



MEDIA RELEASE

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Federal Budget helps chart the journey from natural gas today to renewable gas tomorrow

The Australian Pipeline and Gas Association (APGA) warmly welcomes a bold and ambitious Federal Budget, with the expanded Hydrogen Headstart program and green hydrogen production tax credit scheme critical ingredients in smoothing the journey between Australia's natural gas today, and renewable gas tomorrow.

Combined with the Future Gas Strategy, the Federal Government recognises the enduring importance of gaseous fuels to help smooth Australia's transition to net zero. While disappointing that biomethane was not included in the accelerated Guarantee of Origin (GO) scheme, it is vital that Budget spending is matched with regulatory reform to unlock the full potential of renewable gases for Australian households and industry.

Primarily, the National Greenhouse and Energy Reporting Scheme (NGERS) requires urgent reform to recognise and allow for the use of renewable gases in common-use infrastructure. Without it, domestic end-users cannot decarbonise operations unless the renewable gas is generated on-site and behind the meter.

APGA chief executive Steve Davies says there is an imperative to learn from the coal-seam gas boom, calling for hydrogen policy to focus on local industry to help ensure a Future Made in Australia.

"Price support for hydrogen must prioritise domestic end-users to ensure Australian businesses receive the benefits as we unlock full potential of Australia's green exports," Mr Davies said.

"Tax credits to speed up hydrogen production cannot scale a nascent industry on their own. Encouraging network blending will accelerate H2's journey along the cost curve for the benefit of all Australians."

"A Future Made in Australia will rely on the domestic gas infrastructure industry to deliver and store the volumes of energy required."

"We must leverage Australia's world-leading renewable resources into creating the low-carbon materials required in a net zero world. With the right policy settings, industry, and infrastructure – already built today, and the pipelines that'll be required into future – will be ready to play their role in a net zero Australia."

About

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

Contact

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