



Australian Pipeline Industry Association Ltd

MEDIA RELEASE

4 July 2008

Garnaut Report confirms the need for natural gas to help address climate change

The Federal Government's independent climate change adviser has confirmed that natural gas will be the key to power generation in the medium, and possibly longer, term as Australia moves towards reduction of greenhouse gas emissions.

The Australian Pipeline Industry Association has welcomed Professor Ross Garnaut's recognition that base-load power generation is likely to be based on natural gas.

"Gas has half the emissions of coal and is a lower-emission source of energy that is available now - while the renewable energy sources become economic and increase their availability," APIA Chief Executive Cheryl Cartwright said today.

"In fact, Australia could meet its 2050 greenhouse target for electricity generation by moving all coal fired power generation to current natural gas technology."

Gas is also essential as a back-up fuel for renewable technologies.

"However, it will be important to ensure that gas is available. Australia has abundant gas reserves, but these gas reserves need infrastructure in order to be delivered", Ms Cartwright said.

"The Government must ensure that there is ample and timely encouragement for investment in infrastructure and this means a decision sooner rather than later, so that investment can be undertaken.

Professor Garnaut's report acknowledges that the gas transmission industry, which is privately owned and operated infrastructure, is fundamentally capable of meeting the infrastructure development challenges without government interference."

Ms Cartwright also warned that an emissions trading scheme should not impose unwarranted or unfair costs on the transmission industry.

"Transmission companies have long-term contracts - private contracts - and many of these were signed before the ETS was being considered. The system must allow the costs to be passed on, and not force the transmission companies to absorb the costs, which would discourage further infrastructure investment".

Media contacts:

Cheryl Cartwright 0419/996066
Chief Executive, APIA

John Field 08/82349555
Field Public Relations

Registered Office of:

Australian Pipeline Industry Association Limited, Level 1, 7 National Circuit, Barton ACT 2600.

Mailing Address: PO Box 5416, Kingston ACT 2604

Telephone: (02) 6273 0577 Facsimile: (02) 6273 0588 Email: apia@apia.asn.au

ABN: 29 098 754 324 ACN: 098 754 324