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APPEA welcomes climate change policy review

The release today of the terms of reference for the 2017 Review of Climate Change Policies is welcomed by the Australian Petroleum Production & Exploration Association (APPEA).

“The review provides an important opportunity to integrate climate and energy policy in Australia,” said APPEA Chief Executive Dr Malcolm Roberts.

“This is the key to delivering lower emissions *and* affordable energy security.

“Unfortunately, nowadays energy and climate change policy are often moving in different directions. For example, while the Climate Change Authority says Australia should triple its use of gas-fired electricity generation to achieve its emissions targets, gas supply is being strangled by unnecessary state government restrictions.”

Dr Roberts said APPEA supported a national climate change policy that reduces greenhouse gas emissions at least cost and facilitates investment decisions consistent with an international price on carbon.

“Using more natural gas in Australia’s power generation and resource processing would significantly enhance the nation’s ability to meet its growing energy needs and reduce emissions. Gas-fired electricity generation is the key technology that combines reliability and rapid ramp-up times to complement intermittent renewable energy technologies.

“Australia’s abundant natural gas resources can deliver long term, cleaner energy domestically and across the Asia-Pacific. Our growing LNG exports offer the world a cleaner energy source while also generating jobs, economic growth and taxation revenues here at home.”

Dr Roberts said the review should consider several key issues, including:

- *The treatment of trade-exposed industries, such as Australia’s LNG exports:* to ensure their international competitiveness is maintained, and Australia can become a more attractive destination for oil and gas investment.
- *Access to international carbon markets:* APPEA has long advocated the use of credible international permits/credits in order to meet any obligation under Australian laws to manage greenhouse gas emissions.
- *Improvements to the operation of the Emissions Reduction Fund’s Safeguard Mechanism:* to ensure retention over the longer-term of the existing ‘flexibility mechanisms’ which recognise the particular circumstances facing the oil and gas industry and the range of factors, such as geology, that influence emissions from projects, but over which the proponents have little or no control.
- *A reconsideration of the proposed ‘best practice’ approach to Safeguard Mechanism baseline setting for investments commencing after 1 July 2020:* to ensure such an approach does not pose a significant impediment to future investment in the upstream oil and gas industry.
- *An ‘emissions intensity scheme’ for the electricity sector:* the development of such a scheme, as with any climate change policy approach, would need to be undertaken carefully and in close consultation with industry.



“We look forward to a constructive dialogue with governments during the course of the review, to ensure our natural gas resources can continue to generate significant additional national economic, environmental and social benefits,” Dr Roberts said.

“Natural gas has a key role to play as Australia and the world makes the transition to a cleaner energy future. It is crucial that any climate change policy recognises this.”

For more information, see APPEA's [Climate Change Policy Principles](#).

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