



Bioenergy Australia (Forum) Pty Ltd

ABN 14 155 856 821

Phone: 0439 555 764

Email: shahana@bioenergyaustralia.org.au

Minister for Climate Change and Energy

The Hon. Chris Bowen MP

Cc:

Energy and Climate Change Ministerial Council Members

Minister for the Environment and Water

Senator the Hon Murray Watt

Minister for Resources

The Hon. Madeleine King MP

Treasurer of Australia

The Hon. Dr Jim Chalmers MP

Chair, Climate Change Authority

Mr. Matt Kean

21 October 2025

RE: Expansion of Key Government Initiatives to Unlock the Significant Emissions Reduction Potential of Renewable Gas

Dear Minister Bowen,

The Renewable Gas Alliance welcomes the Australian Government's updated 2035 net zero targets and the recognition of renewable natural gas in the related sectoral plans.

Representing more than 200 stakeholders - from feedstock and waste producers to project developers, consumers, researchers and investors - Bioenergy Australia's Renewable Gas Alliance is committed to working with government to achieve the significant emissions reductions needed to meet the 2035 targets.

Renewable gas recognised as key decarbonisation solution

The Alliance is thrilled to see renewable natural gas (RNG), also known as biomethane, recognised as playing a key role in reducing emissions across multiple sectoral plans. The plans send a clear signal that biomethane is a key pillar of the government's Net Zero strategy. This is reinforced by biomethane's recognition in the Government's Future Gas Strategy, the commitment to developing a National Renewable Gas Policy, and amendments to the National Greenhouse and Energy Reporting Scheme enabling recognition of the emission reduction benefits of biomethane delivered through shared infrastructure.

Renewable gas represents a game-changing solution, especially for hard-to-abate sectors that will continue to rely on gas, supporting a range of sectors and applications, including gas-powered generation. It enhances energy security, supports regional development, and leverages existing gas networks to deliver affordable, reliable, and sustainable energy across the economy.

Significant economic impact at stake

Approximately one-third of Australia's gas consumption serves industrial manufacturers, a sector that contributes around \$100 billion to GDP and supports over 700,000 jobs directly and indirectly. These industries are essential to our economic resilience, and it is critical that government policy supports long-term, cost-effective decarbonisation pathways, like biomethane, not only to retain these sectors but to empower energy users in the transition to a cleaner, more sustainable future.

Proven technology with massive potential

Renewable natural gas (biomethane) is created by processing biogas generated from decomposing organic waste. It is completely interchangeable with natural gas and compatible with all existing gas network infrastructure, appliances and industrial processes. Better use of organic wastes can have multiplying benefits in terms of creating new jobs while generating substantial economic growth or cost savings across a range of sectors, including waste management, agriculture, regional development, manufacturing, wastewater treatment and transport.

A new Blunomy report finds approximately 400 petajoules of RNG could be recovered annually from existing feedstocks such as food and garden waste, agricultural residues and livestock by-products. This potential could be unlocked with supportive policies and improved practices. The report also finds that biomethane could be directly injected into Australia's existing gas networks meeting up to 96 per cent of Australia's current east-coast gas demand.

These technologies have operated at scale for decades globally. With over 1,800 facilities operating worldwide, and Denmark on track to achieve 100 per cent biomethane through its gas networks by 2030, Australia faces no technology risk in establishing this sector.

Australia's competitive advantage

Australia is well-positioned to develop a domestic RNG industry, with vast sustainable bio-based feedstock, world-leading R&D, and end-to-end supply chain capabilities. To match global peers and safeguard our energy resilience, Australia needs targeted incentives and support to develop a local RNG market and bridge cost gaps, as done with other renewables technologies.

Simple solution: expand existing programs

We call on the Australian Government to expand existing federal renewable gas initiatives - Hydrogen Headstart and the Hydrogen Production Tax Incentive - to include biomethane. This requires no new funding streams, just a broader eligibility criteria to allow biomethane

projects access to existing renewable gas support. This would unlock private investment and accelerate emissions reductions in otherwise difficult-to-decarbonise sectors. This would provide the opportunity for the existing programs to have a material impact on emissions reduction by 2035.

Shahana McKenzie, CEO of Bioenergy Australia, said “the Sectoral Plans represent a major step forward in Australia’s renewable gas industry, reinforcing the Albanese Government’s recognition of the pivotal role these gases will play in achieving Net Zero. It sets the foundation for a cleaner, more resilient economy - supporting jobs and providing hard-to-abate sectors with the affordable, sustainable fuels they need to reach net zero. What is required now is a clear signal to investors to provide confidence in this sector, to build a clean energy future.”

“Now is the time for Australia to accelerate its renewable gas potential - a move that will support domestic economic growth, attract significant investment, create regional jobs, grow local production capabilities, and provide hard-to-electrify businesses access to a sustainable pathway to start decarbonising now. Australia’s Bioenergy Roadmap (ARENA, November 2021) highlighted that \$10 billion in GDP per annum could be added over the next decade with the development of mature renewable liquid fuels and gas sectors, along with 26,200 new jobs.”

“These opportunities are there for the taking, as they are already being seized by our global peers and trading partners who have put policy frameworks in place to encourage investment, underpin projects, generate a workforce, and create a thriving domestic renewable gas sector.”

Energy Users Association of Australia CEO Andrew Richards says “Despite being at the start of this journey, industrial gas users see great potential in biomethane as they seek to reduce emissions in their hard to abate sectors. A vibrant biomethane industry will not only reduce emissions but increase domestic competition by delivering new forms of gas supply from a more diverse group of producers.”

Energy Networks Australia Chief Executive, Dom van den Berg said “Decarbonising Australia’s economy requires exploring every available pathway including renewable gases like biomethane. We should be learning from the countries already demonstrating what’s possible and integrating these technologies to reduce emissions while keeping energy affordable and reliable. With the right policy settings, Australia has the networks, the know-how, and the opportunity to build on these lessons and make them our own”.

We look forward to hearing from you, and please direct further communication to shahana@bioenergyaustralia.org.au or 0439 555 764.

Yours sincerely

A handwritten signature in black ink, reading 'Shahana McKenzie' in a cursive, flowing script.

Shahana McKenzie
CEO Bioenergy Australia

This letter is supported by:

