

Media Release

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DIVERSIFYING FUEL TYPES DELIVERS CHEAPER, CLEANER FUEL SECURITY THAN STOCKPILING OIL

Joining the chorus of experts concerned about Australia's diminishing fuel security, Australia's peak body for downstream gaseous fuels, Gas Energy Australia (GEA), said that diversifying the fuels we use provides an affordable contribution to the problem of inadequate fuel reserves.

"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 fuels would reduce our international oil reserve requirement," GEA's CEO John Griffiths said today.

The International Energy Agency (IEA) fuel reserves requirement is a function of 90 days of imported fuel. Therefore, using more Australian fuels would reduce the quantity of the oil stocks we need to hold and the resulting cost, as well as being better for the environment when the fuel used is gas.

Mr Griffiths said the cost of building a stockpile sufficient to meet our requirement would be unaffordable – previously estimated by the Commonwealth Government to be \$6.5 billion. 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 particulate pollutants of oil-based fuels.

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

"We have an energy security issue and a fuel security problem in Australia. 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 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 the balance of payments by reducing imports, 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.

"It's not just GEA saying this. The Australian Automobile Association (AAA), the NRMA, Professor Robert Clark AO FAA FRSN from the UNSW and others all point to fuel diversity as part of the solution. But the first step is not just acknowledging we aren't meeting our reserve obligations, but accepting we have a fuel security problem and that there are more ways to 'skin the cat' than simply stockpiling more oil," Mr Griffiths said.

Media contact: John Griffiths 0439 344 622