

Media Release

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True fuel security requires fuel diversification

Using more gas fuels in transport, manufacturing, households and industry will drive a stronger, longer and more reliable post-COVID economic recovery in Australia than relying on imported liquid fuels alone.

Gas Energy Australia (GEA) Chief Executive Officer John Griffiths said greater uptake of gas fuels including Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) and Liquefied Petroleum Gas (LPG) meant more security for Australian industries and households.

"We agree with the Prime Minister that the COVID crisis has highlighted the need for robust supply chains for the essentials of daily life - but it's not just liquid fuels which keep this country running," Mr Griffiths said.

"Gas fuels are already fulfilling this need in transport, remote power generation and a variety of agricultural, industrial and commercial applications. With the right support and policies gas fuels can do much more to support Australian households and families and grow industry and jobs in a cleaner, more efficient and comparatively more affordable way than imported oil-based fuels.

"Genuine and longlasting fuel security must be underpinned by self-reliance and diversifying our fuel sources, which should involve making a modest investment in our lower-emitting, lower-polluting gas fuel supplies - in line with the Government's Energy Technology Investment Roadmap.

"It also helps meet the pressing need to create homegrown jobs - not just using more scarce taxpayer funds to maintain overseas jobs by importing fuel.

"The best way to do this 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 support the almost 3,000 jobs in our downstream gas fuels sector and create thousands more.

"Right now, Australian gas fuels are the only viable alternative to imported diesel for heavy industry and transport.

"We already have trucks running with 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. We need to see more of this.

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

"Encouraging more use of our homegrown gas fuels is a win-win for Australian taxpayers, industry, households and manufacturers."

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