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NSW energy accord an important step

The Australian Petroleum Production & Exploration Association has welcomed today's agreement between the Australian and New South Wales governments to facilitate increased gas supply, lower emissions and a more stable power supply.

The announcement by Prime Minister Scott Morrison and Premier Gladys Berejiklian underlines the importance of developing the state's significant natural gas resources for the benefit of its homes and businesses, and in lowering emissions from the state's coal-dependent electricity grid.

The Narrabri Gas Project, which is still awaiting final environmental approval after years of assessment, could deliver up to 50% of NSW gas needs. The operator of the project, Santos, has pledged to deliver all of the project's gas supply to the domestic market.

Australian Petroleum Production & Exploration Association Chief Executive Andrew McConville said the economic case for developing local gas resources is irrefutable – well-paid and secure local jobs, state royalties, more secure supply and downward pressure on gas and electricity prices.

"If industry can further explore and develop gas resources with governments allowing proper environmental assessment and approvals processes to occur, Australia can continue its shift to a lower carbon, sustainable energy economy.

"It's important for Australia's oil and gas industry to be recognised for the positive role it can continue to play in the broader energy and emissions reduction debate. Natural gas is the perfect complement to the growing use of renewables and will continue to be so for decades to come."

APPEA has argued strongly that arbitrary restrictions on gas development in states including Victoria and New South Wales are not only forcing homes and businesses to pay higher gas prices, but they are slowing the transition to a lower emissions economy.

"It is pleasing to see the Prime Minister working with state governments to resolve this impasse." Mr McConville said.

"In particular, Victoria's unscientific, politically-motivated bans on onshore gas development must end."

Media contact: Matthew Doman – +61 421 888 858 – mdoman@appea.com.au