18 March 2026

Submission – Developing the Next ACT Climate Change Strategy (2026–2035)

Gas Energy Australia (GEA), the peak body representing Australia's liquefied petroleum gas (LPG) industry, welcomes the opportunity to provide input to the development of the ACT's next Climate Change Strategy.

LPG is a portable, off-grid, liquid fuel used primarily in bottled or bulk form where electricity or reticulated gas networks are not available or practical. It supports households, small businesses, agriculture, food production, mining, defence and other essential services across Australia.

The LPG industry has two key objectives in engaging with the ACT's Climate Change Strategy:

1. Ensuring immediate and medium-term energy security for households, businesses and essential services that currently rely on LPG.
2. Working with government and industry partners to achieve full decarbonisation of LPG supply over time, including through emerging renewable LPG pathways.

Energy Security and Equity

For many households, small businesses and agricultural users, LPG is not a discretionary fuel choice. It is the practical and often only viable energy option currently available.

A credible and orderly energy transition requires that no energy users are left behind. Until reliable, affordable and scalable alternatives are genuinely available, continuity of LPG supply remains critical to maintaining energy security and equity.

Policy measures that prematurely disrupt LPG supply chains, restrict access, or significantly increase costs without viable alternatives risk:

- Undermining energy equity
- Increasing cost-of-living pressures in vulnerable communities
- Reducing resilience in remote and disaster-prone areas
- Disrupting farming, food production, mining and defence operations

Recent international policy responses to the fuel supply constraints, including UK energy subsidies of £50m extended to LPG users, underscore that LPG is a critical component of energy security and equity for households without access to other energy options.

Full LPG Decarbonisation

At the same time, the LPG industry sees constructive opportunities to contribute to the ACT's decarbonisation pathway.

Renewable LPG (rLPG) is an emerging low-carbon fuel that can utilise existing LPG infrastructure and appliances, offering a practical pathway to reduce emissions in sectors where electrification may be challenging or costly. Given the ACT's regional context and strong renewable energy capability, rLPG may offer opportunities to support decarbonisation while maintaining energy reliability.

Conclusion

The ACT has demonstrated strong leadership in climate action and electrification policy. As the next Climate Change Strategy is developed, maintaining a balanced and resilient transition will be critical. In particular:

1. Energy policy should maintain resilience during the transition to new energy systems.
2. LPG should be recognised as distinct from natural gas and capable of decarbonisation through renewable LPG pathways.
3. While electrification will remain the dominant decarbonisation pathway within the ACT, maintaining openness to complementary technologies such as sustainable fuels may support broader regional economic opportunities and strategic partnerships.

We encourage the Strategy to recognise these factors and take practical steps to ensure energy resilience and support renewable fuel pathways through partnership.

Further Detail and Discussion

Appendix 1 provides further detail relating to the LPG supply chain security, full decarbonisation pathway explanations, and renewable fuel opportunities in proximity to the ACT.

We would welcome the opportunity to meet with the ACT Climate Strategy team to provide further information on the issues set out here.

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

Yours sincerely,

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Appendix 1

1. Maintaining energy resilience during the transition

The ACT's electrification strategy is a central component of the Territory's emissions reduction pathway. However, the transition must also maintain energy system resilience while new infrastructure and technologies are deployed at scale.

Recent energy market developments globally, and in Australia illustrate the importance of this. Events in the middle east, as well as ongoing gas market challenges in Victoria, demonstrate the risks of assuming future energy system capability prematurely.

Liquefied petroleum gas (LPG) plays a vital role in Australia's energy security, providing essential energy services to millions of Australians, particularly in regional and remote areas where it serves approximately 30% of households.

The LPG industry supplies 43 petajoules of energy annually across industrial, commercial and residential applications nationwide. A further 120 petajoules is exported annually, with the sector contributing over $5 billion to GDP and supporting approximately 20,500 FTE jobs. It represents about 5% of the energy mix in Australia.

One of LPG's key advantages is its high energy storage capability in low-cost, transportable tanks. 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.

Across Australia, many population centres, industrial operations and agricultural enterprises operate without access to natural gas pipeline networks and rely on delivered fuels such as LPG. In addition, electrification is not always feasible due to location constraints (e.g. flood-prone areas or limited solar access) or technical requirements (e.g. industrial processes reliant on chemical properties rather than heat alone).

Maintaining resilient LPG supply chains during the energy transition supports:

- Regional households
- Agriculture and food production
- Industrial processes
- Essential services and logistics

While the ACT's strategy is focused on the Territory, the ACT functions as a key regional centre supporting surrounding areas. This broader regional context is relevant, as LPG plays an important role in industries such as wine production and poultry across the region. This broader regional context is also important to potential decarbonisation opportunities.

2. LPG Decarbonisation

Policy discussions often treat LPG as equivalent to natural gas. However, LPG has a distinct supply chain, different end users and a different decarbonisation pathway.

Firstly, LPG supply chains are well established and operate independently of fixed, capital-intensive infrastructure such as pipelines or large-scale storage. This reduces the risk of stranded assets and supports a flexible, diversified and resilient energy system throughout the transition.

Secondly, LPG has a credible decarbonisation pathway through renewable LPG (rLPG). Renewable LPG is a 'drop-in' replacement for LPG and can be used at any blend ratio within existing infrastructure and appliances and requires no expenditure to 'swap out'.

Renewable LPG is produced as a co-product of renewable fuel production. In sustainable aviation fuel (SAF) production using the commercially proven HEFA process or renewable diesel production processes, rLPG is typically produced as a co-product at approximately 4 – 8%. This creates an opportunity for LPG users to materially reduce emissions as a byproduct of high carbon emitting sectors (aviation and diesel) decarbonisation efforts in industrial and agricultural processes that are difficult to electrify.

Given the scale of renewable diesel and sustainable aviation fuel required by major industry users, the opportunity to decarbonise LPG, a resilient, flexible and dispatchable energy source, is significant. Within an appropriate policy framework, full decarbonisation of the sector is achievable. While LPG makes up only 5% of the energy mix, in the context of emissions reductions achieved in other sectors, for example transport and agriculture generally, this represents a large percentage reduction opportunity.

3. Opportunities for the ACT region in sustainable fuels

The ACT and surrounding region may have opportunities to participate in emerging renewable fuel industries, particularly sustainable aviation fuel production.

Areas such as the Southern Tablelands and Goulburn region have characteristics that could support renewable diesel and SAF production, including:

- High-quality agricultural feedstocks
- Existing logistics infrastructure
- Proximity to Canberra Airport and Defence as a potential SAF offtaker

As SAF production can generate renewable LPG as a co-product this creates the potential for a regional supply chain where:

- Agricultural feedstocks support renewable fuel production
- SAF supports aviation decarbonisation
- Renewable LPG supports regional households, industry and agriculture