

## Media Release

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### **Tax reform, diversification key to boosting national fuel security**

Australia's peak organisation for downstream gas fuels says lower excise on these fuels and greater diversity in fuel sources would do more for Australia's fuel security than relying solely on increasing reserves of oil-based fuels.

Gas Energy Australia (GEA) Chief Executive Officer John Griffiths said fuel diversification and lower excise for LNG, LPG and CNG was the long-term answer to genuine fuel security for future generations.

GEA wrote to relevant Ministers, their Opposition counterparts and key crossbenchers to brief them on its fuel security position earlier this year.

"Self-reliance is one of the most critically important issues to emerge during the COVID-19 crisis, and our recovery is a timely opportunity to revisit this and make an even more affordable contribution to fuel security through fuel diversification," Mr Griffiths said.

"While we support the Government's move to increase fuel security, more can be achieved if we focus on increasing the use of gas fuels to power our manufacturing, transportation and industrial sectors.

"Self-reliance should involve making a modest investment in Australia's lower-emitting, lower-polluting gas fuel supplies, which is in line with the Government's Energy Technology Investment Roadmap and the pressing need to create homegrown jobs, not just paying more scarce taxpayer funds to maintain overseas jobs from imported fuel.

"There are more Australian jobs in Australian-produced gas fuels than in importing oil-based fuels, regardless of whether they are refined overseas or here in Australia.

"Gas fuels tick the box across the board for Australia's transport, mining, manufacturing and domestic use sectors – they are cleaner, greener, abundant and comparatively affordable compared to other fuel types.

"Australian gas fuels are the only currently viable alternative to imported diesel for many heavy industry and transport needs and even a small shift from oil-based fuels to gas fuels is a win-win scenario – reducing dependence on foreign fuel imports and cutting running costs for heavy vehicle and marine transport operators.

"The best way to help with this shift is to adjust the excise on gas fuels. In 2011, both sides of politics promised to keep the excise on gas fuels at 50 per cent of that on diesel, but what we've seen instead is successive governments inadvertently taxing local fuels out of existence.

"Reducing excise to the level previously committed to would be of limited cost to the budget, more cost effective than maintaining larger oil reserves and help support and create Australian jobs.

"Replacing just 10 per cent of imported diesel with gas fuels would also improve Australia's balance of payments by around \$1.5 billion a year and reduce our CO2 emissions by up to 597,000 tonnes.

“This potential is demonstrated by 16 trucks running across Australia with engines modified with recently developed Australian heavy-duty dual fuel systems which substitute LPG for diesel by 23 per cent. On average per year, each vehicle saves around 7 per cent in fuel costs and reduces emissions by almost 8 tonnes, which is equivalent to taking four cars off the road.”

Earlier this year, GEA highlighted the important role of gas fuels in its public response to the Government’s Technology Investment Roadmap, with a number of technologies promoted in the document not yet proven viable for manufacturing, industrial and transport purposes.

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