



## **MEDIA RELEASE**

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### **Urgent action needed to bring on gas supply and keep Australia's economy moving**

The Australian Pipeline and Gas Association (APGA) says the 2024 Gas Statement of Opportunities raises the alarm that time is quickly running out to bring on new gas supply to help keep the lights on, homes warm, and prevent Australia's small business and industrial sectors from suffering major economic distress.

The 2024 GSOO, released on Thursday, illustrates the enduring importance of gas to help ensure a smooth transition to net zero. It also issues a warning that Australia's gas outlook has deteriorated further, with critical action now required to ensure adequate gas supply in the short, medium, and long terms.

AEMO plainly states that the investment environment for supply and infrastructure projects remains challenging and uncertain. Gas supply and infrastructure projects are continuing to stall due to regulatory approval requirements, difficulty acquiring financing for natural gas projects, and market participants' resistance to making long-term commitments in an uncertain investment environment.

This has been compounded by the Australian Energy Regulator commencing infrastructure reviews contrary to the urgency of the situation, further increasing uncertainty for investors. If increased regulatory intervention results as a part of these actions, it will cause additional slowdowns in vital investment.

Over the past 18 months, the gas infrastructure industry has made major investments to lift gas capacity, but they cannot mitigate the risk of southern supply shortfalls on their own. There is an obvious need for state and federal governments to provide policy support and prioritise vital infrastructure and supply projects.

"Gas infrastructure companies have invested to help solve this crisis without long-term contracts that provide certainty. Governments must act to de-risk gas investments, which are essential if we are to close coal power stations and support intermittent renewables during the energy transition. For gas-powered generation, this means inclusion in the Capacity Investment Scheme," APGA CEO Steve Davies said.

The gas infrastructure sector continues to work with the Federal Government on its upcoming Future Gas Strategy to address these challenges and help ensure affordable, reliable gas for homes and businesses.

APGA chief executive Steve Davies says this is the bleakest short-term gas supply outlook modelled by AEMO and solutions are needed quickly to ensure there isn't economic destruction of the more than \$250 billion of enabled commercial activity that natural gas unlocks in Victoria, Queensland, and NSW alone.

"We need a long-term structural fix providing significant new supply sources covering natural gas today and renewable gases tomorrow," Mr Davies said.

"AEMO recognises that gas demand will remain strong well into the 2040s, and Australia cannot afford to destroy its own competitive advantage by making affordable energy prohibitively expensive."

"If we don't solve this structural supply issue fast, the consequences will be lower economic output, higher energy costs for households and industry, and ultimately, the loss of Australian jobs."

**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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