

## **Barton Deakin Brief: Policy Updates in Nuclear, Gas and Petroleum Energy**

**6 August 2019**

To better meet Australia's energy generation demands and to lower emissions, Federal Minister for Energy Angus Taylor has requested an inquiry into nuclear energy, updated a suite of gas policies and has commenced negotiation with the United States regarding petroleum stockpiling.

### **Gas Reserve Update:**

Today, Treasurer Josh Frydenberg, Minister for Energy Angus Taylor and Minister for Resources and Northern Australia Matt Canavan announced a new national gas plan aimed at boosting the supply of gas in the east coast gas market. The measures announced today include:

- Bringing forward the review of the Australian Domestic Gas Supply Mechanism (ADGSM) to this year. The report will be delivered by the Department of Industry, Innovation and Science in September.
- Investigating the feasibility of a national gas reservation scheme. The Government will work with the Council of Australian Government (COAG) starting Friday to encourage states and territories to increase gas supply into their respective markets. A final decision regarding the gas reservation scheme will be likely made in February 2021.
- Ordering a review of pipeline regulation aimed at alleviating cost and transport limitations and increasing competition in the market
- Extending the Australian Competition & Consumer Commission's (ACCC) role in monitoring and reporting for the gas market until 2025

To read the Ministers' media release, click [here](#).

To visit the ADGSM department page, click [here](#).

### **Nuclear Energy Update:**

Minister Taylor has asked the House Standing Committee on the Environment and Energy to undertake an inquiry into the nuclear fuel cycle, to be completed by the end of 2019. There is currently a moratorium on nuclear energy generation. The Committee will specifically address the following prerequisites necessary for nuclear consideration:

- waste management, transport and storage;
- health and safety;
- environmental impacts;
- energy affordability and reliability;
- economic feasibility;
- community engagement;
- workforce capability;



- security implications; and
- national consensus

Leading the inquiry will be Environment and Energy Committee Chair and former Barton Deakin Queensland Managing Director Mr Ted O'Brien MP. Previous nuclear inquiries have been undertaken by Ziggy Switkowski, the New South Wales Government and the South Australian Government.

To view the Committee homepage, click [here](#).

To read the Chair's media release, click [here](#).

### **Petroleum Stockpiling Update:**

In response to concerns about Australia's fuel security, Minister Taylor has indicated that the Coalition government is negotiating with the Trump administration on how to best access and secure United States fuel reserves during times of fuel shortage.

As a member of the International Energy Agency (IEA), Australia is required to store 90 days of crude oil, but it is currently only stockpiling 28 days' supply. The government's position is that establishing and maintaining the infrastructure to stockpile oil in Australia would be more expensive than having access to US strategic oil reserves.

Minister Taylor has also indicated that the IEA mechanism should be modernised. In its current form, oil stock time spent in transit (which typically takes 20 days) from the United States, does not count towards the 90-day stockpile threshold. In re-negotiating the IEA treaty, Minister Taylor has argued in favour of stockpiling times to include stock transit time.

**For further information about government updates on gas, nuclear energy and petroleum stockpiling, contact [David Alexander](#) on +61 457 400 524, [Grahame Morris](#) on +61 411 222 680 or [Paul Fitzgerald](#) on +61 408 406 547.**