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New data shows petroleum powers Australian businesses

New data released today confirms that petroleum products are essential for Australian businesses.

The latest Australian Bureau of Statistics (ABS) data¹ shows:

- More than \$27.4 billion was spent by Australian businesses on petroleum products in 2014-15 in Australia including diesel (\$19.8 billion), natural gas (\$4.9 billion), petrol (\$2.1 billion) and LPG (\$538 million); and
- Manufacturers have *increased* their consumption of gas by about 5 per cent since the last ABS survey.

“Natural gas continues to be an essential energy source and feedstock for Australian businesses, especially for the manufacturing and electricity generation sectors,” APPEA Chief Executive Dr Malcolm Roberts said.

“Natural gas accounts for about 27 per cent of the energy costs of manufacturers – almost \$2 billion in 2014-15. Gas is used both as an energy source and as a feedstock to produce essential items such as fertilisers, glass and bricks.

Another \$1.3 billion worth of natural gas was consumed in the electricity supply sector. Gas-fired ‘peaking’ plant is critical to providing homes and businesses with reliable electricity supply. Only gas-fired generation can provide almost instant energy to meet spikes in demand or offset sudden drops in output from intermittent renewable sources.

“As the share of renewable energy in our energy mix increases, we will need more gas-fired generation to ensure reliable supply. The more renewables we have, the more we will need gas.

“The ABS data confirms that Australian businesses need accessible, competitively priced gas. Policy makers need to recognise this fundamental fact.”

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¹ 4660.0 - Energy Use, Electricity Generation and Environmental Management, Australia, 2014-15 (available at abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4660.0Main+Features12014-15?OpenDocument).