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Finkel Report charts way out of policy impasse

The Australian Petroleum Production & Exploration Association (APPEA) welcomes the release today of the final report of the Finkel Review into the Future Security of the National Electricity Market.

APPEA Chief Executive Dr Malcolm Roberts said the review's recommendations – including a Clean Energy Target and the removal of blanket bans and moratoriums on gas development – could be a solution to the current climate policy impasse and place downward pressure on energy prices.

“While the gas industry prefers an economy-wide market mechanism, a Clean Energy Target could reduce emissions from electricity generation,” Dr Roberts said.

“To work, a target must be realistically ambitious – set at a level that winds back our dependence on coal-fired generation without jeopardising energy security.

“The best option today to cut emissions is to use more gas-fired power generation. As the review confirms, gas can complement the intermittent nature of renewable power generation and produce electricity with one-third to one-half lower emissions than coal.

“Instead, we are seeing gas-fired generation squeezed out of the mix by cheap coal and subsidised renewables. Along with policies to remove barriers to gas development, a Clean Energy Target could help reverse the trend of gas disappearing from the energy mix.”

Dr Roberts said the review highlighted the importance of gas to Australian households and industry.

“Access to a reliable and affordable gas supply is in the interest of all Australians for its direct use for heating, as a feedstock chemical for industrial processes and as a fuel for electricity generation. In the NEM, gas-fired generation can provide a reliable, low emissions substitute for ageing coal-fired generation, and can provide essential security services to complement variable renewable electricity (VRE) generation.”

Dr Roberts said the review provided a rare opportunity to better align Australia's climate change and energy policies. Bipartisan support for its recommendations would be important for investment certainty.

He said the industry welcomed the review's recommendation that governments should avoid blanket restrictions and bans on gas projects and instead encourage the safe exploration and development of the industry by adopting evidence based regulatory regimes to manage risk on a case-by-case basis.

“The Finkel review should result in the immediate removal of all moratoriums and bans on natural gas development,” he said.

“Australia must expand its use of gas over the next decade if it is to achieve a least-cost and secure transition to lower emissions. That will not be possible if States persist with political bans and restrictions on gas projects.

“Every effort must be made to encourage exploration and development. Policies that discourage investment in new gas projects must be junked.



“Australia has enough gas to support our domestic and export needs for hundreds of years. We just need the political will to develop it.”

Dr Roberts said the gas industry was closely examining all of the review's recommendations and looks forward to working with governments and other stakeholders to deliver cleaner, reliable and affordable energy for all Australians.

Blueprint for the future: Independent Review into the Future Security of the National Electricity Market can be found [here](#).

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