29 August 2025

GEA Submission: Sustainable Product Investment Labels

Gas Energy Australia (GEA) represents Australia's liquid gas supply chains including Liquefied Petroleum Gas (LPG) and associated gases. Our members span from producers to retailers and everything in between. The LPG industry safely and securely supplies 43PJpa of energy to industrial, commercial and residential consumers nationally, including around 30% of regional homes where electricity can be unreliable or unavailable[1].

GEA welcomes the opportunity to comment on the Treasury's Sustainable Product Investment Label consultation. The proposed scheme represents an opportunity to support sustainable investment but risks stifling innovation if genuinely sustainable investments are excluded by labelling definitions which lag behind new technologies.

LPG plays a vital role supplying energy to Australian industrial, commercial, residential, transport and recreational energy users today, especially in regional Australia. Through supply of drop-in renewable forms of LPG, energy consumers can continue to receive reliable, affordable energy via LPG while supporting emissions reduction targets[2].

Getting Sustainable Product Investment Label right could be the difference between renewable liquid gases being available to the customers which need them, and not.

General Feedback

GEA commends Treasury for its initiative in developing a product labelling framework that enhances transparency and helps investors make informed decisions about sustainability claims.

GEA favours a principle-based evidence requirement approach. This would allow flexibility to accommodate new and emerging technologies. Alternatively, a prescriptive list of technologies deemed 'in' or 'out' risk stifling investment in new technologies.

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[1] DCCEEW, 2024, *Australian Energy Update 2024*, https://www.energy.gov.au/publications/australian-energy-update-2024
Australian Bureau of Statistics, 2014, Environmental Issues: Energy Use and Conservation, https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4602.0.55.001Main+Features1Mar%202014?OpenDocument

[2] Frontier Economics, 2023, *Pathways to Zero Emissions for LPG*, https://www.gasenergyaus.au/get/2016/pathway-zero-emissions-for-lpg-frontier.pdf

Depending on how the scheme is developed, there is a risk that legitimately sustainable technologies could be excluded and incorrectly regarded as 'unsustainable.' Such an outcome would impede investment and innovation in new sustainable solutions.

LPG today, renewable forms of LPG tomorrow

Just like electricity, natural gas, aviation fuel and diesel, LPG also has drop-in renewable alternatives. BioLPG and Renewable LPG (rLPG) can be used with no changes in LPG infrastructure or appliances. Dimethyl Ether (DME) can be blended into LPG for use with existing appliances and infrastructure or used in its pure form with minor changes to existing LPG appliances and infrastructure.

For many energy customers, these options can have much lower upfront and lifecycle decarbonisation cost than electrification. This is especially true in rural Australia where electricity can be unreliable or unavailable, making electrification less practical.

Lessons learned

Treasury should incorporate lessons learned from its recent project with the Australian Sustainable Finance Institute (ASFI) investigating a Sustainable Finance Taxonomy into the development of Sustainable Product Investment Labelling.

During this project, several mature and emerging sustainable technologies were excluded from the taxonomy. Through consultation, it was asserted that any technology excluded from the taxonomy constituted 'greenwashing' – including technologies actively supported by state and federal governments in renewable fuel sectors and demonstrably sustainable through established certification processes.

A key lesson from this project is the significant risk of creating binary 'in' or 'out' classifications for sustainability technologies. As highlighted by the Energy Productivity Round Table, Australian productivity depends on least-cost decarbonization. Labelling legitimate sustainable options as 'greenwashing' simply through exclusion undermines these productivity goals.

Recommendations:

GEA recommends that the Sustainable Investment Product Labelling framework:

- Adopts a technology agnostic, principles-based carbon-accounting approach to product labelling to provide flexibility for all sustainable technologies, rather than identifying specific technologies which are 'in' or 'out'.
- Ensures that low-carbon liquid fuels such as BioLPG, Renewable LPG and Renewable DME are explicitly recognise in the labelling framework if sustainable technologies are to be specifically identified under the scheme.
- Ensures international interoperability so that Australian-produced renewable liquid gases are recognised consistently across global markets, and vice versa.
- Provides flexible disclosure requirements that promote transparency and investor confidence, without branding transitional or innovative technologies as "unsustainable" simply because they are not identified in the scheme.

Gas Energy Australia commits to engaging with Treasury, DCCEEW, and industry stakeholders to support integration of renewable liquid gases into the labelling framework. We trust that early recognition of these fuels will encourage investment, prevent unintended exclusion, and strengthen Australia's decarbonisation ambition in ways that support decarbonisation in regional Australia, beyond the reach of the grid.

To discuss any of the above feedback further, please contact me on +61 422 057 856 or via jmccollum@gasenergyaus.au.

Yours sincerely,

JORDAN MCCOLLUM
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Gas Energy Australia

The Role of LPG in Australia's Energy Landscape

Liquefied Petroleum Gas (LPG) plays a vital role in Australia's energy security and net zero transition. As a versatile energy source with drop-in renewable alternatives, LPG provides essential energy services to millions of Australians, particularly in regional and remote areas where it serves approximately 30% of households[3]. The LPG industry safely and securely supplies 43 petajoules of energy annually across industrial, commercial, and residential applications nationwide[4]. A further 120 petajoules of LPG is exported annually, with the LPG sector as a whole contributing over $5bn of GDP and 20,500 FTE to the Australian economy[5].

LPG stands out as a cleaner alternative to many traditional fossil fuels, producing 14% fewer greenhouse gas emissions than diesel[6]. The industry is actively embracing Australia's transition to net zero through the pursuit of renewable forms of LPG[7]. These include bioLPG (a co-product of Sustainable Aviation Fuel) and renewable LPG (rLPG) produced from hydrogen. These alternatives reduce scope 1 emissions by 99% while utilizing existing infrastructure and appliances.

One of LPG's most significant advantages is its superior energy storage capability in cheap, transportable LPG tanks. This is key in regional areas where mains power may be unreliable or unavailable. A standard residential LPG tank installation provides energy storage equivalent to more than 42 Tesla Powerwall 3 home battery systems at around one-tenth the cost[8]. This storage capacity, combined with the portability of LPG tanks, makes it an invaluable resource for energy security and emergency resilience.

The LPG industry is uniquely positioned to support Australia's energy transition without requiring government funding or subsidies. As the nation moves toward net zero emissions, renewable forms of LPG complement renewable electricity, offering a practical decarbonisation pathway for applications where electrification may not be feasible or cost-effective. By recognizing and supporting the development of renewable forms of LPG, Australia can ensure a diverse and resilient energy mix that retains energy security while achieving its climate goals.

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[3] Australian Bureau of Statistics, 2014, *Environmental Issues: Energy Use and Conservation*, https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4602.0.55.001Main+Features1Mar%202014

[4] Australian Federal Department of Climate Change, Energy, the Environment and Water, 2024, *Australian Energy Update 2024*, https://www.energy.gov.au/publications/australian-energy-update-2024

[5] ACIL Allen, 2022, *Economic contribution of the Australian gas economy in 2020-21*, https://www.gasenergyaus.au/get/2123/economic-contribution-of-australian-gas-economy.pdf

[6] Australian Federal Government, *2024, National Greenhouse and Energy Reporting (Measurement) Determination 2008*, https://www.legislation.gov.au/F2008L02309/latest/text

[7] Frontier Economics, 2023, *Pathways to Zero Emissions for LPG*, https://www.gasenergyaus.au/get/2016/pathway-zero-emissions-for-lpg-frontier.pdf

[8] Elgas, 2025, *LPG Gas Bottle Sizes*, https://www.elgas.com.au/elgas-knowledge-hub/residential-lpg/lpg-gas-bottle-sizes-gas-bottle-dimension-measurements/

Consultation Questions

Q1: In the context of existing regulatory settings and disclosure requirements, what is the role for sustainable financial product labels?

Sustainable financial product labels provide clear and credible sustainability signals that go beyond existing disclosure rules. They give investors' confidence in distinguishing genuine low-carbon products from greenwashing and ensure renewable fuels such as BioLPG are recognised as legitimate decarbonisation options.

Q2: Should any new requirements apply to all financial products that make a claim or state a sustainability or similar objective other than, or in addition to, maximising financial returns?

Yes, a single set of universal requirements should apply consistently to any product making sustainability claims. This would provide comparability, credibility and investor confidence across existing and new markets. The framework must remain flexible and principle-based so that innovative low-carbon options are not unfairly excluded.

Q3: What aspects of international regimes should the Government consider for Australian application?

The Government should align its framework with leading international regimes such as the UK, EU and US to ensure comparability and strengthen investor confidence. At the same time, the framework must remain flexible through principle-based evidentiary standards, allowing emerging fuels like BioLPG to be included and preventing the unintended exclusion of any legitimate sustainable option.

3a: Is there merit in incorporating additional rules around the type of information required to be disclosed to consumers about sustainability characteristics, similar to the UK's consumer-facing disclosures requirement?

Yes. Concise, standardised consumer disclosures would improve transparency and trust. These should apply to products making sustainability claims but must remain flexible so that emerging fuels like BioLPG are recognised without creating unnecessary compliance burdens.

Q4: Is international interoperability important for Australian sustainable investment product labelling?

International interoperability is critical to maintaining investor confidence and ensuring Australian products remain competitive in global markets. Alignment with overseas frameworks would also help renewable fuels such as BioLPG gain recognition internationally.

Q5: Do the Responsible Investment Approaches (Table A), UNSDG and PRI cover the field for sustainable investment approaches? Are there others that should be considered?

GEA supports maintaining a broad approach through the Responsible Investment Approaches, UNSDG and PRI, as this flexibility allows for comparability and avoids

locking the framework into narrow definitions. However, to ensure transitional pathways such as renewable liquid gases are not overlooked, Australia should reinforce this broad scope with a principle-based, carbon-accounting approach to ensure emerging fuels like BioLPG are accommodated.

5a: Are any of these approaches inappropriate? If so, why?

Overly prescriptive approaches are inappropriate because they risk excluding transitional or renewable fuels and discouraging investment in practical decarbonisation pathways.

5b: What are the merits and deficiencies of each approach?

A principle-based approach is flexible and innovation-friendly but requires guardrails to ensure credibility.

5c: Should the approaches be ranked on their ability to deliver sustainable outcomes?

GEA is uncertain of the value of rigidly ranking approaches, as doing so may oversimplify complex sustainability considerations and fail to capture factors relevant to different investors. A better approach is to prioritise flexibility and transparency, while ensuring emerging options like BioLPG are clearly recognised as legitimate pathways.

Q6: Should allowable investment approaches be prescribed in legislation, or left for industry to define?

GEA supports setting high-level, principle-based criteria in legislation to ensure credibility and prevent greenwashing, while leaving detailed design to industry through rules or determinations. This balance provides flexibility and ensures emerging fuels like BioLPG are not excluded.

Q7: Which approach can best improve the confidence of Australian investors?

Investor confidence will be strongest under a principle-based, carbon-accounting backed framework. This approach ensures credibility and flexibility, while standardised labelling makes products easier to compare and reduces the risk of greenwashing. Including renewable fuels like BioLPG broadens the range of legitimate options available to investors.

Q8: What should determine when product labels apply to a financial product?

Labelling should be triggered when products make explicit sustainability claims, especially in naming or marketing. This protects consumers from misleading branding and ensures trust in the system.

8a: Applying labels to all financial products regardless of sustainability claims

Applying labels to all financial products regardless of sustainability claims would provide comprehensive coverage, which is a potential benefit, but it would add little meaningful value. The costs of this approach include being overly broad, creating unnecessary compliance burdens, and risking confusion for consumers.

8b. Applying them only to products that market themselves as sustainable or similar

Applying labels only to products that market themselves as sustainable or similar has clear benefits, as it directly targets greenwashing, improves investor confidence, and avoids the unintended exclusion of emerging fuels like BioLPG. The main cost of this approach is that it relies heavily on clear definitions and effective monitoring of claims.

Q9: Which approach would best address issues of greenwashing and/or greenhushing?

The best way to address greenwashing and greenhushing is to apply labelling requirements to products making sustainability claims, supported by clear definitions and strong evidence standards. A principle-based, carbon-accounting approach should be used to verify claims, ensuring credibility while avoiding rules that stifle innovation.

Q10: What features of a financial product should trigger a labelling requirement?

Labelling should be triggered when sustainability claims are made in a product's marketing or naming. This ensures consumers are protected from misleading claims and can have confidence in the credibility of products presented as sustainable.

10a: Should particular words or terms be specified?

Terms like "sustainable," "green," or "low-carbon" should automatically trigger requirements.

10b: Should it be based on a threshold such as per cent of product invested under a sustainable investment approach or objective?

Basing labelling on thresholds, such as the percentage of a product invested under a sustainable approach, can improve credibility and comparability. However, thresholds must remain flexible, with criteria designed to ensure the inclusion of emerging fuels like BioLPG.

11) Should evidentiary requirements underpinning labelling be prescriptive, principled or a mixture of both?

Evidentiary requirements should be principle-based and carbon-accounting backed to provide flexibility. Minimum guardrails are needed to maintain credibility, but overly prescriptive rules should be avoided as they risk excluding emerging fuels like BioLPG.

12) Should evidentiary requirements for investment product labels be linked to other policy initiatives being progressed as part of the Roadmap (such as the taxonomy)?

Yes, evidentiary requirements should be linked to other policy initiatives such as the taxonomy, as this would improve consistency and reduce duplication. Such alignment would also strengthen international interoperability, while still allowing for the inclusion of transitional fuels like BioLPG.

Q13: What should be the role of independent third-party certification?

Independent third-party certification can add credibility and strengthen investor confidence, but it should remain optional and flexible. Making certification mandatory risks adding unnecessary cost and creating barriers for emerging fuels like BioLPG.

13a) If third-party certification is required, what criteria should the product be certified against and who should set those criteria?

If third-party certification is required, criteria should be carbon-accounting based and set by government in close consultation with industry. These criteria must also explicitly recognise renewable and low-carbon fuels such as BioLPG to ensure they are properly included.

13b) If third-party certification is not required, how can credibility and robustness of labels be ensured?

If third-party certification is not required, credibility and robustness can be ensured through transparent, principle-based evidentiary standards supported by clear government guidance. Regular review and monitoring will also be essential to maintain trust and prevent greenwashing.