QUEENSLAND STATE ELECTION STATEMENT – GAS ENERGY AUSTRALIA (GEA)

Gas Energy Australia (GEA) is the national peak body which represents the bulk of the downstream gaseous fuels industry, which covers Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG). The industry comprises major companies and small to medium businesses in the gaseous fuels supply chain, refiners, fuel marketers, equipment manufacturers, LPG vehicle converters, consultants and other providers of services to the industry.

GEA is calling on all Parties and independents to adopt the following commitments for the 2017 Queensland State Election.

1. *Reforming Queensland Government policies and programs to ensure gaseous fuels are included in green schemes, initiatives and energy concessions so that* ***Queensland families can save up to $600 per year on their electricity bills by converting their electric hot water system to gas****.*
2. *Shift* ***Queensland's offshore islands and resorts and other off-grid communities from dirty diesel generation to cleaner gas baseload and renewable hybrids***.
3. ***Supporting innovation, R&D and manufacturing jobs in the development of gas technology and manufacturing*** *building on Queensland's natural advantage.*

Australian gaseous fuels are also Queensland's natural advantage and have an important role to play in:

- *providing improved energy security for Queenslanders;*
- *reducing energy costs for business, community and residential sectors;*
- *improving environmental outcomes by reducing emissions; and*
- *supporting both direct and indirect jobs in the industry and manufacturing jobs more broadly.*

In particular:

- *making a significant contribution to increasing our energy security and offering particular opportunities for consumers especially in remote, fringe distribution areas and regional communities;*
- *providing cleaner air and improved health outcomes compared to diesel fuels;*
- *delivering reliable power and goods to regional/remote areas;*
- *providing a flexible and rapid-response energy source for communities affected by natural disasters;*
- *significantly reducing carbon emissions by up to 25 per cent;*
- *sustaining a range of current manufacturing and technology industries, including some innovative Australian businesses working at the cutting edge of cleaner fuels;*
- *delivering better economic and environmental outcomes for the state of Queensland;*

- *improving the economic and environmental sustainability of Queensland's public transport fleet - including trains, buses, ferries and taxis - by reducing running costs, cutting emissions and slashing harmful particulate pollution to almost zero; and*
- *leveraging examples of maritime fuel and bunkering applications taking place in other Australian states and overseas is the most likely short-term opportunity.*

Gaseous fuels can also be used for a range of domestic, commercial, industrial and transport applications including:

- *lower emitting fuel for off-grid power generation;*
- *being used alone where renewables are not optimal or in hybrid technology along with renewables to ensure cleaner, continuous power;*
- *domestic space heating and water heating, including solar gas hybrids which are among the lowest emitting and most cost-effective source of domestic hot water;*
- *lower emitting and less polluting transport fuels as an alternative to increasingly imported, higher emitting and higher polluting oil based fuels; and*
- *being the only viable and lower polluting alternative for heavy transport applications such as large long-haul trucks, freight trains and ships, which are increasingly dependent on imported diesel and dirty bunker oil from some of the most dangerous places on earth. Indeed, there is no renewable energy likely to be suitable for these heavy transport tasks for the foreseeable future.*

However, GEA's State Election Statement isn't about choosing between gas or renewables. It is about making sure that the right energy and right technology can co-exist, to provide, secure, affordable and low emission energy to all Queenslanders.

There are also strong economic, environmental and health benefits to be gained from removing barriers to the use of Australia's cleaner, cheaper and healthier gas supplies as an alternative fuel and energy source to higher emitting, higher polluting and imported alternatives such as diesel.

In conjunction with other lower emitting sources, gaseous fuels can provide a more independent and cleaner future for Queensland and provide more than just energy security, but support local jobs and a cleaner environment.

To find out more, please visit www.cleanercheaperfuels.com.au.

1. REFORMING QUEENSLAND GOVERNMENT POLICIES AND PROGRAMS TO ENSURE GASEOUS FUELS HAVE THE SAME ACCESS AS OTHER LOW EMISSION TECHNOLOGIES

Given the significant benefits of using gaseous fuels, the incoming Queensland Government should provide gaseous fuels the same support as they currently do for other competing low emission technologies by:

- *including gaseous fuels in 'green schemes', innovation initiatives and energy concessions; and*
- *updating government procurement rules and policies to include gaseous fuels among the preferred fuel types, particularly for government fleet vehicles, bus, ferry and train services.*

The benefits of adopting these simple measures would not only lower energy costs for government, businesses and every day Queenslanders, but would also reduce carbon emissions.

For example, when used to power household hot water systems, LPG can be much better for the environment than current solar electric hot water systems - producing almost 15% or 2.5 tonnes less CO2 emissions. In fact, if existing Queensland homes were converted from electric hot water to gas hot water - it could save up to 246,000 tonnes of CO2 per annum.

But it's not just the environment that can benefit from the use of gaseous fuels – everyday Queenslanders can also dramatically reduce their household energy costs.

A case in point is when a customer replaced her old electric hot water system with a LPG hot water system. The installation of an LPG hot water system saw this customer's three-person household electricity bills reduce from an average usage of 1650kWH per quarter at a cost of $340 to 660kWH at a cost of $190 per quarter (excluding service charges). That equates to an enormous electricity bill saving of $600 per year for that household.

Unfortunately, there are currently no Queensland Government rebates or energy concessions available for commercial or residential use of gaseous fuels.

That is why the incoming Queensland Government should adopt a truly technology neutral approach for procurement - by giving gaseous fuels the same support as they currently do for other competing low emission technologies - and provide assistance to business, industry and consumers using gaseous fuels as they do for those using electricity, batteries and solar.

2. PROVIDING GREATER FINANCIAL SUPPORT FOR INNOVATION IN THE DEVELOPMENT AND DEPLOYMENT OF LOW EMISSION GAS TECHNOLOGIES

The incoming Queensland Government needs to also ensure it supports innovation, R&D and manufacturing jobs in the development of specific gas technologies that Australia has a natural advantage in and specific need for.

It is not just new industries that are innovating. The gaseous fuels sector is constantly innovating to deliver cleaner and cheaper products, lower emissions and better outcomes for their customers.

One local example of this is Queensland company Intelligas, who have recently developed technology to retrofit a range of mine vehicles including trucks, dozers and shovels with a 'plug in plug out' tank and High Density Compressed Natural Gas (HDCNG) fuel system. Fitting these vehicles with a HDCNG engine not only dramatically reduces carbon emissions, but it also improves the life of the engine and reduces engine noise pollution.

Queensland must also retain the skills and knowledge from its manufacturing sector and capture and develop the expertise and skills from the recent capital investment phase of the growing export gas sector. Supportive innovation and R&D policy settings can help do this and build and promote a leading role for Queensland in developing gas-related technologies.

This would mean we are not just exporting another resource commodity but also harnessing the downstream environmental benefits and the niche design, manufacturing and production jobs right here in Queensland.

As such, the incoming Queensland Government must ensure that all innovation related policies and programs extend funding beyond the information and high technology sectors - to include all industries including the gas sector - to support real world gaseous fuels innovation that has practical and beneficial outcomes.

3. STRENGTHENING QUEENSLAND'S ENERGY SECURITY WITH GAS SOURCED DISTRIBUTED ENERGY - PARTICULARLY IN REGIONAL AND REMOTE COMMUNITIES

The recent blackouts in South Australia and the Tasmanian energy security crisis are examples of the need for greater energy security across Australia, including Queensland. Gaseous fuels can strengthen Queensland's energy security by providing more low emission generated power and more distributed energy, including through hybrid options.

No other fuel source available in Queensland offers both existing and emerging technology in conjunction with a sufficient abundance of resource to significantly displace higher emitting transport and stationary energy fuels. Given the current focus on energy security, gaseous fuels provide an ideal lower emitting energy source - in conjunction with renewables - as part of the transition towards a low emissions energy future.

Of course, a state as large and regionalised as Queensland, has a heavy reliance on off-grid generators. However, the vast majority of these generators run on imported dirty diesel and increasingly on often subsidised unreliable renewable sources.

Therefore, it is essential that we shift Queensland's offshore islands and resorts and other off grid communities away from dirty diesel generation to cleaner gas baseload and renewable hybrid.

Energy security in Queensland could be greatly increased in these areas with diversification into other energy sources which have different risk profiles, including distributed energy resources such as gaseous fuels.

Gaseous fuels also provide a flexible and rapid-response energy source for communities affected by natural disasters, which are an all too familiar event in North and Far North Queensland.

To this end, GEA wishes to work closely with the incoming Queensland Government to help educate the community about the range of lower emitting gaseous fuel energy sources available to them - and how using gaseous fuels can help to mitigate against supply disruptions, increase energy security and provide lower business and consumer energy costs.