources (DISER). The Panel considered that it was reasonable for an Australian advertiser to use an Australian Government report as a basis for making environmental claims. The Panel considered that the existence of criticism of the evidence made does not mean that it is unreasonable for the advertiser to make claims which are in line with Australian Government reports.

The Panel considered that the evidence provided by the advertiser, and quoted within the advertisement, allowed for the evaluation of claim 2 and that the claim was substantiated and verifiable.

Claim 3

Consistent with the discussion in relation to claim 2, the Panel considered that the advertiser had provided a reasonable basis for the claim that gas already has a much lower carbon intensity than grid electricity.

The Panel considered that the evidence provided by the advertiser, and quoted within the advertisement, allowed for the evaluation of claim 3 and that the claim was substantiated and verifiable.

Claim 4

The Panel considered that the claim 4 was generalised and not specific and that it did not require substantiation.

Claim 5

The Panel considered that the claim of Gas hot water systems provide instant hot water, with up to 83% less carbon emissions than electric hot water systems was in



line with the National Greenhouse Accounts Factors (NGAFR) report from the Australian Government's Department of Industry, Science, Energy and Resources (DISER). The Panel considered that it was reasonable for an Australian advertiser to use an Australian Government report as a basis for making environmental claims. The Panel considered that the existence of criticism of the evidence made does not mean that it is unreasonable for the advertiser to make claims which are in line with Australian Government reports.

The Panel considered that the evidence provided by the advertiser, and quoted in the advertisement, allowed for the evaluation of claim 5 and that the claim was substantiated and verifiable.

Claim 6

Consistent with the discussion under claim 5, the Panel considered that the evidence provided by the advertiser, and quoted within the advertisement, allowed for the evaluation of claim 6 and that the claim was substantiated and verifiable.

Claim 7

Consistent with the discussion under claim 5, the Panel considered that the evidence provided by the advertiser, and quoted within the advertisement, allowed for the evaluation of claim 7 and that the claim was substantiated and verifiable.

3 a) conclusion

The Panel considered that claims 1-7 were sufficiently substantiated and verifiable and did not breach Section 3 a) of the Environmental Code.

Conclusion

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