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FUEL SUPPLY SHORTAGES HIGHLIGHT GAS RISK: BIOMETHANE COULD HELP SOLVE IT

Fuel supply shortages sparked by the Middle East conflict are a wake-up call, with NSW facing a gas supply crunch within two years.

That's why NSW must urgently invest in renewable gases, such as biomethane.

A report from Business NSW, [*Running on Empty 2.0 – The Evolving Role of Gas in NSW*](#), says a looming gas shortage threatens households, businesses and jobs.

It recommends increasing investment in biomethane – a renewable gas produced from organic waste feedstock such as food waste, agricultural residues, wastewater sludge and landfill gas.

CEO Daniel Hunter said: "Biomethane is one of the quickest and most practical ways to boost supply and cut emissions.

"Building a biomethane industry would also deliver major economic benefits for regional NSW, turning agricultural and organic waste into renewable energy while creating thousands of local jobs."

Mr Hunter said the current fuel shortages show just how fragile energy markets can be – and why NSW must act now.

He said biomethane could meet up to a third of Australia's gas demand by 2050, helping businesses cut emissions without having to replace the equipment they use every day.

"Biomethane can be injected directly into the existing gas network, meaning restaurants, manufacturers and food processors don't need to rip out boilers, burners or commercial appliances or invest millions in electrification upgrades," he said.

Gas remains critical to the NSW economy, powering more than 1.5 million households and 50,000 small businesses, while underpinning around 250,000 jobs.

Nearly one in five NSW businesses rely entirely on gas to operate, including 64 per cent of hospitality businesses.

Mr Hunter said Jemena's Malabar Biomethane Injection Plant has already proven renewable gas can be injected safely into the existing network without disruption.

The report also points to Europe's rapid expansion of biomethane, with more than 1500 facilities now operating.

Mr Hunter welcomed the NSW Government's move to include biomethane in the Renewable Fuel Scheme from 2028 and its \$170 million funding commitment but said additional policy support will be essential to accelerate the industry.

"Biomethane is a jobs engine, a regional economic boost and a practical way to stabilise energy supply while cutting emissions," he said.

"NSW has a target that by 2035, 15% of gas used by industry comes from renewable sources.

"The NSW Government should work with industry, suppliers and retailers to increase the ambition of this target to 25%.

"The NSW Government is also encouraged to work with industry partners to update and increase the ambition of the state's Circular Economy strategy.

"The focus of a new strategy should be on supporting regional areas to build stronger circular economies based on their existing strengths in agriculture, mining and industrial processes."

Untapped landfill, wastewater and agricultural waste in NSW could generate 137 PJ of biomethane, enough to cover the state's entire gas demand of about 130 PJ.

About Business NSW

Formerly the NSW Business Chamber, **Business NSW** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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