

## Media Release

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### Fuel summit should look to gas fuel diversity for competition

Price monitoring is likely to exert little downward pressure on Queensland fuel prices without improved fuel diversity to improve future competition and reduce oil fuel import dependency, Australia's peak body for downstream gaseous fuels said today.

Gas Energy Australia's (GEA) Chief Executive Officer, John Griffiths, said watching prices of oil based fuels is only part of the solution, and locally produced fuels can assist more.

"Greater competition in the oil fuel market - when Australia is heading towards full import dependency - is only a pipe dream unless Australia also looks to increased fuel diversity."

"More fuel diversity including use of cheaper, cleaner Australian gas fuels not only reduces import dependency and helps meet Australia's international fuel security obligations, but with massive upstream supplies of alternatives such as natural gas and LPG, Queensland should have some of the cheapest energy and fuels in the country."

"That's why GEA is calling on today's summit to not simply tinker at the edges of existing dysfunctions in the fuel markets, but also look to a future that includes more fuel diversity leveraging Queensland's significant energy natural advantages – including gaseous fuels."

"Queensland had taken a lead on downstream domestic gas fuels - including the Bligh Labor Government supporting Queensland's first 'micro LNG' plant for domestic fuel which was opened by the last government and now supplies gas fuel to a range of manufacturing, agricultural and mining businesses supporting hundreds of jobs."

"There has been bipartisan support for downstream gas innovation and it makes sense for the Palaszczuk Government to build on that foundation as part of its future fuels plans - leveraging all of Queensland's natural advantages including its massive gas resources."

"The Bureau of Resources and Energy Economics 2014 Liquid Fuels Technology Assessment also found that natural gas fuels offer the lowest cost of production per unit of energy of a range of fuel types out to 2050 and they remain cost competitive with the lower cost renewable technologies."

"And of course gas fuels are cleaner than other fuels, reducing emissions by up to 25%, and have virtually no other pollutants – unlike diesel which releases dangerous particulates.

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“And because gaseous fuels evaporate on contact with water they can’t sediment or slick if spilled. So they are Great Barrier Reef friendly.”

“Gaseous fuels are the only fuel with sufficient availability and energy density to displace oil based fuels in any meaningful way and can play a major part in diversity and increased competition in the future, especially in heavy transport and off-grid generation.’

“For its part, the Queensland Government is also a big purchaser of fuel and its own fuel purchasing policies and-innovation agenda can assist by looking to cheaper and cleaner locally produced alternatives and reducing demand for imported oil based fuels.”

“For example, along with transport fuels, Queensland has around 30 major off-grid generators using higher emitting, higher polluting and increasingly fully imported diesel.”

“Along with increased usage of locally produced fuels in other sectors using more imported fuels, such as the the mining industry, the Queensland Government can play a direct role.”

“Fuel diversity is not the only solution but Queensland has a significant ability to develop less import dependence and more diversity than most other states and that ultimately means more local fuel competition, less reliance on any one source and less pollution.”

“Because gas fuels can power heavy freight transport, ships and ferries and even trains as well as off-grid generation for remote communities, a large, regionalised state like Queensland can have more control over its energy and economic future.”

“Queensland should be the cleaner, cheaper alternative fuel capital of the world and a driver of downstream fuel innovation related to its own upstream advantages – instead it is just a taker from an imported fuel market racked by dysfunction and market dominance.”

“That's why we are urging the Queensland Government to look further than immediate issues like price watching and also consider policies to help evolve local fuel markets and reduce the dysfunctions of the near total dependence on an increasingly erratic imported oil market.”

Gas Energy Australia’s 2030 Vision for Cleaner, Cheaper Australian Fuels details steps the Australian and Queensland Governments and industry can take to increase the role of gaseous fuels in Australia’s energy mix at [www.cleanercheaperfuels.com.au](http://www.cleanercheaperfuels.com.au).

GEA has also made a budget submission to the Federal Government that referenced the role of local purchasing policies by States and other bodies which can be found at <http://gasenergyaustralia.asn.au/download/submission-to-the-department-of-the-treasury-on-2016-17-budget-submission/>.

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