

Media Release

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GEA WELCOMES LABOR'S RECOGNITION THAT AUSTRALIA HAS A FUEL SECURITY PROBLEM – BUT THERE IS A CLEANER, LOWER-COST WAY

Australia's peak body for downstream gaseous fuels, Gas Energy Australia (GEA), has today welcomed Labor's recognition that Australia has a fuel security problem. However, GEA's CEO John Griffiths is urging the Opposition to ensure that gaseous fuels are included in Australia's domestic fuel mix given that they are a cleaner and more reliable Australian sourced fuel compared to mostly imported oil.

"GEA welcomes this recognition from Labor but warns the \$6.5 billion estimated cost of dealing with this issue by just increasing oil stocks is unaffordable. There's a cleaner, lower-cost way that is consistent with Labor's push for lower carbon emissions – that will also create Australian jobs."

"Vehicles, off-grid generators and industrial users can all use LPG and natural gas fuels with current technology. Shifting just a fraction of our imported petrol and diesel use to Australian produced gaseous fuels would reduce our international oil reserve requirement in a more cost-effective way," Mr Griffiths said.

In addition, shifting more domestic users from higher polluting, imported oil to cleaner, Australian gaseous fuels means lower carbon emissions and virtually none of the harmful toxic pollutants, including particulates and nitrous oxides, of oil-based fuels.

"Regrettably, while Australian fuels are cleaner, abundant, reliable and create local jobs through production and niche manufacturing, Australia has become increasingly dependent on dirtier, imported fuels from some of the most unstable and dangerous places on earth."

"It is heartening that one of the major political parties has finally acknowledged that we have a fuel security problem in Australia. We know the fixes aren't simple, but a good start would be encouraging more use of locally produced gaseous fuels for things like distributed energy production in remote communities and offshore islands with gas and renewable hybrids providing both secure, cleaner and cheaper generation."

"It is ridiculous that many of these remote communities are still dependent on imported diesel for power generation or they have unreliable network access when at the same time our oil stocks are inadequate," Mr Griffiths said.

LPG and natural gas can do that localised generation job well and over time can also be used to shift a portion of Australia's transport needs – including heavy road and marine transport – from diesel to gas using technology, often Australian developed, that is well established.

"Instead we have a bureaucratic blind spot on the fact we have a fuel security problem at all - and over the past decade - both Coalition and Labor Governments have increased the costs of gaseous fuels with higher excises and other imposts.

"Shifting just 10% of our fuel use to cleaner Australian fuels would help our balance of payments, reduce our fuel reserve requirements, be better for our local environment, create local jobs - and in the case of many remote and rural communities - would provide cleaner, more reliable Australian power options.

"Australia needs a diversified strategy to improve its fuel security rather than simply putting all its eggs in the oil stockpile basket," Mr Griffiths said.

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