

From: s47F
To: Power, Neville s47F
Cc: Munro, Kushla; Harris, Peter
Subject: Re: key points [SEC=OFFICIAL]
Date: Thursday, 14 May 2020 11:24:38 AM
Attachments: image001.png

Very helpful thanks Nev

Get [Outlook for iOS](#)

From: Power, Neville
Sent: Thursday, May 14, 2020 8:02:14 AM
To: s47F
Cc: Munro, Kushla ; Harris, Peter
Subject: Fwd: key points [SEC=OFFICIAL]
Info

Sent from my iPhone

Begin forwarded message:

From: "Taylor, Garth"
Date: 13 May 2020 at 7:05:03 pm AEST
To: "Johnston, Trish" , "Power, Neville"
Subject: key points [SEC=OFFICIAL]

OFFICIAL

Talking points linking net zero emissions, gas prices and manufacturing

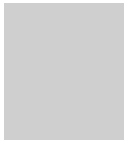
- Alan Finkel, Australia's Chief Scientist said 'gas to firm up solar/wind power will give us a **very accessible, quick transition pathway to a much, much lower average emissions** from our electricity grid... **for 10,20 years, perhaps a bit longer, the use of gas will actually accelerate the reduction in emissions** from the National Electricity Market' (5 May 2020, Radio National)
- AEMO 2020 Integrated System Plan: more gas generation **would be likely with lower gas prices**. Gas can provide flexibility and despatchability to firm up intermittent generation. Gas generators can also be built to support the grid network, providing **system strength and inertia even when not generating electricity**. These services are '**increasingly valuable at very high penetrations of inverter-controlled renewable generation**'.
- Rod Sims, ACCC Chair said 'I think the gas industry as a whole certainly has to carry a lot of blame for the mess... [for] the companies that are closing down and [then] **the trouble this is causing for Australian manufacturing and Australian jobs**' (26 Feb 2020, interview with ABC)

Two main points

- We need gas to accelerate to a lower emissions future
- Lower priced gas will support both electricity generation and manufacturing

Garth Taylor

s22



The Department acknowledges the traditional owners of country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their elders both past and present.

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Please note my new email address effective immediately.

s 47F

From: s22
To:
Subject: FYI - NCCC/gas article [SEC=OFFICIAL]
Date: Thursday, 14 May 2020 2:40:30 PM
Attachments: [image001.png](#)

OFFICIAL

<https://www.abc.net.au/news/2020-05-13/coronavirus-recovery-to-push-australia-towards-gas-future/12239978>

s 22

ELI Advisor | Coordination & Liaison

m. s 22

e. s 22

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Department of the Prime Minister and Cabinet
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From: s22
To: Johnston, Trish
Subject: Gas - Guardian and Crikey + Andrews speech [SEC=OFFICIAL]
Date: Wednesday, 20 May 2020 3:59:42 PM
Attachments: image001.png

OFFICIAL

Hi Trish

As discussed:

[The Guardian article by Katherine Murphy:](#)

Ten years ago politicians used to talk up the virtues of gas as a transitional fuel. But that was 10 years ago

[Crikey article by Kishor Napier-Raman:](#)

- This week, the commission has been trumpeting a \$6 billion trans-Australian gas pipeline.

From Minister Andrews' speech:

- "...many of the building blocks for our manufacturing sector are both complex and deceptively simple: Cheaper gas and electricity..."
- "Angus Taylor [is] working to drive down energy costs"
- "Our areas of national priority might include pharmaceuticals and med-tech, defence, energy technology, the emerging space industry and waste and recycling. And of course, a developed **advanced manufacturing capability** is an enabler for all of these sectors."

Other commentary in response to the speech:

- Get Up: "The Morrison Government is flushing public money down the toilet investing in gas. Investment in renewables would not only lower energy bills but would also help our climate." + "MP Karen Andrews wants us to focus on our 'competitive advantage' in manufacturing. As the sunniest country in the world, seems like we have a strong 'competitive advantage' in renewables."
- 350org were "disappointed to hear no talk about the opportunities for clean manufacturing in a zero-carbon world."
- Greenpeace Australia Pacific: "Energy costs? Solar and wind are the cheapest forms of new energy."

s 22

Communication Adviser

p. s 22

e. s 22

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From: s 22
To: Phillips, Heike
Subject: Gas and renewable targets - Guardian and Crikey [SEC=OFFICIAL]
Date: Wednesday, 20 May 2020 3:44:01 PM
Attachments: image001.png

OFFICIAL

Hi Heike

Here's what I have so far.

[The Guardian article by Katherine Murphy:](#)

Ten years ago politicians used to talk up the virtues of gas as a transitional fuel. But that was 10 years ago

[Crikey article by Kishor Napier-Raman:](#)

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- Greenpeace Australia Pacific: "Energy costs? Solar and wind are the cheapest forms of new energy."

Thanks

s 22

s 22

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From: s22
To: Phillips, Heike
Cc: s22
Subject: Gas commentary [SEC=OFFICIAL]
Date: Monday, 18 May 2020 11:48:41 AM
Attachments: image001.png

OFFICIAL

Hi Heike

Here's the latest commentary.

I also checked to see what Phil has been writing on gas, the latest reference was in an opinion piece on [13 Feb](#), which included this comment from Treasurer Frydenburg: "We need to have diversity in energy supply, that also means gas and there's still going to be a reliance on coal, even though there is going to be a transition away from coal which is not a bad thing," he said.

Minister Taylor's commentary:

[17 May – SMH](#)

- Advocates for increasing gas use and exports, saying that countries with access to cheap liquified natural gas were able to cut emissions faster.
- Has also backed 'brown' hydrogen alongside 'green': "it's not heralded much, but Japanese power generators are talking about feeding hydrogen into their old gas power systems, which creates phenomenal export potential for us in Australia, and offers a huge advantage (to generators) that they don't have to rebuild their plants."

[15 May – Sky News Peta Credlin](#)

- "if you think you can have lots of solar and wind" generated power in the electricity grid "and not have complementary baseload power, then you are kidding yourself".
- Dispatchable power derived from gas, coal and hydro is needed to "complement" renewable energy going into the system.

[12 May – ABC](#)

- Australia should have a gas-powered recovery from C19.

[21 April – SMH](#)

- "Global pressure on gas and oil prices provides us with an opportunity for strategic economic stimulus in Australia to aid the recovery,"
- "Gas already plays an essential role in energy reliability, but it could be even more important through a gas-fired recovery. We want to have demand for affordable gas matched with priority upstream investment opportunities to bring gas where it is needed and provide economic stimulus."

I'll have a look around energy/coal to see if there's anything substantially different.

s 22
Communication Adviser
p. s 22
e. s 22

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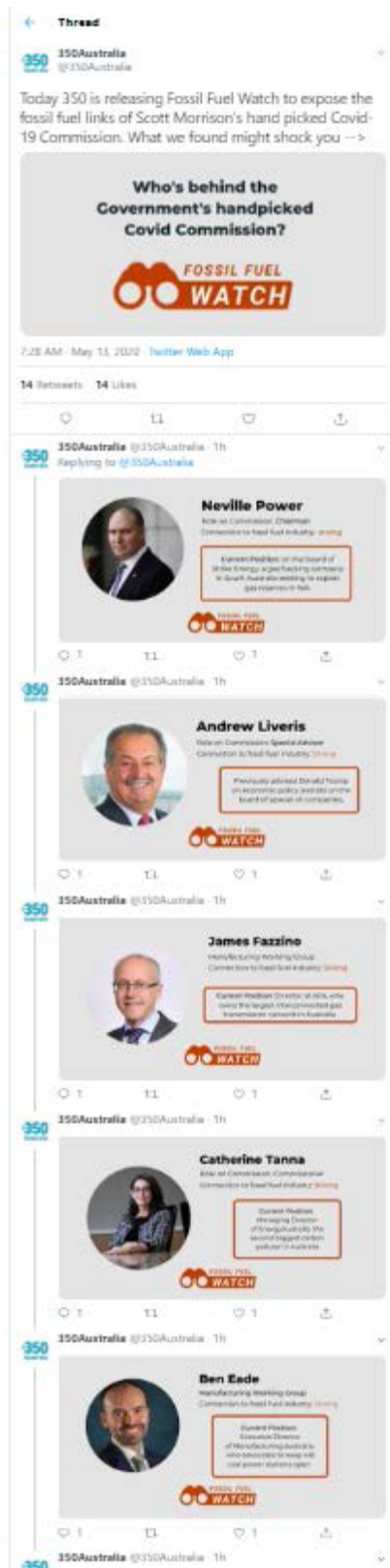
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From: s22
To: Johnston, Trish; Phillips, Heike; s22
Subject: FW: ABC article on gas 'push' [S
Date: Wednesday, 13 May 2020 9:42:01 AM
Attachments: image001.png
image002.png

OFFICIAL

Here's the supporting social media:

Twitter





Facebook:

350.org Australia
1 hr · 🌐

The fossil fuel lobby is running a concerted campaign to exploit this global health crisis to further their agenda. Their demands are not new, but their tactics are getting more aggressive.

Find out more at <http://fossilfuel.watch>

STRIP

the community of the right to challenge mining projects in court

👍❤️😬 6
4 comments 4 shares

👍 Like
💬 Comment
➦ Share
👤

Most relevant ▾

😊 📷 📺 🗨️

Press Enter to post.

Author

350.org Australia We could create a more caring, equal and resilient society as we come out the other side of this crisis, but right now the fossil fuel lobby is standing in our way. Support the Peoples Recovery that will bring us into the future: <https://350.org.au/a-peoples-recovery/>

350.ORG.AU

Sign onto the People's Recovery

Like · Reply · 10m

Shantidasa Morisimo Where's the letter to sign? I followed the links but there was just the information and a donate button.

Like · Reply · 44m

Author

350.org Australia My mistake! I accidentally linked the button wrong, it's supposed to go here <https://350.org.au/a-peoples-recovery/>

Like · Reply · 11m

From: s 22

Sent: Wednesday, 13 May 2020 8:58 AM

To: Phillips, Heike ; Power, Neville ; s 22 ; Harris, Peter ; Johnston, Trish ; Thompson, Malcolm

Cc: s22

Subject: RE: ABC article on gas 'push' [SEC=OFFICIAL]

OFFICIAL

Good morning

The [ABC article](#) refers to a report, but it looks like it's actually a dedicated website. NB the media release refers to the website as just the 'first step in a national campaign'.

- The website set up to track the NCCC: <https://fossilfuel.watch/>
- 350 media release outlining their plans to track the NCCC: <https://350.org.au/press-release/350-orgs-fossil-fuel-watch-project/>

Thanks

s 22

From: Phillips, Heike <Heike.Phillips2@pmc.gov.au>

Sent: Wednesday, 13 May 2020 8:16 AM

To: s 22

Subject: Fwd: ABC article on gas 'push'

Good morning s 22

Can you track down the report from 350 mentioned in this article please and, if you can find it, send it to s 22 (for Nev) and Sacha (for Peter and Malcolm)?

Thanks

Heike

Sent from my iPhone

Begin forwarded message:

From: "Phillips, Heike" <Heike.Phillips2@pmc.gov.au>

Date: 13 May 2020 at 8:01:59 am AEST

To: "Power, Neville" <Neville.Power@pmc.gov.au>, s47F
"Harris, Peter" <Peter.Harris@pmc.gov.au>, "Johnston, Trish" <Trish.Johnston@pmc.gov.au>, "Thompson, Malcolm" <Malcolm.Thompson2@pmc.gov.au>

Subject: ABC article on gas 'push'

Please also note this ABC article;

<https://www.abc.net.au/news/2020-05-13/coronavirus-recovery-to-push-australia-towards-gas-future/12239978>

Heike

Sent from my iPhone

RECOVERY IN THE RESOURCES SECTOR MINUTES

Date/Time Thursday 30th April 2020, 10.30am - 11.30am

Attendees:

Kushla Munro, First Assistant Secretary,
Energy, Utilities and Resources/Mining

Michael Wright, DEPSEC, Geoscience, Mining and Exploration

Alex ?, Executive Director for Mining Policy

Ian Smith, Director for Office of Regulation and Economic Development

Representing:

National COVID-19 Coordination Commission (NCI)
NCCC

Department of Resourcing, NSW Government

Department of Resourcing, NSW Government

NSW Government

a22

Discussion about gas, NSW Gvt reps noted that the Santos Narrabri proposal is to be determined subject to public hearings (which can take place online), as well as the potential for other projects in that area.

Kushla highlighted comments made by Ministers Taylor and Pitt regarding a gas led recovery and some of the limitations/ potential for this including momentum from the Liveris manufacturing taskforce.

NSW Gvt reps noted that the government does not have a position, preference is to move to renewables while ensuring the grid is sustainable. The NSW Gvt has moved to kick start future industry and noted the interest from an Indian company (Perdaman) in establishing a gas plant in the Narabri region.

Kushla highlighted the level of investment involved in that project and the potential for green ammonia in the future. She provided an overview of the thinking around the West to East coast gas pipeline and some of the challenges involved, noting that the NCCC was considering this along with other work.

Michael noted that the resources minister roundtable was unable to secure a consensus on a national gas reservation policy.

s22



Statement by Neville Power, Chair, National COVID-19 Coordination Commission

I am deeply disappointed at the characterisation of me, the Commissioners and working group members in an article in *The Guardian* ("Why is the Covid commission backing a fertiliser plant as its top recovery project?" 3 May) as being constrained by our sector-specific backgrounds and driven by self-interest.

The Commissioners and I hold many board positions and take our fiduciary duties under government regulations and the management of conflicts of interest very seriously.

We have come to this Commission, at the invitation of the Prime Minister, for one reason – to use our collective experience, business knowledge and networks to help limit the impact of COVID-19 on Australian businesses, on jobs and on our community, and to help rebuild our economy as quickly as possible.

We each come from different backgrounds and experiences, and of course my background in agriculture, mining, infrastructure, aviation, construction, manufacturing and gas means that those are my reference points. When asked to give an example of potential energy intensive manufacturing opportunities, I gave the Narrabri fertiliser project as an example of the type of manufacturing that Australia could pursue as part of our economic recovery. It was an example only. At no stage did I give endorsement or recommendation for it to proceed. Reporting that it was a project that the Commission had endorsed was inaccurate.

I have also spoken about the opportunities Australia should be exploring on the back of the low dollar and disrupted supply chains, using the competitive advantage of all of our abundant and diverse energy sources – including gas and renewables.

The Commission has been established to bring a business perspective to our economic recovery. Because of our connections into the business, science, not-for-profit, health and other sectors, we can provide considered and curated practical advice to Government.

We are taking a look at new ideas, as well as a second look at proposals that didn't progress at the time, but which could be of interest in our current circumstances.

We are working with taskforces in the Treasury, Health and the Department of the Prime Minister and Cabinet and will provide our advice to Government. While we will take care to provide them good advice, ultimately the decisions about reforms or support for specific proposals are going to be made by the Government.

I am proud to be playing my part, and will ultimately return to my own business interests. In the meantime, I take no offence at being asked about any conflict of interest – that is a fair and reasonable question, and the Commission has put in place a robust process for that. I do take issue with the assumptions and insinuations made in *The Guardian* article that my background and that of the Commissioners prevents us from providing impartial advice in the best interests of our country.



NCCC

National COVID-19
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American Chamber of Commerce

Event Brief

s 22

Questions and talking points

s22

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We hear loudly the message from Government that we should strive for a gas-fuelled recovery from COVID. In the midst of those calls appears to be some voices pursuing a rent seeking agenda for intervention to support their particular industry or sector, rather than a call for strong maintenance of open markets and competition. How is the Commission assessing calls for non-commercial outcomes to support industries that have historically struggled to compete internationally?

Energy

- One of the keys to getting our industries competitive is to have competitive energy supply.
- We have a competitive advantage in energy. We have access to coal, gas, solar, wind and hydrogen.
- Right now, we have an opportunity to get low cost gas into our markets and make sure that we can then generate low cost electricity, and that will kickstart a lot of manufacturing that we currently import.

- That view is not in conflict with a future where we have a reliable, low-cost energy system based primarily on renewable energy sources – on the contrary, I see gas as a pathway to that future.
- Our immediate priority is to deliver the lowest-cost, most reliable energy generation, to help businesses re-establish themselves and accelerate investment in industries and job creation.
- We have a two-year window now where we can reasonably expect to see low electricity and low gas demand (based on AEMO forecasting) and reasonable energy costs. This gives us an opportunity to increase the capacity of our distribution infrastructure and to reduce the cost of transmission; it gives us an opportunity to redefine manufacturing.

We understand the Commission is considering recommending a range of initiatives to government aimed at bringing down domestic gas prices on Australia's east coast. Of these recommendations, which one do you think has the greatest potential to achieve the government's objectives?

- What we want is greater transparency on demand, and supply on gas in Australia - most importantly it is getting the market to work, getting more competitively priced gas - including severing the link to the international LNG buy-back price.



NCCC

National COVID-19
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Bank of America

Event brief

s 22

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Q&A talking points

s22

s 22

Our energy resources are strong now and can last well into the future, but energy pricing has been a key issue for our manufacturing sector. Is that an issue you are looking at, and what do you think can be done to stimulate local manufacturing to drive economic growth and perhaps better insulate Australia from future events like this? **Nev to answer**

Energy

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s 22



NCCC

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Australian Petroleum Production and Exploration Association

Event Brief

s 22

Media commentary from [REDACTED] s47F [REDACTED]

s47F s47F	s47F	<p>On Friday 15 May, APPEA put out a media release following the EnergyQuest report which found Australian domestic gas prices have fallen while gas exports have been sustained.</p> <p>s47F has expressed support for the Narrabi gas project in NSW, citing economic benefits; energy stability and the amount of gas at the site, and job creation.</p> <p>s47F has praised the Queensland Government's leadership in development of gas fields.</p> <p>s47F wrote an article in The Australian advocating for a stable investment climate for the oil and gas sector, noting the sector's importance in underpinning the Australian economy and the ability to create jobs in rural areas (article).</p> <p>s47F has expressed support for simplified application processes to suspend and extend existing programs, as well as further flexibility in the renewal of exploration permits.</p> <p>APPEA is calling on the Government to bring long-term regulatory stability to create attractive investment opportunities to support the oil and gas industry (media release).</p> <p>APPEA welcomed Government announcements around the establishment of an Advancing Hydrogen Fund to support the development of a commercial hydrogen industry in Australia (media release).</p>
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APPEA paper

In a paper recently released by the APPEA board, the organisation is advocating for the following as a means of supporting the recovery of Australia's economy:

In a paper recently approved by the board, APPEA is advocating for **four key areas**:

- 1. In the immediate term, retain collaborative operating initiatives that are allowing the industry and Government to maintain essential services** – this includes retaining the National Cabinet and National Coordination Mechanisms, maintaining operating protocols for the movement of people necessary to retain essential services and maintaining flexible and simplified processes around offshore exploration programs;
- 2. Expediting the government's pro-growth reform agenda to reduce red and green tape and provide regulatory stability** – this includes the removal of duplication between State and Federal Governments, completing the Productivity Commission Review into Regulation of the Resource Sector and the Environmental Protection and Biodiversity and Conservation Act, engage in

practical reforms to the industrial relations system and progress the proposed digital approvals and progress database being developed between the Federal and WA Government;

3. Promote and support open and competitive markets to facilitate affordable and reliable supply of gas – this includes releasing acreage for exploration and development, removing unscientific bans on onshore development, transparent, open and secure access for exploration and development and competitive terms for domestic and international markets;

4. Ensuring a stable and competitive fiscal regime – this includes reviewing Australia's reliance on corporate tax, avoiding changes to the Petroleum Resources Rent Tax and avoiding short term revenue raising measures.

- APPEA have identified the challenges presented by historically low oil prices, which will continue to pose challenges in the medium to long term.

Talking points

s47C, s47E(d)

Background

s22

COVID-19's impact on the Australian gas sector

In line with the global oil and gas market response to COVID-19, Australian gas producers have announced the following reductions in capital expenditure:

- Santos is cutting capital expenditure by almost 40 per cent
- Woodside will cut its forecast total capital spend this year by 50 per cent to \$2.4 billion. Cuts will include \$100 million in operating spend and 60 percent reduction in investment spend to \$1.7 \$1.9 billion.
- Beach Energy announced plans to defer up to 30% of capital investment in financial year 2021.
- Origin Energy will cut capital expenditure for the 2020 financial year by 5%-10% and the 2021 financial year by 25%-30%.

A snapshot of the Australian Government's response to gas market issues

In 2017, gas prices on the east coast of Australia reached record highs due to a number of factors, including the ramp up in LNG production. The Australian Government implemented a number of reforms and measures to bring on more gas supply and improve the function of gas markets (listed below). Potential national gas reservation should be considered as one part of a broader suite of measures aimed at improving gas markets.

- **Australian Domestic Gas Security Mechanism (ADGSM):** Introduced in July 2017, the ADGSM gives the Minister for Resources the ability to restrict LNG exports in years where the domestic market is in shortfall. In 2019, the Government carried out a review into the ADGSM finding it has been largely effective in securing gas supply.
- **Heads of Agreement:** In October 2017 and September 2018, the east coast LNG exporters agreed with the Australian Government that they would offer uncontracted gas to the domestic market in the event of shortfall. The current Heads of Agreement expires at the end of 2020.
- **Gas inquiry 2017-2025:** In 2017, the Government directed the Australian Competition & Consumer Commission (ACCC) to use its special powers to conduct an inquiry into Australia's natural gas markets, and to publish important

information on gas supply and pricing from 2017-2020. In 2019, the Government announced the inquiry's extension to 2025.

- **Gas market transparency measures:** Federal, state, and territory governments are working to prompt gas producers and LNG exporters to publish more information on gas prices, reserves, and resources to enable better decision-making by gas market participants.
- **Pipeline regulation:** Federal, state, and territory governments are working to improve the way the gas pipelines are regulated.
- **Gas Acceleration Program:** Since 2017, the Government provided \$26 million to five projects to speed up the development of onshore gas projects for the domestic market.
- **AEMO Gas Supply Guarantee:** In 2017, pipelines and producers committed to making gas available to meet peak demand periods in the National Electricity Market.
- **Bilateral State Energy Deals:** The Government is entering into bilateral agreements with state and territory governments on energy and emissions reductions. The first bilateral agreement, which committed \$960 million from the Commonwealth, was signed with NSW on 31 January 2020. A key component of the NSW energy deal is a commitment for Governments to work together to increase gas supply in NSW by 70 petajoules (PJ) of gas each year. Agreements with other states are being negotiated and will be finalised progressively.