



# Australian Pipeline Industry Association Ltd

## **MEDIA RELEASE**

Thursday, 15<sup>th</sup> January 2009

### **GOVERNMENT IGNORES MOST EFFICIENT SYSTEM OF REDUCING CARBON EMISSIONS**

The Australian gas transmission industry has called on the Rudd Government to increase its focus on natural gas and introduce a "gas target" for power generation to encourage lower-cost means of reducing carbon emissions.

A report released today by the Australian Pipeline Industry Association shows that Government policies favour renewable energy and "clean coal" (carbon capture and storage) over natural gas, which provides the most efficient means of reducing the nation's emissions.

"The Government is in danger of missing this opportunity to reduce emissions at the lowest possible cost," APIA Chief Executive Cheryl Cartwright said.

"Australia has an abundant supply of natural gas and it's available now. Increasing the use of natural gas for power generation would dramatically reduce Australia's carbon emissions, but the Government's emissions reduction policies favour more expensive and less efficient options."

The APIA report points out that the Carbon Pollution Reduction Scheme (CPRS) in its pure form would put a price on emissions and allow the market to guide power generation companies towards choosing the most efficient and effective fuel and/or technology to reduce their emissions.

However, if the CPRS is combined with a 20 per cent Renewable Energy Target (RET), emissions reduction becomes increasingly expensive, with reduced encouragement for coal fired power generators to switch to natural gas.

Electricity generated by natural gas has less than half the emissions of coal-fired power generation; and it uses about half the water. Natural gas is less expensive than renewable energy sources and the technology is already well developed.

"Of course, the nation must eventually employ renewable energy, but this would happen under the CPRS as the renewable technologies become more efficient and affordable," Ms Cartwright said.

"The Government is creating a false, and very expensive, system of reducing emissions if it goes ahead with its plan to introduce the requirement for 20 per cent renewable energy in power generation by 2020.

"APIA urges the Government to expand the RET to include "cleaner" energy, or introduce a natural gas target as the Queensland Government has done.

"Otherwise the Government is missing an opportunity to reduce emissions at more reasonable cost, and discouraging the move to natural gas as, perversely, power generators are likely to delay a move away from coal for the remaining 80 per cent of electricity production.

"The Australian Government should have enough confidence in the CPRS to allow it to achieve Australia's emissions reduction targets."

### **Media contacts:**

**Cheryl Cartwright**  
**APIA Chief Executive**  
**02/62730577 0419 996 066**

**John Field**  
**Field Public Relations**  
**0418 819 527**

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](mailto:apia@apia.asn.au)

ABN: 29 098 754 324 ACN: 098 754 324