

Federal Budget 2025: Future Generations Analysis

What is the Budget Measure?

Future Gas Strategy - The Government has provided \$6.7 million to develop a forward strategy for gas in Australia. The strategy envisions the continued, but reducing, extraction and use of gas to 2050 and beyond <https://www.industry.gov.au/publications/future-gas-strategy>

How does this Budget Measure relate to the five major forces in [The Intergenerational Report 2023](#)

- Climate change and a net zero transformation
 - This budget measure increases risks of failing to meet decarbonisation targets by supporting new gas developments beyond 2050. The Climate Change Act 2022 requires reductions of Australia's greenhouse gas emissions to 43% below 2005 levels by 2030. The strategy claims that use of gas to support a renewables will support this goal. However, it also supports new gas developments beyond 2050, implying that demand for gas will be significant beyond 2050. The strategy does not seek to limit domestic gas usage, e.g. by regulating new household gas appliances.
 - This budget measure will increase climate change impacts by causing more fossil fuel emissions. Although many of these will technically be outside of Australia, given the majority of gas is exported, they will add to global carbon emissions and the latest IPCC report made it clear that every tonne of emissions matters as the world aims to keep warming under 2 C. The International Energy Agency has made it clear there can be no new coal, oil or gas projects if the global energy sector is to reach net zero emissions by 2050 and help avoid catastrophic climate change, the International Energy Agency.
- Increased geopolitical risk and fragmentation
 - The gas strategy may provide reassurance to trading partners concerned about supply chains disruptions, supporting stability. However, gas exports will rely on stable geopolitical trade routes. At the same time, it also assumes ongoing demand for gas from export partners, which is incompatible with global goals on net zero. Also, continued reliance on gas in Australia will be subject to international market prices, and increased geopolitical instability tends to increase domestic gas prices significantly, as seen in recent times.

How does this Budget Measure relate to the Measuring What Matters Framework

The Measuring What Matters Framework ([Framework](#)) has five wellbeing themes:

- **Healthy:** A society in which people feel well and are in good physical and mental health, can access services when they need, and have the information they require to take action to improve their health.

- In addition to greater risk of climate-related disasters, with accompanying injury and death, burning gas adds to air pollution, increasing air-pollution related health issues. There is also increasing evidence of health impacts of household gas appliances.
- **Secure:** A society where people live peacefully, feel safe, have financial security and access to housing.
 - Recent events have demonstrated that gas prices are highly dependent on international prices, and consequently strongly affected by international events. Over-reliance on gas exposes societies to these shocks, in contrast to renewables, which are less affected by this.
- **Sustainable:** A society that sustainably uses natural and financial resources, protects and repairs the environment and builds resilience to combat challenges.
 - Gas is non-renewable and therefore not sustainable, especially on intergenerational timescales. In addition, unconventional gas sources, such as coal seam gas, which are likely to provide much of any new gas supply, have significant unknown long-term environmental risks, including risks to groundwater.
- **Prosperous:** A society that has a dynamic, strong economy, invests in people's skills and education, and provides broad opportunities for employment and well-paid, secure jobs.
 - Further gas exploration and exports may provide some economic benefits. However, it is not clear where these benefits will fall, and the gas industry is a small employer and benefits. Gas prices are defined by international markets, potentially making gas very expensive for Australian consumers (depending on international events) or the risk of stranded assets if the world decarbonises rapidly.

Applying the Welsh Government Budget Questions

Does this Budget measure:

- Move the country away from its vision for the future?
 - The Future Gas Strategy moves Australia away from the decarbonisation, climate change and sustainability goals laid out in the intergenerational report and Wellbeing Framework by extending investment in, and dependence on, fossil fuels. It potentially moves Australia away from 'healthy' due to the health impacts on air quality and climate change impacts. It moves Australia away from reducing impacts from geopolitical risks because of risks to gas prices from geopolitical events.
- Disadvantage any generations, alive now or in the future?
 - The Future Gas Strategy disadvantages future generations through increased climate impacts and other potential environmental impacts of gas extraction, while not providing any benefits to them.
- Disadvantage people at any specific life stage?
 - Continued use of fossil fuels disadvantages young people by locking in greater climate change.
- Strengthen the transmission of inequality through generations?
 - Greater climate impacts will be increasingly felt by the most vulnerable into the future, strengthening the transmission of inequality through generations.
- Restrict the choice of future generations?

- Use of gas now prevents option in the future, e.g. if carbon capture and storage is practical or alternative, non-polluting uses of it are found.

Analysis - Happy baby or sad baby?

The Future Gas Strategy, by extending use and investment in fossil fuels, is very likely to harm a child born on budget day far more than any potential benefits from tax revenues.



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ABOUT EVERYGEN

EveryGen, convened by the Policy Innovation Hub at Griffith University, is a coalition of multidisciplinary policy experts collaborating to create an equitable, just and transformative path towards intergenerational justice. EveryGen promotes policy research, collaboration and action on intergenerational equity and justice and seeks to influence the policy agenda and inspire evidence-based thinking on intergenerational equity and justice. EveryGen promotes a law reform agenda by advocating for a Future Generations Act in Australia and by amplifying the voices of current and future generations to both highlight and transform the long-term impacts of today's policy decisions.

www.everygen.online

EveryGen is a member of the [Intergenerational Fairness Coalition](#).



Our collective mission is to see an intergenerational lens embedded in Australian policymaking supported by meaningful intergenerational engagement, data-driven measurement and accountability mechanisms.

We believe in the potential of pragmatic and economically-minded approaches to safeguarding Australia's future to address long-standing and emerging challenges.