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King Review offers new emissions reduction opportunities

The recommendations contained in the *Final Report of the Expert Panel examining additional sources of low-cost abatement (the King Review)* and endorsed by the Australian Government are important steps to opening up new emissions reduction opportunities across the Australian economy.

APPEA Chief Executive, Andrew McConville, said the report proposed sensible opportunities to drive investment in emissions reduction in sectors that have not featured heavily in the existing Emissions Reduction Fund (ERF).

“The Review has identified and recommended ways to improve participation in various emissions reduction opportunities by removing barriers to participation,” Mr McConville said.

“APPEA welcomes these recommendations to deliver greater abatement opportunities for the country. Importantly the report underlines the key role the oil and gas industry can play in cutting emissions.”

“For example, there are several carbon capture, utilisation and storage (CCS/CCUS) projects, and enhanced oil/gas recovery activities (EOR/EGR) projects under consideration in Australia that may provide opportunities to reduce emissions.

“The current arrangements mean that it has not been possible to consider these projects for support.

“Recognising the importance of these emission reduction activities and recommending that an ERF methodology be developed to facilitate the involvement of CCS/CCUS projects in the ERF, is an important step forward.”

APPEA also looks forward to its involvement in further consultation around several of the key recommendations contained in the Review’s Final Report including:

- Establishing a ‘below-baseline crediting arrangement’ for facilities using the safeguard mechanism, where the government has agreed to further consultation on how to implement such a scheme.
- Establishing a goal-oriented technology co-investment program to accelerate the uptake of transformative, high abatement potential technologies that are not currently cost competitive, which the Government is to consider and consult on further through the soon-to-be released national Technology Investment Roadmap.
- Providing ARENA and the CEFC with an expanded, technology-neutral remit so they can support key technologies across all sectors and be involved in the delivery of the goal-oriented co-investment program, which the Government has also agreed to consider through the Technology Investment Roadmap.

“The Review also recommends a number of compliance, administrative and operational improvements to existing schemes to improve their operation. Together these improvements will help to drive further abatement across the economy,” Mr McConville said.

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