



Australian Pipeline Industry Association Ltd

MEDIA RELEASE

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NATURAL GAS IS THE ANSWER FOR VICTORIA

Australia's gas transmission industry has told the Victorian Government that its most effective means of reducing greenhouse gas emissions is to switch the State's power generation to natural gas.

In a submission to the Victorian Climate Change Green Power paper, the Australian Pipeline Industry Association (APIA) has criticised all governments' tendency to focus on energy sources other than natural gas.

"In Victoria's case, a switch from brown coal to gas as the primary fuel for electricity generation could reduce Victoria's total greenhouse gas emissions by over 25 per cent," APIA's Chief Executive, Cheryl Cartwright, said today.

"Even the Victorian Government's own report supports a move to natural gas," Ms Cartwright said.

In its submission, APIA has quoted from an Environment Victoria report dated November 2008 - *Turning it around: environment solutions for Victoria* - which states:

"The most significant early impact (in the stationary energy sector) comes from the use of gas as early as possible to deliver early reductions in greenhouse gas emissions."

That Environment Victoria report also commented that, even if "clean coal" technologies are successfully commercialised, the State should introduce gas-fired power generation while that technology is being developed.

APIA's submission, lodged today, says that Victoria has significant reserves of natural gas, located mainly in the Otway and Gippsland basins and the Australian Energy Market Operator puts the State's most recent 2P reserves figure in excess of 10,000 petajoules (PJ). It says that, with significant exploration work underway, this gas reserves forecast is likely to increase substantially.

Ms Cartwright said that the gas industry is concerned that all assistance being provided to the stationary energy sector under climate change policies is directed towards industries other than natural gas, with funding for: coal drying, coal gasification, solar power, renewable energy sources and carbon capture and storage.

"Any policy focus on natural gas is usually in relation to the export market. The fact is that Australia consumes more natural gas domestically than it exports and there are significant opportunities to increase local usage. Given Australia's stationary energy sector causes more than half of the nation's carbon emissions – natural gas can have a big impact on national emissions.

"It is true for households too. As well as offering more efficient temperature control, natural gas household appliances create fewer emissions than do their electrical equivalents. If a household switches from electricity to natural gas where appropriate, it can reduce its emissions by more than 40 per cent."

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