

## Media Release

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### NO TIME FOR ANOTHER FUEL TAX

At a time when the Federal Government says its priority is to reduce the cost of energy, adding yet another tax to fuels like LPG would impose an extra cost burden on Australian families and businesses that would ultimately destroy jobs.

Adding its voice to Australian manufacturers who say they were ambushed by the proposed new biosecurity tax on imports, is Australia's peak body for downstream gaseous fuels, Gas Energy Australia, whose members produce, export and import LPG. While Australia is a net exporter of LPG a number of local markets are supported by imported product.

GEA, like many other industry groups, was surprised by the nature of the unexpected new tax and the lack of consultation on its design prior to its announcement. The gaseous fuels industry was not consulted during the review of biosecurity funding prior to the budget announcement and only belatedly afterwards.

It is also not widely understood that the tax would apply to product received at proposed LNG import terminals which the Government has welcomed as a way of putting a ceiling on domestic natural gas price rises.

"The tax is poorly targeted given the extremely low risk from LPG, LNG and other fuels. This is yet another government impost on top of fuel excises and a range of other costs and red tape measures that all feed into higher energy costs rather than lower energy costs", CEO John Griffiths said.

Mr Griffiths said both sides of politics had participated in increasing the excise on gas fuels over the last decade. "While competing renewable energy technologies get expensive subsidies, gaseous fuels face costly red tape measures on a daily basis, and now this unexpected new, additional tax. Our industry will continue to work hard to contain the price impact on consumers of such measures. But they all add up and that means higher costs not just for families but also businesses, including a manufacturing sector already struggling with high energy prices. And that costs jobs."

"Many Australians welcome the fact that gas fuels like LPG, CNG and LNG are lower emitting, lower polluting and contribute many thousands of jobs directly and also through industrial users. In addition, fuels such as LPG and LNG are flexible, don't need expensive big pipelines and can contribute to more reliable and cleaner off grid and distributed generation as well as offering lower polluting fuels for hybrid and gas vehicles - including heavier vehicles."

Mr Griffiths said "given the biosecurity risk from LPG and LNG as well as many other bulk commodity imports is extremely low, the tax needs to be rethought. A good start would be to exempt low risk, non-containerised fuel products. And frankly let's not stop there. Let's actually review and reduce these cumulative taxes and costs that are driving up LPG and other fuel costs for consumers.

"We will be writing to the Minister for "keeping energy costs down" to point out this is just another new measure for putting energy costs up," Mr Griffiths said.

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