



MEDIA RELEASE

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APGA welcomes short-term gas improvements, but urgent policy reform still required

The Australian Pipeline and Gas Association (APGA) welcomes short-term improvements in the east-coast gas system but warns the underlying conditions responsible for gas supply shortfalls over the longer term remain unaddressed – making urgent bipartisan reform essential for delivering a sustainable energy future.

The 2025 Gas Statement of Opportunities highlights that over the next decade, every committed, anticipated, and planned supply and infrastructure project must proceed as expected – including firm commitments from east-coast LNG exporters to supply southern markets during winter – in order to avoid serious gas shortfalls.

Recent midstream gas sector announcements are creating breathing room for long-term policy reform, but this opportunity cannot be wasted. Decisive action is needed to secure a reliable Australian east-coast gas market that delivers competitively priced energy required to underpin economic stability and growth.

APGA chief executive Steve Davies emphasised that structural reform must be delivered without delay to avoid further cost pressures and instability for major gas users, as well as homes and small businesses.

“Governments and industry are constructively working together to improve east-coast gas supply, but only bipartisan policy can deliver long-term stability for gas transmission and downstream users,” Mr Davies said.

The impact of uncertainty is already evident. Industrial gas consumption has fallen nearly 20% between 2018 and 2024, declining from approximately 280 PJ to 227 PJ. This, in part, reflects the loss of manufacturers and industrial operations – Australian businesses that once supported jobs, investment, and economic growth.

Mr Davies said in an increasingly uncertain global environment, other nations are moving to strengthen their domestic industries by ensuring stable energy alongside targeted policy support. Australia has an opportunity to do the same to provide the certainty to keep businesses competitive, and secure a resilient energy future.

The GSOO also highlights the scheduled coal closures at Eraring (2027) and Yallourn (2028) will increase reliance on gas-powered generation, underscoring the urgent need for a long-term gas supply framework. However, the report makes clear there is limited redundancy in place to manage unexpected events such as colder-than-average winters, coal plant outages, or energy shocks like the 2022 Russian invasion of Ukraine.

Mr Davies said that without clear policy signals to bring 13GW of much-needed gas-powered capacity online, Australia could face higher costs, extended coal generation, and greater electricity instability.

“We must avoid backing ourselves into a corner where coal becomes the default fallback,” Mr Davies said.

APGA welcomes the efforts of the Energy and Climate Change Ministerial Council to address the immediate challenges, and continues to work with state and federal governments on identifying and enacting the policy required to support all projects proceeding at the pace needed to tackle the issues AEMO has highlighted.

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.

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