

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Industry, Tourism and Resources Portfolio

Supplementary Budget Estimates 2005-2006, 2 November 2005

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
OUTCOME/OUTPUT: Outcome 1, Output 1.2
TOPIC: POTENTIAL USE OF COMPRESSED NATURAL GAS AS AN ALTERNATIVE FUEL
REFERENCE: HANSARD 02/11/05, PAGES E38-39

QUESTION No.SBI-13

(Hansard 02/11/05, p.E38-39)

Senator O'Brien asked about:

I do recall some discussion—maybe speculation—about the role for compressed natural gas (CNG) as an alternative fuel, given the rising costs of petroleum products. Has any work been done on that and the potential national need?...I do recall a 35c per litre figure (for CNG) being cited.

ANSWER

The Department of the Environment and Heritage, through the Australian Greenhouse Office (AGO), have been operating the Alternative Fuels Conversion Program (AFCP) for the past five years. This is a grant program to reduce greenhouse gas emissions and significantly improve urban air quality by trialling and facilitating heavier commercial road vehicle and public transport buses to operate on compressed natural gas (CNG), liquefied natural gas (LNG) and liquefied petroleum gas (LPG). It does not apply to private passenger vehicles.

Over the period 1997-2003, the Government offered assistance to the natural gas industry to develop public refuelling facilities. For commercial reasons the industry has decided not to proceed down this path at this point in time.

Natural gas is sold on a cubic metre basis, rather than a per litre basis. The most recent information available to the Department is that natural gas is retailing in Sydney for around 50 cents per cubic metre.

The Department is aware that there are home based natural gas refuelling units also available in the Australian market. The Department is unaware of any business currently offering CNG conversions to passenger vehicles on a regular basis.