



**Mr Anton Voss**  
**Chief Executive Officer**  
**Renewables, Climate and Future Industries**  
**Tasmania**

Submitted via email: [gas.strategy@recfit.tas.gov.au](mailto:gas.strategy@recfit.tas.gov.au)

Dear Mr Voss

### **Draft Future Gas Strategy**

A proudly Australian company with balance sheet strength, Fortescue Metals Group (Fortescue) is a global leader in large-scale, ultra-efficient and highly complex developments with a proven track record in developing and operating assets in remote and isolated locations. Fortescue has a strong focus on decarbonisation, evidenced by its industry leading target to achieve real-zero carbon emissions across our mining operations by 2030.

Through its subsidiary, Fortescue Future Industries (FFI), we are establishing a global portfolio of renewable energy, green hydrogen production and manufacturing projects and operations that will position us at the forefront of the global green hydrogen industry. Tasmania is a market FFI identified for early developments, and we have appreciated our early engagements as it remains a priority market for us.

FFI welcomes the opportunity to provide comment on the Tasmania Draft Future Gas Strategy. Broadly, FFI support the pragmatic approach taken by the Tasmanian Government to support consumers continued supply of energy while scaling and commercialising alternative green energy replacements.

As the paper rightly notes, Tasmania's gas usage is a small but important source of energy for many use cases. Consumers must be central to the energy transition, including industrial users that require a constant supply of energy to support their operations and maintain employment of many Tasmanians throughout the State. The transition for these energy users to green alternative energy sources must be carefully managed to ensure the economic prosperity of the State is maintained and continues to grow sustainably.

FFI suggests that Tasmania focus on two key pillars to support their target to achieve net-zero emissions by 2030, electrification and green hydrogen. Electrification is the critical first step in lowering emissions and supporting decarbonisation achieved through developing large scale renewable energy projects of which Tasmania has plentiful resource to support. Electrifying loads that have a technical solution to do so is the most efficient use of electrons and leads to immediate decarbonisation. Government support may be required to encourage consumers to opt for electrified solutions, particularly in the residential context.



There are a number of transport and industrial use cases where it may not be appropriate or feasible to electrify due to the need for higher sustained heat, remote energy requirements or the need for specific chemical feedstocks. In these instances, the Tasmanian Government should look to support green hydrogen as a molecular fuel that forms the basis of many green fuels. Green hydrogen has the clear advantage of a near infinite feedstock in water and renewable electricity when compared to varying bio/organic fuel options that are limited by sources of organic matter.

FFI suggest that the Tasmanian Government should consider opportunities to lift its future gas supporting policies from the 'develop alternatives' second stage to achieve the goal of moving to the commercial implementation in the third stage. There is a clear role for Governments to play to move projects beyond pilot scale level support toward commercial operation leveraging policy mechanisms to reduce the green premium. This is particularly important for Governments like Tasmania's that have ambitious emissions reduction targets such as net-zero by 2030. The gas industry has benefited from significant Government support and well over 40 years to reach the economies of scale that it currently enjoys. For green alternatives to reach similar maturity in less than half the time Government must play a supporting role.

Further supporting mechanisms may require increased levels of Government financial support. However, this would lower the ongoing financial risk that will result from emissions above the net-zero commitment by 2030 that must be offset by the use of carbon credits. Industrial energy use and energy generation accounts for approximately 3 million tonnes of emissions across Tasmania<sup>1</sup>. We suggest this further highlights the need to consider further supporting mechanisms.

Thank you for the opportunity to comment on this consultation. FFI would appreciate the opportunity to discuss the detail of this submission with ReCFIT at its earliest convenience. To arrange a meeting please contact [tom.parkinson@fmgl.com.au](mailto:tom.parkinson@fmgl.com.au) or myself on the below details.

Yours sincerely

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State Manager Tasmania

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**FORTESCUE FUTURE INDUSTRIES**

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<sup>1</sup> ReCFIT, *Tasmania Greenhouse Gas Emissions*, 9 June 2022, available at [https://www.statelibrary.tas.gov.au/recfit/tasmanias\\_greenhouse\\_gas\\_emissions#:~:text=Tasmania%20was%20the%20first%20Australian,for%20the%20last%20seven%20years.](https://www.statelibrary.tas.gov.au/recfit/tasmanias_greenhouse_gas_emissions#:~:text=Tasmania%20was%20the%20first%20Australian,for%20the%20last%20seven%20years.)