



## **MEDIA RELEASE**

**July 2024**

### **Latest ACCC report reveals urgent action is required to deliver gas supply**

The Australian Pipelines and Gas Association (APGA) says Australia is quickly running out of time to course correct, with another bleak ACCC report illustrating the necessity of urgently bringing on new gas supply.

The Australian Competition and Consumer Commission's Gas Inquiry July 2024 interim report adds to the chorus of concern, with gas supply shortfalls now forecast for 2027 – a year earlier than previously projected. Industry is urging the delivery of solutions to safeguard against demand destruction of the more than \$250 billion of enabled economic activity that natural gas unlocks in Victoria, Queensland, and NSW alone.

Earlier in 2024, AEMO plainly stated in its Gas Statement of Opportunities that the investment environment for supply and infrastructure projects remains challenging and uncertain. Gas supply and infrastructure projects have continued to stall due to regulatory approval requirements, difficulty acquiring financing, and market participants' resistance to making long-term commitments in an uncertain investment environment.

That commentary was echoed in today's ACCC report.

Over the past three years, the gas infrastructure industry has made significant investments to increase gas flows in southern states by 25 per cent, while other infrastructure plans are well-advanced to ensure gas supply can reach demand centres. However, these alone cannot mitigate the risk of supply shortfalls.

There is a need for governments to provide policy support and prioritise vital infrastructure and gas supply.

APGA Corporate Affairs Manager Paul Purcell says strong signals to the market, such as including gas-powered generation in the Capacity Investment Scheme (CIS) or Renewable Energy Transformation Agreements (RETAs), are an efficient way to encourage more gas production for domestic use on the eastern seaboard.

"Partnering wind and solar with gas generation is the fastest and most efficient way to reduce emissions. Last year, coal-to-gas switching was the largest electricity emission reduction initiative in the US," Mr Purcell said.

"The US was able to unlock significant savings in its carbon budget and power a new boom in domestic manufacturing by prioritising the development of gas supply. We can do the same in Australia."

#### **About**

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors, and service providers of domestic pipeline infrastructure, connecting natural and renewable gas production to demand centres in cities and locations across Australia. Our members offer a wide range of services and ensure the safe and reliable delivery of 28 per cent of the end-use energy consumed in Australia.

#### **Contact**

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